

Clearstream Spotlight

Meet your SFTR reporting and recordkeeping obligations

The Securities Financing Transactions Regulation (SFTR) aims to increase transparency in the use of securities lending and repo by introducing reporting requirements for SFTs.

The regulation requires affected counterparties to report counterparty, transaction, collateral position, margin and reuse details for:

- Repurchase transactions (repos/ reverse repos),
- Sell-buy back or buy-sell back transactions,
- Securities or commodities borrowing/ lending transactions, and
- Margin lending agreements.

The lifecycle of events such as conclusion, modification or termination of SFTs must be reported to a trade repository (TR) that is recognised as complying with SFTR and meets ESMA requirements.

Clearstream is supporting its clients in two main areas:

Securities Lending

In its role as principal to the SFTs, Clearstream undertakes its own full reporting obligations and at the same time supports borrowers and lenders in relation to their reporting needs.

Customers of ASL principal, ASLplus and ASL can choose to

- delegate their reporting obligations to Clearstream, or
- leverage their existing connectivity and reporting facilities coupled with new enhanced SFT supporting reports, and to do the full “Counterparty”, “Loan and collateral” and “Re-use” reporting themselves.

Free choice of TR

Clearstream is using Regis-TR for its own reporting obligations. Customers wishing to delegate their reporting obligation to Clearstream are free to choose their preferred TR and receive a delegation contract.

Collateral Management

As triparty agent, Clearstream does not have reporting obligations and will support customers with their collateral data and reuse information for all SFT activities collateralised within triparty collateral management applications. To support triparty customers Clearstream’s ICSD has developed two reports:

Collateral Allocation Report

The Collateral Allocation Report provides collateral information to help collateral givers and collateral receivers align their SFTR reporting requirements.

Collateral Reuse Report

The Collateral Reuse Report covers information on all confirmed collateral allocated on each collateral account and basket that has been reused. As the report shares raw data, customers can perform their own reuse estimations, taking into account the triparty collateral management activity.

Customers of our German CSD will continue to receive the already existing Allocated Collateral (MT569) report.

Scope and implementation timeline

The reporting obligation will be introduced in phases and the respective implementation dates for market participants are:

- 11 April 2020: Investment and credit institutions
- 11 July 2020: CCPs and CSDs
- 11 October 2020: Insurance/ reinsurance undertakings, UCITS ManCos, AIFMs and IORPs
- 11 January 2021: Non-financial entities.



More information

For specific SFTR queries relating to Securities Lending, please contact us at sftrlending@clearstream.com.

Please refer to the Clearstream Connectivity Guide – CmaX for more detailed information on the Collateral Allocation Report and the Collateral Reuse Report.

For any general SFTR related queries, please contact us at SFTR@clearstream.com or get in touch with your Relationship Manager.

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