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| Response Form to the Consultation Paper  |
| Guidelines for reporting under Articles 4 and 12 SFTR |

**Responding to this paper**

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex III. Comments are most helpful if they:

* respond to the question stated;
* indicate the specific question to which the comment relates;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all comments received by **29 July 2019.**

All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input - Consultations’.

**Instructions**

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

1. Insert your responses to the questions in the Consultation Paper in the present response form.
2. Please do not remove tags of the type <ESMA\_QUESTION\_RSFTR\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
3. If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
4. When you have drafted your response, name your response form according to the following convention: ESMA\_RSFTR\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_RSFTR\_ABCD\_RESPONSEFORM.
5. Upload the form containing your responses, in Word format, to ESMA’s website ([www.esma.europa.eu](http://www.esma.europa.eu) under the heading “Your input – Open consultations” 🡪 “Consultation on Position limits and position management in commodities derivatives”).

**Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publically disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

**Data protection**

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading [Legal Notice](http://www.esma.europa.eu/legal-notice).

**Who should read this paper**

All interested stakeholders are invited to respond to this consultation. In particular, responses are sought from financial and non-financial counterparties to securities financing transactions, tri-party agents, agent lenders, central counterparties (CCPs) and trade repositories (TRs), as well as from all the authorities having access to the TR data.

**General information about respondent**

|  |  |
| --- | --- |
| Name of the company / organisation | Finperform Limited |
| Activity | Audit/Legal/Individual |
| Are you representing an association? |[ ]
| Country/Region | UK |

**Introduction**

***Please make your introductory comments below, if any***

<ESMA\_COMMENT\_RSFTR\_1>

Conceptually we agree with the principles of SFTR. However for certain fields we are of the view that additional clarifications are required.

<ESMA\_COMMENT\_RSFTR\_1>

**Questions**

1. : Do you agree with the above assessment? Are there any other transactions for which clarification is needed? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_1>

On 5.1.1.5, ESMA has mentioned that Intraday credit / overdraft facilities offered by CSDs are out of scope for SFTR. At a practical level, the Intraday securities borrowing at a CSD is not known to the market participant till the end of the day. As the positions are cleared at the end of the day, with no active open transactions, we are of the view that there is no systemic risk to the financial system. Reporting of intra day security borrowing transactions will likely incur huge transaction reporting costs (for both the CSD and the market participant) for not much of value add to the financial system. Secondly, Given the nature and timing of transactions (i.e. the trade is not initiated by the market participant), the market participants are at the mercy of CSD to provide “assisted reporting” for such transactions and the matching exercise at TR will be largely theoretical, as CSD will provide all the necessary reporting requirements. We are of the view that any Intraday borrowing should be out of scope for reporting obligation for the market participant. This should follow the same logic as that of Intraday clearing / overdraft facilities.

Certain market participants enter into facility / commitment agreement whereby they pledge certain securities and drawdown a loan against those securities either on the same day of pledge or at a future period. The title of these securities does not transfer, except in case of default. Although these financing transactions are collateralised through securities, we are of the view that these transactions do not fit into the definition in SFTR regulation, hence it will be out of scope for reporting. Please can ESMA confirm that these transactions will be out of scope?

<ESMA\_QUESTION\_RSFTR\_1>

1. : Do you agree with the approach set out for reporting of SFTs under Article 4 of SFTR as detailed above? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_2>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_2>

1. : Do you agree with the approach for reporting repos and reverse repos as detailed in this section? Please detail the reasons for your response

<ESMA\_QUESTION\_RSFTR\_3>

There are certain type of Repos where the repurchase price is in a different currency than that of the purchase price. Should they be reported as a single transaction?

<ESMA\_QUESTION\_RSFTR\_3>

1. : Are there any other types of repos and reverse repos transactions for which reporting needs to be clarified? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_4>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_4>

1. : Are there any other aspects on reporting of master agreements or other elements of BSB/SBB that need to be clarified? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_5>

There are a number of instances where a BSB / SBB are entered as part of GMRA. They have the same functionality as that of Repo. However, if we are using the BSB template (as prescribed by ESMA), there will be inconsistencies in reporting. Please can the validation rules be amended to report BSB / SBB in the Repo template

<ESMA\_QUESTION\_RSFTR\_5>

1. : Do you foresee any issues relating to the non-availability of information on the counterparties and the securities by T+1? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_6>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_6>

1. : To what extent the SFTs that are cancelled and replaced bear price-forming information, i.e. does the cancellation imply an additional fee or price charged? If so, how can this information be better included in the reports? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_7>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_7>

1. : Which approach would you favour in terms of reporting cash-driven SLB? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_8>

We are of the view that the cash-driven SLB should be reported under the Repo template. It has to be understood that the SFT Type will still be SLEB with the master agreement as GMSLA or similar agreement.

As per ESMA’s assessment it appears that cash-driven SLBs are primarily related to CCP. However cash-driven SLBs are generally concluded via the GMSLA.

<ESMA\_QUESTION\_RSFTR\_8>

1. : Do you agree with the proposal with regards to reporting of SFTs involving commodities? What other aspects should be clarified with regards to these SFTs? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_9>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_9>

1. : Are there any aspects that need to be clarified with regards to this type of SFTs? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_10>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_10>

1. : Do you agree with the proposal with regards to reporting of margin lending? What other aspects should be clarified with regards to these SFTs? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_11>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_11>

1. : Having in mind that position reporting of CCP-cleared SFTs is optional only when transaction-level reporting was made in accordance with paragraph 84, do you believe that additional clarifications need to be provided by ESMA? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_12>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_12>

1. : Do you agree with the approach regarding allocation of responsibility with regards to SFTs concluded between TC-FC and EU SME-NFC? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_13>

We would like to understand who is responsible to determine the status of SME-NFC?. This status is likely to change between accounting periods (i.e. changing from Small to other categories and vice versa). Is that the responsibility of SME-NFC to inform their FC, that they are no longer a Small – NFC? Or is the FC have to conduct an assessment to determine SME status on a periodic basis?

For re-use reporting, the small NFC have to provide additional information to the FC for onward reporting, as not all the information will be available with the FC. Also, if the small NFC is using more than one FC, then there is a possibility of duplication of reuse reporting. We would like clarification on the responsibilities of reuse reporting for small NFC.

<ESMA\_QUESTION\_RSFTR\_13>

1. : Do you agree with the approach regarding allocation of responsibility with regards to UCITS management company and AIFM, established in third country? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_14>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_14>

1. : Do you agree with the approach for determining conclusion of SFTs by EU branches of non-EU entities? Are there any other instances in addition to the ones in paragraph 102 that would need to be clarified? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_15>

We do not agree with the approach for determining conclusion of SFTs by EU branches. This should solely be restricted to the trades that are booked in the EU branch. (i.e. where the systemic risk lie). It appears that ESMA’s approach is wide reaching to the extent that the key determining factor is individuals who are involved in the trade rather than where the trade is booked. This approach will cause confusion to the market participants, as the other side will not know, whether their transaction is in scope of SFTR. The approach outlined by ESMA is markedly different than that of EMIR. ESMA’s final report clearly mentions that ‘ the legal framework laid down by SFTR should to the extent possible be the same as that of EMIR”.

If we report the EU branch of the counterparty where the investment decision was made as Branch in SFTR reporting, this will be an inaccurate representation of books and records of the branch, because the trade was never booked in that branch.

Also, there will be other practical issues such as UTI sharing, re-use reporting for these transactions. In our view, the scope should be restricted only to the transactions that are booked in the books and records of the EU branch.

<ESMA\_QUESTION\_RSFTR\_15>

1. : Is the proposed guidance for determining whether an SFT conducted by a branch needs to be reported clear and comprehensive? Which areas require further clarification? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_16>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_16>

1. : Is the proposed guidance for reporting of intragroup SFTs clear and comprehensive? Which areas require further clarification? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_17>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_17>

1. : Do you agree with the approach for reporting by NFCs? Is there any additional aspect relating to reporting by NFCs that needs to be clarified? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_18>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_18>

1. : Do you agree with the proposal for reporting conclusion of SFTs? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_19>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_19>

1. : Do you agree with the proposal for reporting modifications to SFTs? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_20>

IIt is not clear what the practical aspects of modifications should be reported after they have ‘taken place’. We would like clarification on how the early termination of fixed term and open repo should be reported; in table 5 it is mentioned to use MODI, however with the example in page 79, it mentions that we should be reporting as ETRM.

<ESMA\_QUESTION\_RSFTR\_20>

1. : Do you agree with the proposal for reporting collateral updates to SFTs? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_21>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_21>

1. : Do you have any issues with reporting in a timely manner valuation, margin and reuse updates pertaining to SFTs? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_22>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_22>

1. : Do TRs require additional guidance in relation to how reports submitted by the entities mentioned in Article 2(2) and (3) of SFTR should be treated and the relevant procedures to follow? If so please confirm where further guidance is required.

<ESMA\_QUESTION\_RSFTR\_23>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_23>

1. : Do you agree with the proposed rules for reporting of field 1.17? Are there any other instances that would need to be clarified? Please detail the reasons for your answer.

<ESMA\_QUESTION\_RSFTR\_24>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_24>

1. : Do you consider proposal A or proposal B to be the most efficient way to ensure that details of SFTs are reported accurately, and why? What would be the costs and benefits of each approach? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_25>

We consider proposal A be the most efficient way from a market participant perspective.

<ESMA\_QUESTION\_RSFTR\_25>

1. : Do you agree with the sequences proposed? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_26>

We are of the view that position level reporting is not applicable for repo trades. Also, if a trade was incorrectly terminated using ETRM, can we resurrect the trade using CORR?

<ESMA\_QUESTION\_RSFTR\_26>

1. : Do you agree with the proposed mapping between business events and action types? Are there any additional business events that should be included? Please detail the reasons for your answer.

<ESMA\_QUESTION\_RSFTR\_27>

Counterparty default or settlement fail: As per ESMA consultation paper this should be reported using ETRM. However not all the settlement fails result in a cancellation of a trade. Generally settlement failures are resolved in a few days. Please can you confirm that the settlement fail that you are referring to are “permenant” settlement failure rather than a temporary failures. Also as per GMRA, in case of a counterparty default, does not automatically lead to cancellation of a trade. There are a number of scenarios that can occur after a counterparty default.

MODI vs ETRM + NEWT : Our understanding is that ETRM + NEWT is applicable only in those instances where the counterparties have contractually agreed to close out the previous trade and enter into a new trade with a new UTI. All the other lifecycle events will need to be reported as MODI.

Change of allocation ahead of settlement: We do not agree that re-allocation should be reported as EROR. Change of allocation ahead of settlement is a very common practice and in such cases if we report EROR, it will create unnecessary EROR messages. Our view is that in such instances should be reported as ETRM + NEWT.

Default of the collateral issuer: As per the table, it should be reported as either as COLU or ETRM. As per GMRA, a repo can’t be terminated due to default of the collateral issuer. Hence we suggest using only COLU.

<ESMA\_QUESTION\_RSFTR\_27>

1. : Are there any other relationships that would need to be defined? If so, please detail which ones.

<ESMA\_QUESTION\_RSFTR\_28>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_28>

1. : Is there any aspect not covered by the ITS on reporting that would require further clarification? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_29>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_29>

1. : Do you agree with the proposed approach for reporting of counterparty side in the case of CCP-cleared SFTs? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_30>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_30>

1. : Do you agree with the proposed approach to determine which side of a transaction is the collateral provider and which is the collateral taker for unsecured lending/borrowing of securities? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_31>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_31>

1. : Please indicate how frequently is a haircut, margin or any other type of discount/add-on, applied to the loan side of SLB?

<ESMA\_QUESTION\_RSFTR\_32>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_32>

1. : Do you agree with the proposed approach? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_33>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_33>

1. : Do you agree with the proposed approach? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_34>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_34>

1. : Do you agree with the proposed approach on timing and use of FX rates? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_35>

ESMA’s approach on timing and use of FX rates does not fit in with the market practice. The FX rates are generally applied at an enterprise level and used for risk and exposure monitoring purposes. It is highly unlikely that the firm have to change their FX and valuation policies which is used globally across all products and systems to meet the reconciliation requirements laid out by ESMA. The FX rates will generally be sourced from enterprise applications (i.e. books and records) rather than external sources. As every organisation’s FX rates is likely to be different, the breaks will be more common and unavoidable, due to the low tolerance levels. We would welcome ESMA to increase the tolerance levels to a more acceptable level.

<ESMA\_QUESTION\_RSFTR\_35>

1. : Does ESMA need to provide additional guidance on the reporting of the valuation fields? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_36>

ESMA’s approach on timing and use of valuation does not fit in with the market practice. The FX rates are generally applied at an enterprise level and used for risk and exposure monitoring purposes. It is highly unlikely that the firm have to change their valuation policies which is used globally across all products and systems to meet the reconciliation requirements laid out by ESMA. The values will generally be sourced from enterprise applications (i.e. books and records) rather than external sources. We foresee, the breaks will be more common and unavoidable, due to the low tolerance levels. We would welcome ESMA to increase the tolerance levels to a more acceptable level.

<ESMA\_QUESTION\_RSFTR\_36>

1. : Do you have any remarks concerning the reporting of CFI? What other aspects need to be clarified to ensure that reporting is consistently performed? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_37>

Please can you clarify what is defined as “official source” of CFI code? Also, if there was no official CFI code available, can the firms decide on their interpretation to arrive at a CFI code?. We would like only the first two characters of the CFI code to be reconcilable rather than the entire data. The other option is to make this field optional or ESMA can provide a default value in those circumstances where the CFI code is not available.

<ESMA\_QUESTION\_RSFTR\_37>

1. : Do you agree with the approach for back-loading? What other aspects have to be considered to make the reporting of backloaded SFTs more efficient for counterparties and TRs, i.e. the costs of this approach are minimised and also the usefulness of the reports submitted going forward is maximised? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_38>

We favour level 1 text, i.e. not to backload the entire population on day 1. This is more cost effective and will ensure that all the participants are on the same understanding and avoid any confusion during matching and reconciliation phases.

<ESMA\_QUESTION\_RSFTR\_38>

1. : What other aspects with regards to the UTI have to be clarified? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_39>

In the instances where the UTI generating counterparty (as per the ESMA waterfall) does not share the UTI either due to their infrastructure or process issues within a specific timeline (let’s say 6 pm on T0) can the other side report the trade with their own UTI to meet their regulatory obligations? Or do they have to wait for the generating counterparty to provide an UTI and then submit the reporting to TR on a delayed basis. This will be an issue in case of bilateral trades such as Repos. We are of the view that reporting obligation supersede the UTI matching requirement, hence the firm should generate their own UTI and report to TR. Also, we would welcome ESMA to provide guidance on the algorithm to generate UTI, so that all parties are clear on how this should be generated if the other party fails to share UTI.

<ESMA\_QUESTION\_RSFTR\_39>

1. : Are there any other instances that need to be clarified? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_40>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_40>

1. : Please provide the relative volume of transactions for which issuer’s LEI (of securities used as collateral) or ISIN is not available in principle.

<ESMA\_QUESTION\_RSFTR\_41>

We understand the spirit of providing LEI of issuer. However ESMA needs to realise the practical implications of this requirement. By making this field mandatory, this will fail in TR validations, which means that the market participant will never be able to report transactions for which there is no issuer LEI. ESMA will be unable to quantify the magnitude of the issue, given they will never receive such trades. Instead our view is to make it optional, by this way, ESMA can reasonably ascertain the list of securities for which there is no LEI. Alternatively, ESMA can prescribe a default value of an LEI which can be used if there is no issuer LEI available.

<ESMA\_QUESTION\_RSFTR\_41>

1. : Do you agree with this approach? What other aspects need to be considered? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_42>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_42>

1. : Do you believe there are other use cases that need to be further defined in this subsection? Do you agree with the applicability of those use cases to the different types of SFTs as outlined above? Please detail the reasons for your answers.

<ESMA\_QUESTION\_RSFTR\_43>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_43>

1. : Do you agree with the population of the counterparty data fields? Please detail the reasons for your response and indicate the table to which your comments refer.

<ESMA\_QUESTION\_RSFTR\_44>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_44>

1. : Do you agree with the approach to reporting action types? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_45>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_45>

1. : Do you agree with the approach to reporting event date? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_46>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_46>

1. : Do you agree with the approach to reporting clearing? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_47>

We are of the view that there is no “prior repo” to be reported if it was cleared by CCP on an open offer basis. The same condition applies if a repo is executed on a trading venue and cleared by CCP on the same day.

RTN Reporting: Even though no prior repo is reported in case of repo executed on a venue and cleared by CCP on T0, the RTN(generated by the venue) should be reported on the cleared repos. We don’t understand the logic for such requirement for reporting RTN, when the prior repos have not been reported in the first instance. For the trades which are executed bilaterally and novated to CCPs, we understand that both the parties to bilaterall repos, have to report the trades as NEWT and then termination, and use the UTI from NEWT as RTN for the cleared repos.

<ESMA\_QUESTION\_RSFTR\_47>

1. : Do you agree with the approach to reporting trading venue field? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_48>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_48>

1. : Do you have any remarks or questions concerning the reporting of master agreements? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_49>

For certain agreements there is no version basis. Hence we would suggest to make the version field (2.11) as optional.

<ESMA\_QUESTION\_RSFTR\_49>

1. : Do you agree with the approach to reporting conclusion and beginning of an SFT? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_50>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_50>

1. : Do you agree with the approach to reporting term of the SFT? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_51>

Minimum Notice period: We would prefer if we report this field in calendar days rather than business days due to the global nature of the trades. Also, interest calculations are computed on calendar days rather than business days.

<ESMA\_QUESTION\_RSFTR\_51>

1. : Do you see any issues with the approach to reporting termination optionality? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_52>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_52>

1. : Which of these approaches do you favour for reporting general and specific collateral? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_53>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_53>

1. : Do you agree with the approach to reporting collateral arrangements? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_54>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_54>

1. : Do you agree with the approach to reporting fixed and floating rates of SFTs? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_55>

Regarding table 72, We would like to confirm that only modifications of the interest rate index and spread are reportable rather than the regular fixings of the index. Also, we would think that the field “Adjusted Rate”, does not have to be reported even on the first time an SFT is reported.

<ESMA\_QUESTION\_RSFTR\_55>

1. : Do you see any issues with the approach to reporting repo and BSB/SBB principal amounts? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_56>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_56>

1. : Do you agree with the approach regarding reporting fields 2.51 and 2.90? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_57>

The market participants will populate this field based on their enterprise applications and risk monitoring systems. Due to the nature of internal credit assessment amongst banks and their tolerance to various risk factors, the credit quality is highly likely to be different between banks. However this is a true reflection of their internal credit models. We are of the view that this field should be made non-reconciling.

<ESMA\_QUESTION\_RSFTR\_57>

1. : Do you agree with the approach to reporting securities on loan? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_58>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_58>

1. : Do you agree with the approach to reporting SFTs involving commodities? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_59>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_59>

1. : Do you agree with the approach to reporting cash rebate SLBs? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_60>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_60>

1. : Do you agree with the approach to reporting non-cash collateral SLBs? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_61>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_61>

1. : Do you agree with the approach to reporting margin loan data? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_62>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_62>

1. : Do you agree with the approach to reporting collateralisation? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_63>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_63>

1. : Do you agree with the approach to reporting cash collateral? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_64>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_64>

1. : Do you agree with the proposed approach? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_65>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_65>

1. : Do you agree with the proposed approach for calculating collateral haircuts or margin? Please provide justification for your response.

<ESMA\_QUESTION\_RSFTR\_66>

We think that ESMA included in paragraph 333, the formula to calculate Initial Margin not a hair cut. However the validation rules define this field (2.89) as a hair cut.

<ESMA\_QUESTION\_RSFTR\_66>

1. : Do you agree with the proposed approach for reporting collateral type field? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_67>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_67>

1. : Do you agree with the proposed approach for reporting Availability for collateral reuse? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_68>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_68>

1. : Do you agree with the proposed approach for reporting fields Identification of security and LEI of issuer? Are you aware of instances where securities provided as collateral do not have an ISIN? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_69>

As previously pointed in our feedback for Q41, we are of the view that LEI for Issuer should be made as optional given many issuers does not have LEI. The counterparty to the SFT can’t influence the issuer to register for an LEI, as the Issuer is not party to the SFT.

<ESMA\_QUESTION\_RSFTR\_69>

1. : Do you agree with the proposed approach for reporting plain vanilla bonds as collateral? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_70>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_70>

1. : Do you agree with the proposed approach for reporting perpetual bonds as collateral? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_71>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_71>

1. : Do you agree with the proposed approach for reporting main index equities as collateral? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_72>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_72>

1. : Do you agree with the proposed approach for reporting variation margining with additional provision of securities by the collateral provider? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_73>

We generally agree with the approach. However we don’t agree that field 2.74 (Value date of the collateral) as a linking field. This field is generally meaningless in the context of a repo. We would like this field to be made as optional, and the validation rule be amended so that 2.74 not considered as a linking field.

We are of the view that to indicate whether a variation margin is being given or received should be determined by a sign (positive / negative) rather than counterparty side (field 1.9). There are circumstances where both the parties have provided each other VM in the same asset. We think the VM received should be reported with a positive sign and VM given should be reported with a negative field. These signs can be applied to field 2.83 for margin securities and 2.76 for cash margin.

<ESMA\_QUESTION\_RSFTR\_73>

1. : Do you agree with the proposed approach for reporting variation margining with return of the same securities to collateral provider? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_74>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_74>

1. : Do you agree with the proposed approach for reporting variation margining with return of different securities to the collateral provider? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_75>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_75>

1. : Do you agree with the proposed approach for reporting prepaid collateral? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_76>

The concept of prepaid collateral is not applicable for repo. Hence field 2.74 adds no value for net exposure collateralisation reporting. This field should be made optional.

<ESMA\_QUESTION\_RSFTR\_76>

1. : Do you agree with the proposed approach for reporting portfolio code? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_77>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_77>

1. : Do you agree with the approach to reporting margin data? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_78>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_78>

1. : Do you have any comments on the scope of the non-cash collateral re-use measure, and are there practical obstacles to the reporting? In the case of margin lending, do you agree with the exclusion of securities that cannot be transferred to the prime broker’s account due to rehypothecation limits agreed contractually?

<ESMA\_QUESTION\_RSFTR\_79>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_79>

1. : Do you have any comments on cash collateral reinvestment, and do you agree with the scope?

<ESMA\_QUESTION\_RSFTR\_80>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_80>

1. : Do you agree with the proposed approach for reporting reuse, reinvestment and funding sources? Please detail the reasons for your response and include a reference to the specific table.

<ESMA\_QUESTION\_RSFTR\_81>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_81>

1. : What other aspects need to be considered with regards to the aforementioned approach with regards to treatment of rejection feedback? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_82>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_82>

1. : What other aspects need to be considered with regards to the aforementioned approach with regards to treatment of reconciliation feedback? Please detail the reasons for your response.

<ESMA\_QUESTION\_RSFTR\_83>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_83>

1. : What other aspects need to be considered to make the process more efficient? Please elaborate on the reasons for your response?

<ESMA\_QUESTION\_RSFTR\_84>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_84>

1. : Do you have any comments on the aforementioned practicalities relating to the provision of access to SFT data to authorities? What other aspects need to be considered to make the process more efficient? Please elaborate on the reasons for your response?

<ESMA\_QUESTION\_RSFTR\_85>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_RSFTR\_85>