

08 July 2020

## Circular on Regulation (EU) No 2015/2365 on Securities Financing Transactions ('SFTR') - Reporting Obligation under Article 4 of SFTR applicable from 13 July 2020

This circular is being addressed to all market participants, particularly entities which enter into securities financing transactions falling under the scope of SFTR, *inter alia* financial and non-financial counterparties as defined in Article 3 of SFTR.

This circular should be read in conjunction with the SFTR, its Delegated Acts and previous [circulars](#) issued by the Authority on this matter. Details on SFTR can be accessed through the Malta Financial Services Authority's (MFSA) [dedicated section in its website](#).

### Reporting Go-Live Date

SFTR envisaged a phased-in approach as regards the counterparties subject to the reporting obligation. Reporting obligations for credit institutions, investment firms, and relevant third country entities were originally applicable as of 13 April 2020, i.e. 12 months after the date of the entry into force of the relevant technical standards. These would be followed by the central counterparties (CCPs), central securities depositories (CSDs) and relevant third-country entities with a start of the reporting obligation on 13 July 2020.

Nevertheless, ESMA has on 26 March 2020, issued a [public statement](#) in response to the developments surrounding the COVID-19 pandemic, in which it sought to take the necessary actions in order to mitigate the adverse impact of such pandemic on European financial markets. Against this background, the reporting requirements for Credit Institutions and Investment Firms vis-à-vis Article 4 of SFTR were postponed from 13 April 2020 to 13 July 2020.

The Malta Financial Services Authority ('the Authority') would like to remind market participants of the upcoming obligation for CSDs, CCPs and relevant third-country entities acting as counterparties to securities financing transactions ('SFTs'), to report the details of any SFT they have concluded, modified or any termination thereof, to a trade repository registered with the European Securities and Markets Authority ('ESMA') or recognised in accordance with Article 4 of SFTR. The reporting obligation requirements is applicable from 13 July 2020. The details of SFTs need to be reported on a T+1 basis.

In view of the above, Entities acting as a counterparty to an SFT and falling within definition of a 'Credit Institution', 'Investment Firm', 'Central Securities Depository' or 'Central Counterparty', would be subject to the reporting obligation and are expected to report their SFTs as of 13 July 2020. For further information on the respective reporting requirements, kindly refer to:

- [Commission Delegated Regulation \(EU\) No 2019/356 \(RTS specifying the details of SFTs to be reported to trade repositories\)](#); and to
- [Commission Implementing Regulation \(EU\) 2019/363 \(ITS on the format and frequency of reports on the details of SFTs to trade repositories\)](#).

## Contacts

Should you have any queries on the above, please do not hesitate to contact Ms Rachelle Baldacchino, Analyst within the Securities and Markets Supervision, on [SFTR@mfsa.mt](mailto:SFTR@mfsa.mt) for any further clarifications.