

06 October 2021

## Circular on Updates to the Q&As on Regulation N<sup>o</sup> 2015/2365 - Securities Financing Transactions Regulation ('SFTR' or 'the Regulation')

### Introduction

This Circular is being addressed to all market participants, particularly entities who enter into securities financing transactions ('SFTs') and which fall within scope of SFTR, namely financial and non-financial counterparties as defined in Article 3 of SFTR.

### Purpose of the Circular

The Authority would like to inform market participants that the European Securities and Markets Authority ('ESMA') has updated its [Q&A Document](#) relating to reporting under SFTR. Specifically, this update relates to the inclusion of Question 11 regarding the LEI changes due to mergers and acquisitions relating to Article 4 of the Regulation.

### Updates to the Q&A document<sup>1</sup>

#### Question 11 (additional Question and Answer)

- a) **Which data fields should be updated in case of corporate restructuring events affecting the LEI?**
- b) **To which entities the information on the LEI update should be broadcasted?**

#### Answer 11

a. Further to the process described in section 4.19 of the Guidelines, once a notification regarding a corporate restructuring event affecting outstanding SFTs is received, the TR should identify all the outstanding SFTs where the entity is identified with the old identifier in any of the following fields: Reporting counterparty (fields 1.3, 3.4, 4.4), Other counterparty (fields 1.11, 3.6), Entity responsible for the report (fields 1.10, 3.5, 4.5), Report submitting entity ID (fields 1.2, 3.3, 4.3), Beneficiary (field 1.13), Tri-party agent (field 1.14), Broker (field 1.15), Clearing member (field 1.16), Central Securities

---

<sup>1</sup> In this section, sentences in **bold** reflect the amendments carried out to the Q&A Document

**Depository (CSD) participant or indirect participant (field 1.17), Agent lender (field 1.18), CCP (field 2.7) and LEI of the issuer (fields 2.54 and 2.93), and replace the old identifier with the new LEI. TRs should ensure that all the subsequent validations of the aforementioned fields are also aligned with the relevant reporting requirements included in the ITS on reporting and in the Validation rules.**

**b. Other corporate restructuring events, such as, but not limited to, partial acquisitions, spin-offs, may affect only a subset of outstanding SFTs, in which case the new entity should accordingly provide the TR with the UTIs of the SFTs impacted by that event. In addition to the counterparties indicated in paragraph 162 (c) of the Guidelines, the TRs should inform the relevant report submitting entities, entities responsible for reporting (to the extent that they are participants to the TR) as well as third parties which have been granted access to information under Article 78(7) of Regulation (EU) No 648/20124, as applicable, involved in the SFTs concerned by the LEI change.**

## **Contacts**

Should you have any queries in relation to the contents of the Q&As, please do not hesitate to contact the Authority on [SFTR@mfsa.mt](mailto:SFTR@mfsa.mt).