SFTR Reporting Guide

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EURONEXT CLEARING

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1. Introduction

The Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (hereinafter, "**SFTR**"), aims at increasing transparency in securities financing markets by introducing, inter alia, reporting requirements for securities financing transactions (SFTs).

According to the SFTR Regulation, counterparties to SFTs will be required to report the details of any SFT they have concluded, as well as any modification or termination thereof, to a trade repository registered in accordance with Article 5 or recognised in accordance with Article 19 of SFTR. Those details shall be reported no later than the working day following the conclusion, modification or termination of the transaction.

Euronext Clearing and clearing members will therefore be required to report their SFTs to an authorised Trade Repository. SFTs cleared by Euronext Clearing are repos traded in MTS and Brokertec.

ESMA Regulatory Technical Standards (RTS) supplementing on SFTR reporting entered into force in April 2019 and the reporting obligation for credit institutions and investment firms will start one year later (i.e. 12 months after the date of entry into force of ESMA Regulatory Technical Standards (RTS) supplementing SFTR), with a phased-in application for the rest of entities until January 2021.

On 6th January 2020 ESMA published the SFTR Guidelines which clarify a number of provisions of SFTR and provide practical guidance on their implementation.

The aim of this Guide is to provide clearing members with guidance on where they can collect the data they need in order to comply with the SFTR, i.e. data needed to report the transaction (new trade), the collateral updates and margins. In this regard, please note that Euronext Clearing will report trades at transaction level only.

Chapter 4 provides an overview of the life cycle of the SFT reporting;

Chapter 5 explains the generation rule of UTI (Unique Trade Number);

Chapter 6 provides the Euronext Clearing LEI code;

Chapter 7, 8 and 9 focus on each reporting event: transaction, collateral update and margin reporting.

2. Post Trade Life cycle event

On T+1, at close of previous business day, Euronext Clearing sends to the Trade Repository:

- the Transaction Report with trade data, collateral data and the portfolio code that link the trade to the margins that are reported in the Margin Report;

- the Margin Report with the margin data of each portfolio code.

By the settlement date of the first leg of the Repo, and till the settlement date of the second leg of the Repo, at close of business day, Euronext Clearing sends to the Trade Repository:

- the Collateral Update, with action type COLU. In the COLU, all the counterparty and collateral data already reported on T remain unchanged, with the exception of the Price per unit and Collateral market value, that are updated daily1.

Clearing members shall send to their Trade Repository their Reports.

Trade Repositories reconcile some of the data sent by Euronext Clearing and Clearing Members.

UTI Codes can be retrieved from the report *D01R – Derivatives Contracts* of the Euronext Clearing Data Service (field "UTI"). For additional information on other reports containing the UTI codes please refer to the Data Service Manual on the Euronext Clearing site.

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[1] In more detail, the collateral update is made by sending the transaction report, already sent on T, with the action type COLU, after having updated the collateral data, where necessary.
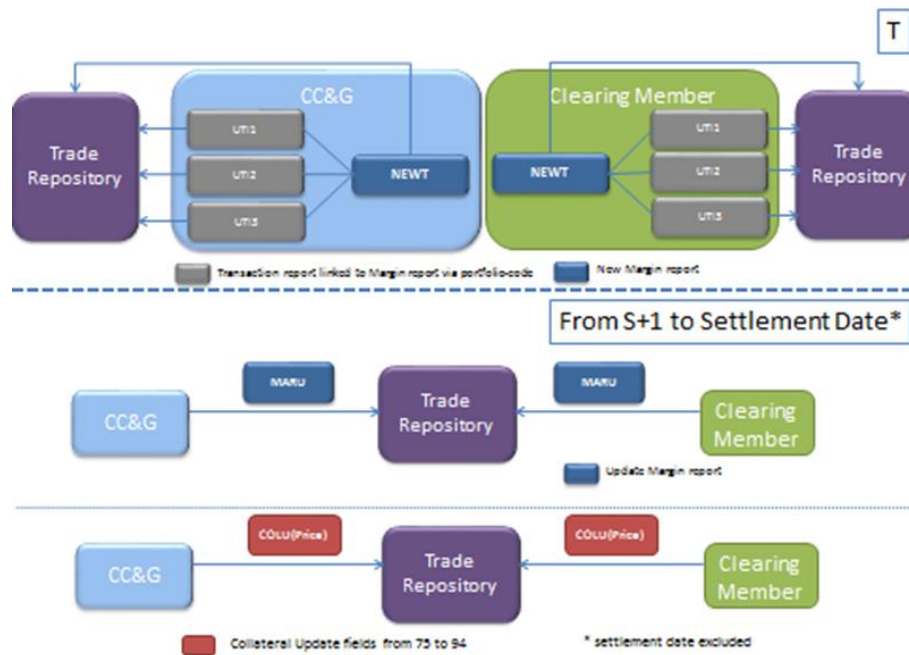
The following Chapters 7, 8 and 9 illustrate:

- rules used by Euronext Clearing to compile above mentioned Reports, focusing on fields used by Trade Repositories in their reconciliation process
- Euronext Clearing dataflow containing the data used by Euronext Clearing in the STF reporting, that clearing members should use to avoid unmatching:
  - Chapter 7: transaction report;
  - Chapter 8: margin report;
  - Chapter 9: collateral update report.

3. UTI Generation and structure

In case of cleared SFTs, each of the SFTs between the CCP and its clearing members, and between the clearing members and their clients, should be reported with different UTIs. Euronext Clearing will generate and disseminate the UTI (Unique Trade Identifier) of the SFTs between the CCP and its clearing members, as per point 4.16 of the ESMA Guidelines.

The following table provides the rule used by Euronext Clearing to generate the UTI code:

Field name	Length	Description	BCS API Field	Euronext Clearing Data Flow
Trading Venue	3	Trading Venue ID: PCT=MTS Repo BTM=ICAP Brokertec Repo	NotifyContracts/SeriesId	D01I/Market Source
CCP Mic Code	10	Euronext Clearing Mic Code	Fixed Value '000CGIT000'	
Trade Date	8	Trade date in the format 'YYYYMMDD'	NotifyContracts/ContractDate	D01I/Execution Time
Product Identification	12	ISO 6166 ISIN code of the traded product	NotifyContracts/ISINCode	D01I/Isin Code
Trade Number	10	Contract number	NotifyContracts/ContractNumber	D01I/Contract Number
Counterparty side	1	B = Buyer S = Seller from participant perspective	NotifyContracts/Side	D01I/Trade Side
Free Space	8	Must be filled with XXXXXXXX		

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Here below an UTI Example

PTC000CGIT00020190424IT00003666550000501053SXXXXXXXX

The UTI shall be used to report records at trade level (Field 2.1 "Trade ID" of the ESMA documentation). UTI Codes can be retrieved from the dataflow *D01L –Contracts Bond/Repo* of the Euronext Clearing Data Service (field "UTI").

For additional information on other reports containing the UTI codes, please refer to the Data Service Manual on Euronext Clearing website.

4. Identification of Counterparty

Each reporting counterparty shall be identified by the ISO 17442 Legal Entity Identifier (LEI) registered and maintained in the Global Legal Entity Identifier Foundation (GLEIF) database. Participants shall promptly communicate to Euronext Clearing any change of the code used for their reporting.

Euronext Clearing is registered in the GLEIF database with the following code:

8156006407E264D2C725

5. Transaction Reporting

The following table reports:

- the field used by Trade Repositories in their reconciliation process;
- the rules used by Euronext Clearing to compile such fields;
- Euronext Clearing dataflow to be used by clearing members to avoid unmatching

ESMA reference number	ESMA field name	ESMA field description	Euronext Clearing Note	Sample
1	UTI	Unique reference assigned to the SFT in order to identify the trade.	D01L / UTI	See cap.4
6	Clearing timestamp	Time and date when clearing took place.	D01L / Clearing timestamp	i.e. YYYY-MM-DDThh:mm:ssZ
8	Trading venue	Unique code identifying the venue of execution of the SFT. Where the SFT was concluded over the counter and it is admitted to trading, the MIC code 'XOFF'. Where the SFT was concluded over the counter and it is not admitted to trading, the MIC code 'XXXX'.	D01L / Trading venue	BTAM or MTSC
9	Master agreement type		Always "OTHR"	OTHR
10	Other master agreement type		Always "CCGRepoRulebook"	CCP Repo Clearing Conditions
18	General collateral indicator	Indication of whether the SFT is subject to a general collateral arrangement. In the case of a securities lending transaction, the field refers to securities provided as collateral, and not to the security provided on loan. The code 'GENE' shall be specified for an SFT which is subject to a general collateral arrangement. A general collateral arrangement specifies a collateral arrangement for a transaction in which the collateral giver may choose the security to be provided as	Always "SPEC"	SPEC

ESMA reference number	ESMA field name	ESMA field description	Euronext Clearing Note	Sample
		collateral amongst a relatively wide range of securities satisfying predefined criteria. The code 'SPEC' shall be specified for an SFT which is subject to a specific collateral arrangement. A specific collateral arrangement specifies a collateral arrangement for a transaction in which the collateral taker requests a specific International Securities Identification Number ('ISIN') to be provided by the collateral provider.		
37	Principal amount on value date	Cash value to be settled as of the value date of the transaction.	D01L/ Settlement Countervalue	
38	Principal amount on maturity date	Cash value to be settled as of the maturity date of the transaction.	D01L / Mature Countervalue	
73	Collateralisation of the exposure (net exposure)	Indication of whether the collateral has been provided for a net exposure, rather than for a single transaction.	Always FALSE	FALSE
75	Type of collateral component	Indication of the type of collateral component.	SECU	SECU
78	Identification of a security used as collateral	Identification of the security used as collateral.	D01L / ISIN Code ISIN	
83	Collateral quantity or nominal amount	Quantity or nominal amount of the security or commodity used as collateral.	D01L/ Quantity	
85	Currency of collateral nominal amount	In case collateral nominal amount is reported, the currency of the nominal amount.	D01L / Currency (always EUR)	EUR
87	Price per unit	Price per unit in respect of the collateral component, including accrued interest for interest-bearing securities used to value the security or commodity.	D01L/Price (expressed as a percentage)	

ESMA reference number	ESMA field name	ESMA field description	Euronext Clearing Note	Sample
88	Collateral market value	Market value of the individual collateral component expressed in price currency.	D01L / Settlement Countervalue	
89	Haircut or margin	For repos and buy-sell backs, any collateral haircut shall be specified by reference to any risk control measure applied to the underlying collateral, at ISIN level, whereby the value of that underlying collateral is calculated as the market value of the assets reduced by a certain percentage.	0	0
90	Collateral quality	Code that classifies the risk of the security used as collateral.	Always INVG	
91	Maturity date of the security	Maturity date of the security used as collateral.	DS11 / Bond Expiry Date of the security of field 2.78 (security underlying the repo)	
94	Collateral type	Code that classifies the type of the security used as collateral.	Always GOVS	GOVS
97	Portfolio code	The portfolio of transactions for which margins are exchanged shall be identified by a unique code determined by the reporting counterparty. In case the portfolio of transactions also includes derivatives contracts reportable under Regulation (EU) No 648/2012, the portfolio code shall be the same as the one reported under Regulation (EU) No 648/2012.	D01L/ Portfolio code	01323_01323-F.EUR_IT.8156006407E264D2C725-000CGIT000
98	Action type	The report shall contain one of the following action types:	Always NEWT	NEWT

6. Margin Report

The following table indicates:

- the rules used by Euronext Clearing to compile margin data;
- Euronext Clearing report/dataflow to be used by the clearing member to avoid unmatching

ESMA reference number	ESMA field name	ESMA field description	Euronext Clearing Note	Sample
2	Event date	Date on which the reportable event relating to the SFT and captured by the report took place. In the case of action types "Valuation update", "Collateral update", "Reuse update", "Margin update", the date for which the information contained in the report is provided.	MS70 Data in Header, this is settlement date for margin. The machine readable file is D16B	Reporting timestamp -1
3	Report submitting entity	Unique code identifying the entity which submits the report. In the case where the submission of the report has been delegated to a third party or to the other counterparty, the unique code identifying that entity		
4	Reporting Counterparty	Unique code identifying the reporting counterparty.		
5	Entity responsible for the report	Where a financial counterparty is responsible for reporting on behalf of the other counterparty in accordance with Article 4(3) of Regulation (EU) No 2365/2015, the unique code identifying that financial counterparty. Where a management company is responsible for reporting on behalf of an Undertaking for		

ESMA reference number	ESMA field name	ESMA field description	Euronext Clearing Note	Sample
		Collective Investment in Transferable Securities (UCITS) in accordance with Article 4(3) of Regulation (EU) No 2365/2015, the unique code identifying that management company. Where an Alternative Investment Fund Manager (AIFM) is responsible for reporting on behalf of an Alternative Investment Fund (AIF) in accordance with Article 4(3) of Regulation (EU) No 2365/2015, the unique code identifying that AIFM.		
6	Other counterparty	Unique code identifying the entity with whom the reporting counterparty concluded the SFT.	Euronext Clearing LEI See chapter 4.3	8156006407E264D2C725
7			Must be the same of 2.97 see table above	
	Portfolio code	The portfolio of transactions for which margins are exchanged shall be identified by a unique code determined by the reporting counterparty. In case the portfolio of transactions also includes derivatives contracts reportable under Regulation (EU) No 648/2012, the portfolio code shall be the same as that reported under Regulation (EU) No 648/2012.	MS70 Header → GCM_Member-Conto.Valuta_ Paese.LEIControparte-MICCODECCP Valuta=EUR Paese=IT The machine readable file is D16B a) in case the member is a segregated TC the Member code is the one of the trading client; b) in case the member is not a segregated TC the Member code is the one of the GCM;	01323_01323-F.EUR_IT.8156006407E264D2C725-000CGIT000
8	Initial margin posted	Value of the initial margin posted by the reporting counterparty to the other counterparty. In case	MS70 → Footer Adjusted Additional Margin	

ESMA reference number	ESMA field name	ESMA field description	Euronext Clearing Note	Sample
		initial margin is posted on a portfolio basis, this field shall specify the overall value of initial margin posted for the portfolio.	The machine readable file is D16B a) in case the member is a segregated trading clients the Member code is the one of the trading client: IM posted is equal to the amount reported in Adjusted Additional Margin (MS70) b) in case the member is not a segregated trading client the Member code is the one of the General Clearing Member: Initial Margin posted is equal to the sum of Adjusted Additional Margin (MS70) of each trading clients (considering both accounts house and client of the TC) participating the Bond market (considering only the line referring to EUR)	
9	Currency of the initial margin posted	Currency of the initial margin posted.	EUR	EUR
10	Variation margin posted	Value of the variation margin posted, including the value of cash settled, by the reporting counterparty to the other counterparty. In case variation margin is posted on a portfolio basis, this field shall specify the overall value of the variation margin posted for the portfolio.	MS70 → Footer **MTM Margins** if MTM is positive (debit for the clearing member), otherwise blank The machine readable file is D16B a) in case the member is a segregated trading client the Member code is the one of the trading client: Variation Margin posted is equal to the amount reported in MTM (MS70) b) in case the member is not a segregated trading Client the Member code is	

ESMA reference number	ESMA field name	ESMA field description	Euronext Clearing Note	Sample
			the one of the General Clearing Member: VM posted is equal to the sum of MTM (MS70) of each trading client (considering both accounts house and client of the trading clients) who trade on the bond market (considering only the line referring to EUR)	
11	Currency of the variation margins posted	Currency of variation margin posted.	EUR, if field 10 is not blank	
12	Initial margin received	Value of the initial margin received by the reporting counterparty from the other counterparty. In case initial margin is received on a portfolio basis, this field shall specify the overall value of the initial margin received for the portfolio.	Blank for clearing member Initial Margins are posted by the clearing member (see field 8) and received by Euronext Clearing. Therefore this field should be left blank by clearing members and filled in by Euronext clearing	
13	Currency of the initial margin received	Currency of the initial margin received.	Blank for clearing member See row above	
14	Variation margin received	Value of the variation margin received, including the value of cash settled, by the reporting counterparty from the other counterparty. In case the variation margin is received on a portfolio basis, this field shall specify the overall value of the variation margin received for the portfolio.	MS70 → Footer **MTM Margins** if MTM is negative (credit for the clearing member) , otherwise blank The machine readable file is D16B a) in case the member is a segregated trading client the Member code is the one of the trading client: VM posted is equal to the amount reported in MTM (MS70)	

ESMA reference number	ESMA field name	ESMA field description	Euronext Clearing Note	Sample
			b) in case the member is not a segregated trading client the Member code is the one of the General Clearing Member: VM posted is equal to the sum of MTM (MS70) of each trading client (considering both accounts house and client of the trading clients) who trade on the bond market (considering only the line referring to EUR)	
15	Currency of the variation margins received	Currency of the variation margin received.	EUR, if field 14 is not blank	
16	Excess collateral posted	Value of collateral posted in excess of the required collateral.	Refer to MS11 -> footer Excess collateral + footer excess cash of the account house. The machine readable file is DS07 For clearing members with "auto-repay" facility the excess cash is considered zero. a) in case the member is a segregated trading client the Member code is the one of the trading client: MS11 as per above b) in case the member is not a segregated trading client the Member code is the one of the General Clearing Member: excess collateral is reported in MS11 (account client of the General Clearing Member)	)

ESMA reference number	ESMA field name	ESMA field description	Euronext Clearing Note	Sample
17	Currency of the excess collateral posted	Currency of the excess collateral posted.	EUR, if field 16 is not blank	
18	Excess collateral received	Value of collateral received in excess of the required collateral.	blank for clearing members excess collateral is posted by the clearing member (see field 16) and received by Euronext Clearing. Therefore this field should be left blank by clearing members and filled in by Euronext Clearing	
19	Currency of the excess collateral received	Currency of the excess collateral received.	See row above	
20	Action type	The report shall contain one of the following action types: (a) a new margin balance shall be identified as 'New'; (b) a modification of the details of the margins shall be identified as 'Margin update'; (c) a cancellation of a wrongly submitted entire report shall be identified as 'Error'; (d) a correction of data fields that were submitted incorrectly in a previous report shall be identified as 'Correction';	Validation Rules say "The first report received for given reporting counterparty shall only contain value "NEWT" in this field. … Only one report with the action type "NEWT" for a given reporting counterparty shall be accepted." For most clearing members, this is likely to be their reporting start date. All margin reports after the first for the same Portfolio Code have Action Type = MARU.	NEWT or MARU

7. Collateral Update

On T+1 and till the maturity date excluded, Euronext Clearing reports the collateral update (action type COLU), using the counterparty and collateral data already reported on T, with the exception of the Price per unit (field 2.87) and Collateral market value (field 2.88), that will be updated.

Clearing Members can retrieve the Price per unit on DS11 / (Accrued Coupon + Market Price) and recalculate Collateral market value (field 2.88) with new price.

For further information please refer to:

e-mail: ccp-regulatory.reporting@euronext.com

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