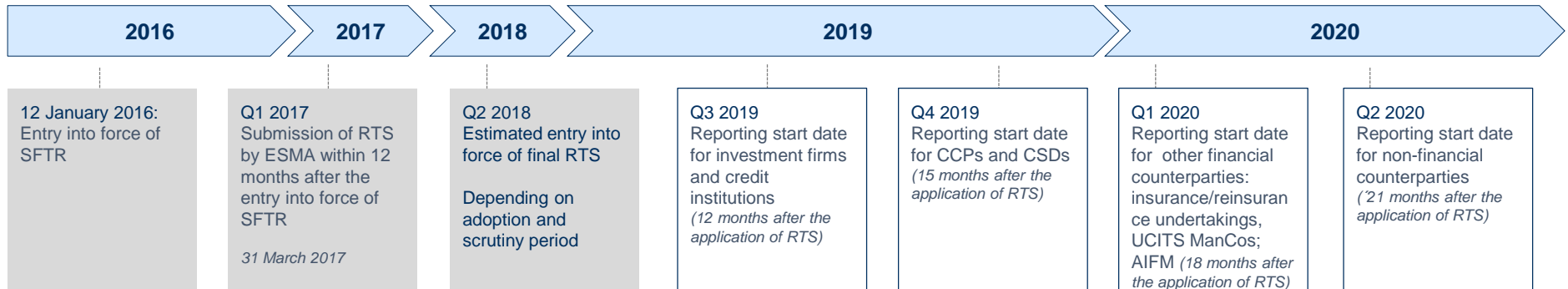




SFTR: A Trade Repository view from REGIS-TR

SFTR regulatory reporting timeline

Trade repository reporting is estimated to begin in **Q3 2019** with a **phased-in approach** depending on the counterparty classification.



← PHASED-IN APPROACH →

What is SFTR?	<ul style="list-style-type: none"> ▪ SFTR = Securities Financing Transaction Regulation ▪ Drawn on EMIR implementation infrastructure and supervised by ESMA ▪ Aims at providing increased transparency on the use of securities financing transactions in the market 	Entities in scope	<ul style="list-style-type: none"> ▪ Investment firms ▪ Credit institutions ▪ Insurance companies ▪ UCITS management companies and AIFMs ▪ Institution for occupational retirement provision ▪ Central counterparties ▪ Central securities depository ▪ Non – financial companies <p>EXEMPTION: counterparties entering into SFT transactions with the European System of Central Banks ('ESBC')</p>
Geographical scope	<ul style="list-style-type: none"> ▪ Applies to all EU financial and non-financial counterparties ▪ Including all branches irrespective of their location ▪ Third country entities are also required to report, if the SFT is concluded by an EU branch 		

SFTR regulatory reporting overview

Reporting process

- The reporting shall be submitted to a **trade repository registered in accordance with EU regulation SFTR**
 - Reporting obligations fall on **both counterparties**
- EXCEPTION:**
- Financial counterparty has to report on behalf of a small non-financial counterparty
 - Fund managers on behalf of their funds
- Discretionary delegated reporting is also possible
 - Maintain **record min. 5 years** (conclusion, termination and modification)
 - Reporting on **T+1** basis

Product scope

- Repurchase transactions
- Lending and borrowing transactions
- Sell/Buy –back transactions
- Margin lending transactions
- Etc.
- **Does not include derivatives as under EMIR**
- **Excluded in the scope of MIFID II**

Details to report

- Parties to the SFT, principal amount, currency, assets used as collateral, quality and value etc.
- LEI, ISIN, UTI
- 4 tables; #153 fields
- Phased in number of reconcilable fields (62 fields at the beginning and additional 34 fields 2 years after the implementation)

To outsource or not to outsource?

One thing is sure: you remain responsible

Counterparty delegation

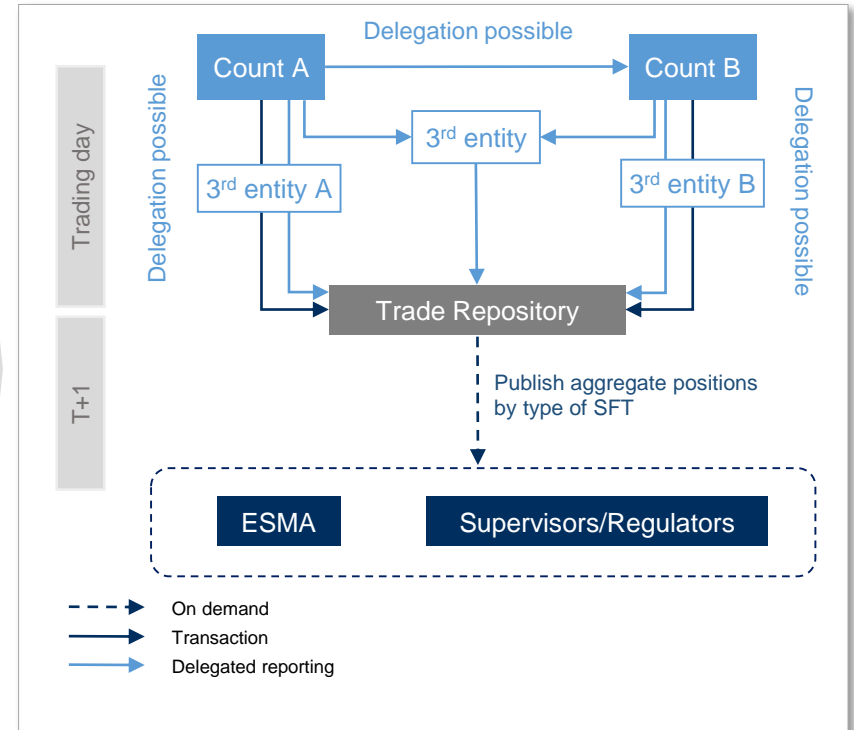
- Information is asynchronously distributed
- Clearers, Lenders and Brokers hold lion's share of information
- Need to demonstrate oversight on
 - Timeliness
 - Quality
 - Accuracy

Third party delegation

- A number of key market intermediaries offering end to end SFTR reporting
 - Including data enrichment
 - Reconciliation
 - Potential for better data quality upstream of the TR

Hybrid Models

- Market intermediaries also offer assisted reporting where you receive a packaged report to direct to the Trade Repository
- Even if you opt for end to end intermediated SFTR reporting, you can still have a direct participant account with the TR and receive direct service support from them



How is your data fragmented? Where is it located?
 Does the cost in maintaining a robust oversight process for your delegated reporting outweigh the benefits of delegation?
 Do you already have a direct relationship with a TR for EMIR/FinfraG reporting? Do you prefer this direct control?

Disclaimer

"This presentation is prepared for general information purposes only. The information contained herein is not intended to provide professional legal advice and should not be relied upon in that regard.

Readers should seek appropriate professional advice where necessary before taking any action based on the information contained in this document.

REGIS-TR, S.A. makes no guarantees, representations or warranties and accepts no responsibility or liability as to the accuracy or completeness of the information, and under no circumstances will it be liable for any loss or damage caused by reliance on any opinion, advice or statement made in this document.

Information in this document is subject to change without notice."

Contact details – Relationship Managers



Ana Ruxandra Iliescu

Region: Austria, Benelux,
Switzerland,
Liechtenstein,
CEE & CIS
+352 2 43-3 65 41
Czech, English, French,
German, Romanian,
Slovak, Spanish



Katrin Grün

Region: Germany
+49 69 2 11-1 59 28
English, German,
Spanish



Sandra Castro Lopez

Region: UK, Ireland,
Nordics, America's
+44 207 8 62-71 71
English, Spanish



Massimo Vecchione

Region: Southern Europe,
Benelux, France
+352 2 43-3 25 19
English, French, Italian



Website:
<http://www.regis-tr.com>



LinkedIn:
[REGIS-TR](https://www.linkedin.com/company/REGIS-TR)



LinkedIn:
[@TradeRepository](https://www.linkedin.com/company/TradeRepository)