

14 July 2020

Circular on Regulation (EU) No 2015/2365 on Securities Financing Transactions ('SFTR'/'the Regulation') – SFTR Reporting Regime sees successful first day

Overview

Reference is made to the Authority's [Circular](#) published on 08 July 2020 relating to the reporting requirements under SFTR. The MFSA had informed market participants that entities acting as counterparty to an SFT and falling within the definition of a 'Credit Institution', 'Investment Firm', 'Central Securities Depository' or 'Central Counterparty' were expected to start reporting their SFTs as of 13 July 2020.

In this respect, ESMA has on 13 July 2020, issued a [statement](#), confirming that reporting by financial and non-financial counterparties under the SFTR, has gone smoothly. All four trade repositories, namely, DTCC Derivatives Repository plc, UnaVista TRADEcho B.V., Krajowy Depozyt Papierów Wartościowych S.A. and REGIS-TR S.A., have opened their systems and started receiving and processing SFT data submitted by reporting firms. It also appears that ESMA has so far, not identified any major disruptions in the functioning of the Trade Repositories. Nonetheless, ESMA will continue monitoring the availability of Trade Repository systems and data to both reporting firms and authorities.

Next Steps

ESMA will continue to engage with market participants to clarify any remaining issues and will assess the need for further supervisory measures, to facilitate compliance with the new reporting requirements.

The focus of ESMA's supervision will be on ensuring the availability of Trade Repository systems as well as resolving shortcomings in the quality of data provided by reporting entities to Trade Repositories. As with any new reporting regime, ESMA expects that issues will be identified in the first months following go-live, in particular as reporting systems continue to be improved and stabilized.

Contacts

Should you have any queries on the above, please do not hesitate to contact the Authority's SFTR team on SFTR@mfsa.mt for any further clarifications.