

Securities Financing Transactions Regulation (SFTR)

The key content of the SFTR Regulation is to improve the transparency and control of securities financing transactions such as securities loans or repo transactions and comparable financing structures, which are popular in the banking sector as well as in the so-called shadow banking sector. Like EMIR Regulation, the subject of new reporting requirements is to be able to identify and monitor related risk at an early stage.

General Information

Who is affected?

- Counterparties (financial and non-financial) resident in the EU or a third country, the latter only to the extent that they enter into securities financing transactions in the context of their activities in the EU
- Management companies of collective investment bodies in securities (OGAW) and OGAW investment companies
- Managers of alternative investment funds (AIFM)
- counterparties with further use of such transactions

Which transactions are affected?

- Securities and goods lending
- „Buy/Sell back“ and „Sell/Buy back“ transactions
- Repurchase agreements (REPOs)

- Lombard business
- Derivatives for exchanging liquidity and collateral (liquidity swaps, collateral swaps)

What is subject to the reporting obligation and when must the notification be made?

- Counterparties of securities financing transactions report any securities financing transaction they enter into, as well as any alteration and termination of such a transaction, to a trade repository registered or recognized in accordance with the SFTR
- Details must be reported no later than the working day following the closing, change or termination of the transaction.

Do you need support and expert advice?

Join us and we will accompany you to success.