

14 January 2020

Circular to the Financial Services Industry on the Securities Financing Transactions Regulation N° 2015/2365 ('SFTR' or 'the Regulation')

Updates on SFTR Reporting

Background

Reference is made to the [Circular](#) dated 23 April 2018, whereby the industry had been informed about the requirements of the SFTR, where the SFTR reporting regime will go live on *13 April 2020*.

Additional Details on SFTR Reporting

The Authority would like to inform the industry that ESMA has now published the [Final Report](#) and [Guidelines](#) on SFTR reporting and consequently amended the SFTR [Validation Rules](#). The aim of the guidelines is to clarify a number of provisions of the SFTR and provide practical guidance on the implementation of some of these provisions.

Transitory Period for LEIs of Third Country Issuers

ESMA has also issued a [statement](#) on the implementation of the Legal Entity Identifiers (LEI) requirements under the SFTR reporting regime. In view of the different levels of LEI coverage between EU and third-country jurisdictions, when the SFTR Reporting regime will start, EU investors will face problems in using securities issued by non-EU issuers which have not yet obtained a LEI. In this regard, and in order to support the smooth introduction of the LEI requirements under the SFTR reporting regime, ESMA will allow for a period of *up to twelve months*, i.e. *until 13 April 2021*, during which reports not having a LEI for third-country issuers of securities will be accepted. It is imperative to note that the transitory period will only to this specific case, i.e. LEIs of third-country issuers.

Contacts

Should you have any queries on SFTR, please contact the Authority on SFTR@mfsa.mt.