

Upcoming Phased-in Implementation Timeline of SFTR



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The Securities Financing Transaction Regulation n°2015/2365 of 25 November 2015 ("SFTR") aims to enhance the transparency of markets in securities financing transactions. For the purpose of SFTR, these include repurchase transactions, securities or commodities lending and borrowing, buy-sell back transactions or sell-buy back transaction and margin lending transactions.

In summary, SFTR introduces a requirement for reports to be transmitted to authorised trade repositories on securities financing transactions concluded by any type of market participant, both financial and non-financial counterparties. In addition, it enables the European supervisory authorities to have access to information in order to improve their risk monitoring tools with a view to improving the stability and safety of financial markets.

Technical standards related to SFTR were endorsed by the European Commission in December 2018 and entered into force in April 2019. The reporting requirements are being phased-in in four stages, and time is now coming for the first wave of firms to be impacted by this reporting challenge. Reporting obligations will be binding for credit institutions and investment firms by April 2020, for central counterparties and central securities depositories by July 2020, for insurance companies and funds by October 2020 and for non-financial counterparties by January 2021.