

ESMA SFTR Reporting Guidelines

On 6 January 2020, the European Securities and Markets Authority (“**ESMA**”) published its **final report** on guidelines on reporting under the EU Securities Financing Transactions Regulation (“**SFTR**”). The guidelines aim to clarify a number of provisions of the SFTR, provide further information regarding the compliance with the SFTR technical standards published in March 2019 and ensure the consistent implementation of the new SFTR rules. The publication of the guidelines follows an ESMA consultation commenced in May 2019.

The final report appeared to suggest that non-EU AIFs with authorised or registered AIFMs are subject to the SFTR reporting obligation. However, the European Commission and ESMA later clarified in correspondence that non-EU AIFs are not subject to the SFTR reporting obligations, even if the AIFM is authorised or registered in accordance with the AIFMD.

The guidelines provide clarity in relation to the following matters:

- the method of reporting securities financing transactions (“**SFTs**”), involving commodities for operational and non-financial purposes;
- the reporting start date when it falls in a non-working day;
- the number of reportable SFTs;
- the population of reporting fields for different types of SFTs;
- the approach used to link SFT collateral with SFT loans;
- the population of reporting fields for margin data;
- the population of reporting fields for reuse, reinvestment and funding sources data;
- the generation of feedback by trade repositories (“**TRs**”) and its subsequent management by counterparties, namely in the case of (i) rejection of reported data and (ii) reconciliation breaks; and
- the provision of access to data to authorities by TRs.