

# ROUNDED UP

THE OFFICIAL NEWSLETTER OF THE REGIS-TR GROUP



## REGIS-TR

EUROPEAN TRADE REPOSITORY

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Upcoming in Q3

As restrictions ease and life slowly morphs back to 'normality', the REGIS-TR team is particularly looking forward to returning to face to face meetings, seeing our clients at industry events and getting back to our offices across Europe.

As Q2 draws to a close, we cannot believe we are already halfway through 2021. The REGIS-TR teams are expanding and we have been busy as we begin preparation for EMIR REFIT.

Our 'All you need to know about REFIT' event was a great success and we were delighted to have so many of our valued clients join us online. A special thanks to Paul Janssens, Program Director at SWIFT Standards for giving us his expert insight. As more information becomes available, we are committed to keeping our clients updated and informed in preparation for EMIR REFIT.

# ALL SMOOTH SAILING? SFTR ONE YEAR ON

BY TILMAN FECHTER

13 July has recently passed which marks the one-year anniversary of the SFTR go-live. We have been through a lot of ups and downs during the past year along with our counterparts in the securities financing industry. We started with a far smoother go-live than most feared within the industry as the 3 month COVID delay gave an additional window for testing that was vital, allowing most institutions to start their reporting without significant rejections.

6 months later, Brexit kicked in, which created a split between EU-SFTR and UK-SFTR. The transition was tricky to navigate as the split took effect with counterparties on both sides of the divide, but now the dust has settled.

## Adjustments on the way

So, what else has happened since then? On 13 April at the eleventh hour, ESMA announced a further forbearance to the rule for mandatory reporting of non-EEA-issuer LEIs, giving market participants up to 18 more months of grace period. This initially was a big concern in the industry as there's still a huge number of non-EEA issuers without LEIs, especially in Asia and the US.

Also in April, ESMA published their annual "EMIR and SFTR Data Quality Report for 2020", which pointed to a more relaxed interest in SFTR from their side due to its relatively young age, with the main focus just on checking if institutions are reporting in a timely manner. This was a relief to the industry but the report also made clear that next year, ESMA (and the NCAs) will be far stricter, similar to what happened for EMIR, with more focus on format, content reporting and reconciliation.

Clearstream and REGIS-TR have been through all these events and is still sailing its course on the SFTR voyage along with our partners and counterparts in the industry, though not without any challenges – two of them being the validation rules' (VR) restrictions (some anomalies still remain) and T vs T+1 reporting timeline conundrum (counterparties reporting on different days creating consistency issues).

Apart from the different approach in reporting timeline, there are other inconsistent reporting methods among counterparties that result in breaks. These inconsistencies are partly due to some openness in how institutions understand the ESMA guidelines and VRs. When looking at the inter-TR reconciliation, differences in the interpretation and implementation of the SFTR technical requirements amongst the trade repositories contributes to the number of mismatches and unpaired trades to collateral details in the cases on net exposure collateralisation.

## The goal firmly in sight

Thankfully, things are progressing, and we are seeing a much more promising future of the SFTR voyage. The brightest light on the horizon is ESMA's planned update (a kind of SFTR v1.1), with alterations to the ISO schemas, the user guidelines and validation rules anticipated to be published towards the end of July, with the formal ISO evaluation team soon to finish their detailed review. The current understanding is that this version should go live in the first half of 2022, but just as that settles down we should remember that also in 2022 (and again in 2023) the reconciliation will change with more attributes to be matched, so it might not be such smooth sailing for some time yet.

All in all, SFTR has been challenging from solution implementation to day-to-day reporting and reconciliation, and we still have a lot of headwind ahead of us. While Clearstream and REGIS-TR are sailing along to fulfil our own SFTR reporting obligations, we are also here to help our customers in their reporting. Our SFTR Regulatory Reporting Support Service can assist our in-scope securities lending and borrowing participants with their SFTR obligations, providing an end-to-end reporting solution. For those who would like to have more control over their reporting, we also have an "assisted reporting" offering via our new API solution in the pipeline.

**We are happy to have you with us on this epic journey.**



**Tilman Fechter**

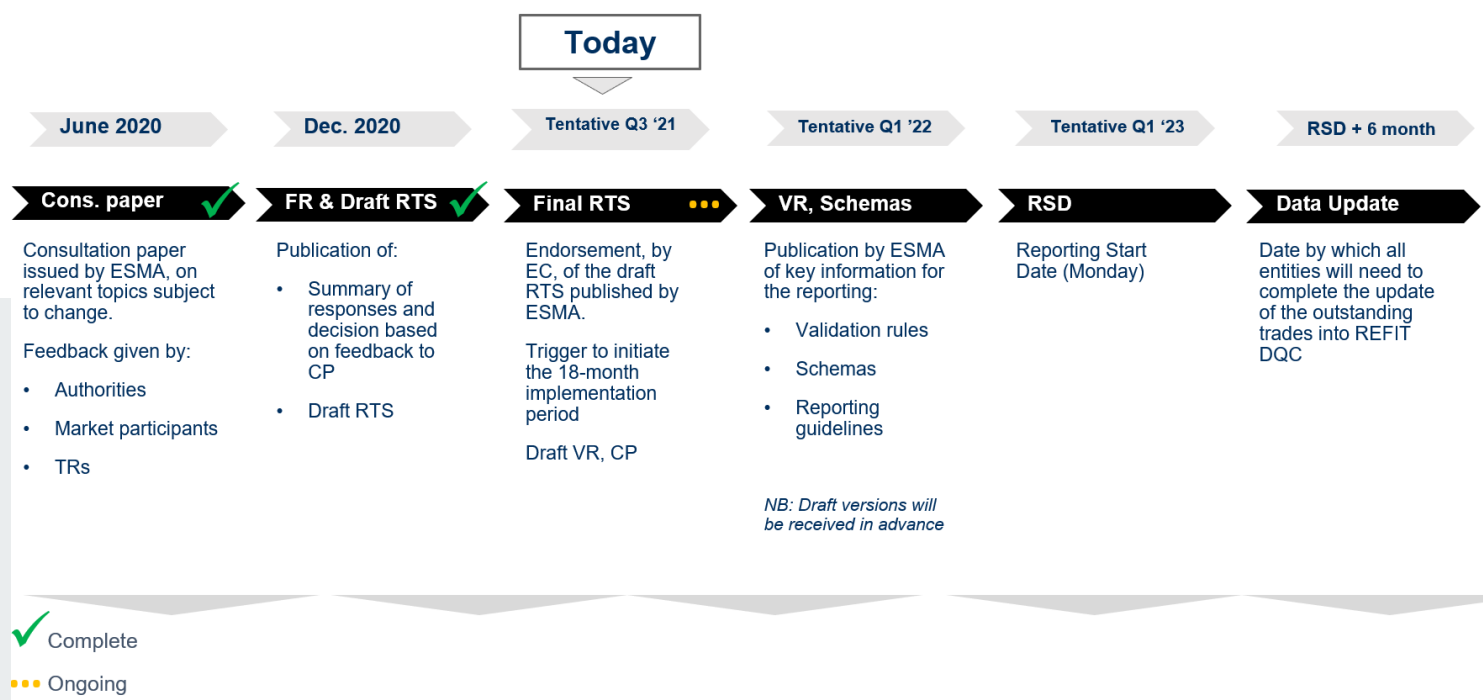
Member of the Executive Board, Clearstream Banking AG. Global Head of Banking, Funding & Financing Clearstream; responsible for Clearstream's Banking, Securities Lending and Collateral Management Services.

# ALL YOU NEED TO KNOW ABOUT REFIT

“In the long history of humankind (and animal kind, too) those who learned to collaborate and improvise most effectively have prevailed.”

-Charles Darwin

REFIT represents a seismic change to the way that EMIR is reported today and we want to ensure our clients and partners are supported through this evolution. Our REFIT client event in June was a successful afternoon of communicating the key milestones, information and plans ahead of EMIR REFIT. The Q&A allowed us to answer our clients' queries and concerns, and we are committed to continue the support through any new developments in the REFIT regulation.



The full REFIT event is available on our YouTube channel - click the icon or search for Deutsche Börse Group > Playlists > REGIS-TR on YouTube.

# REGIS-TR ROUNDUP

## 4 SEASONS, 50 EPISODES



The REGIS-TR RoundUp has now been around for over a year and has produced 50 episodes jam-packed with all the best news and views across the industry. Welcoming over 35 guests, we are delighted to deliver all you need to know from the regulatory reporting space to our listeners spread across 28 countries.

Season 5 will return in September 2021 with new guests, fresh topics and some familiar voices including our resident clinical psychologist, Dr Lulu Preston. REGIS-TR's Head of Institutional Relations, Laura Rodríguez Molina will join the virtual studio crew alongside John Kernan, Nick Bruce, Laura Gibson and our producer from WePodcastYou, Andrew Keith Walker.

If you want to feature on the RoundUp, contact [laura.gibson@clearstream.com](mailto:laura.gibson@clearstream.com)

## MEET THE TEAM

### PRODUCT MANAGEMENT



**Silvia Morales**  
**Head of Product Management**  
**Languages:** English, Spanish

The key to success in Silvia's team is a deep understanding of each regulation and the expertise to facilitate and develop best-in-class solutions.



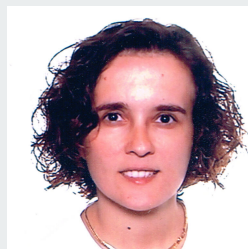
**Tomas Bremin**  
**Products:** EMIR, UK EMIR, SFTR, FinfraG  
**Languages:** English, German, Swedish, Luxembourgish

Tomas is a key member in industry forums and working groups and an expert in client documentation across all products.



**Jonathan Gallo**  
**Products:** EMIR, SFTR  
**Languages:** English, Spanish

An expert in regulation analysis, Jonathan specialises in identifying system enhancements and the design of solutions to meet the regulatory requirements.



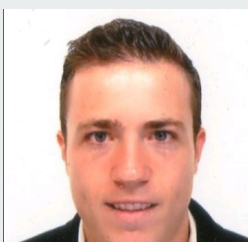
**Michele Costanzo-Roehr**  
**Product:** SFTR  
**Languages:** English, French, Italian

Michele is an expert in BCRs and test plans and specialises in the SFTR regulation to improve processes and promote industry best practices.



**Nikolaos Karoubas**  
**Products:** SFTR  
**Languages:** English, German, Greek

Defining business requirements and participating in industry associations and consultations, Nik works closely with other TRs in regulatory analysis.



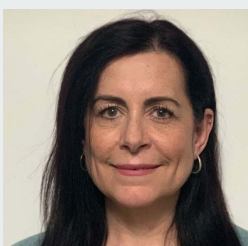
**Alvaro Garcia de Castro de la Camara**  
**Product:** SFTR  
**Languages:** English, Spanish, German

Working closely with ESMA, Alvaro specialises in data processing and analysing proposed changes and interprets how it may affect the system and the best implementation option.



**Filippos Georgiadis**  
**Product:** FinfraG  
**Languages:** English, French, Luxembourgish, Greek

Filippos regularly looks forward to announcements by FINMA, the Swiss Regulator creating new system functionality for FinfraG clients.



**Rosy Nunez**  
**Product:** EMIR, UK EMIR  
**Languages:** English, Spanish, French, German, Luxembourgish

Rosy primarily works across BCRs and test plans for EMIR and UK EMIR as well as writing technical client documentation.

# TECHNICAL NEWS

COVERING EMIR, SFTR, FINFRAG & UK EMIR

## Upcoming Releases

REGIS-TR	2021		
	Q3		
	Jul	Aug	Sep
SFTR			20 Sep
EMIR			6 Sep
FinfraG			
UK EMIR			27 Sep

## Updated Fee Schedules

The fee schedules for all products have been updated to reflect the change of invoicing. There are no changes to the fees themselves.

## New EMIR Handbook

Your EMIR Client Handbook has had a complete makeover and is now available on our public website. All you need to know about EMIR in one place.

## Invoices Go Digital

We are delighted to announce that REGIS-TR will replace the postal distribution of invoices with electronic distribution from August 2021. The service will be in PDF form via Transport Layer Security (TLS) encrypted email and is free of charge. More information and instructions have been communicated in our regular client communications.

July 2021

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