

**Valdis Dombrovskis**  
**Vice-President for the Euro and**  
**Social Dialogue, also in charge for**  
**Financial Stability, Financial Services**  
**and the Capital Markets Union**  
**European Commission**  
**Rue de Spa 2**  
**1049 Brussels**  
**Belgium**

**Ref: ESMA's Opinion on EC's proposed amendments to SFTR draft technical standards**

Dear Mr Dombrovskis,

On 30 March 2017, ESMA submitted to the European Commission draft regulatory technical standards on the details of securities financing transactions to be reported to trade repositories (RTS on reporting) and implementing technical standards on the format and frequency of such reports (ITS on reporting), pursuant to Regulation (EU) 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (SFTR, hereinafter).

On 24 July 2018, in accordance with Articles 10(1) and 15(1) of Regulation (EU) No 1095/2010, the European Commission (EC, hereinafter) sent a letter informing ESMA of their "intention to endorse with amendments" the draft RTS and ITS submitted by ESMA. The amendments provided by the EC mainly relate to provisions of the draft RTS and ITS which stipulate, for reporting to trade repositories, the use of legal entity identifiers for branches and unique trade identifiers for transactions once these standards have been "endorsed by ESMA".

Pursuant to Articles 10(1) and 15(1) of Regulation (EU) No 1095/2010, ESMA has prepared the attached opinion (ESMA70-151-1651) on the EC's proposed amendments. The opinion reflects ESMA's view that the proposed amendments:

- a) will hinder the possibility to take into account international developments and reporting standards agreed at global level and risk timely alignment with international reporting standards;
- b) will deviate from and create inconsistency with the currently applicable EMIR reporting standards;



- c) will not provide certainty, clarity, predictability and consistency, which is essential for the market and public authorities in relation to reporting standards; and
- d) would result in a significantly extended timeline for the introduction of global standards in the EU.

Therefore, the draft technical standards have not been amended by ESMA as proposed by the EC, and remain unchanged.

Furthermore, the EC also referred in its letter to the currently applicable technical standards on reporting under Regulation 648/2012 (EMIR). For the reasons mentioned above, ESMA is not proposing any amendments to those EMIR technical standards.

Should you have any questions on this letter or the opinion, please do not hesitate to contact either me or Fabrizio Planta, Head of the Market Department.

Yours sincerely,

**SIGNED**

Steven Maijor

cc.: Roberto Gualtieri MEP, Chair of the Committee on Economic and Monetary Affairs, European Parliament  
Hartwig Loeger, President of the ECOFIN Council, Council of the European Union  
Jeppe Tranholm-Mikkelsen, Secretary-General of the Council of the European Union  
Olivier Guersent, Director-General Financial Stability, Financial Services and Capital Markets Union, European Commission