

SFTR ready data.

Enabling transaction enrichment & life cycle management

The European Union (EU) Securities Financing Transaction Regulation (SFTR) will enhance the transparency of the securities financing markets by requiring transactions to be reported to a trade repository. SFTR is the result of work done by the Financial Stability Board (FSB) and the European Systemic Risk Board (ESRB) to curb shadow banking. SFTR mandates that repurchase transactions, securities or commodities lending and borrowing, buy-sell back and sell-buy back transactions be reported to a trade repository where one counterparty has a legal presence in the EU. The reporting of trades by banks under SFTR starts in April 2020, with reporting for remaining financial and non-financial firms effective throughout the course of 2020. In scope are not only Financial Counterparties (FCs) such as investment firms, banks, UCITS/AIFs, pension funds, insurance firms, CCPs and CSDs, but also Non-Financial Counterparties (NFCs).

Transaction data enrichment challenge

SFTR requires firms to capture a wide variety of data for reporting to their trade repository, including:

- Unique Trade Identifier (UTI)
- Execution timestamps
- Trade economic data fields
- Instrument reference data fields

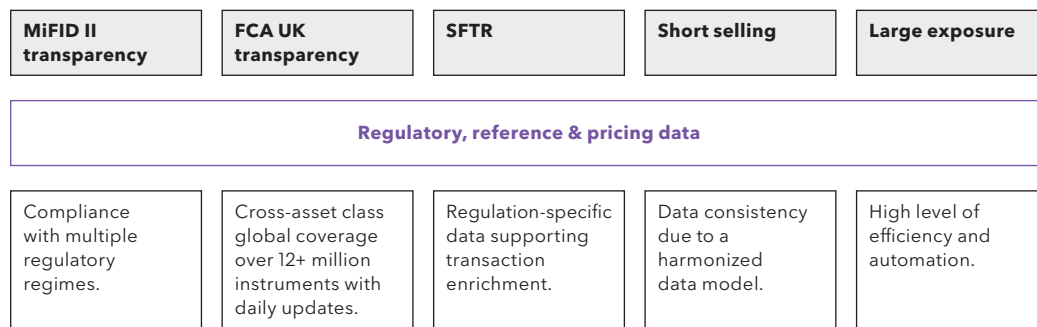
These fields will need to be captured both at the inception of the trade and also during life cycle events, including collateral updates occurring during the term of the transaction. In addition to transaction and counterparty information, SFTR reporting requires specific SFTR regulatory classification of target securities and collateral. Given the volume of transactions and the number of fields required, the data challenge cannot be overestimated. Sell-side firms enriching their transactions will need SFTR-ready collateral and security data for a seamless process. While it is expected that smaller buy- and sell-side firms may make use of delegated reporting offered by larger broker dealers, the regulatory responsibility itself cannot be delegated and SFTR-ready data must still support compliance.

A comprehensive SFTR solution

Whether trading in the repo or securities lending market, Bloomberg's offering enables firms to solve for SFTR across the front office and entire trade life cycle. Our complete solution covers trade execution and confirmation, pre-matching, UTI generation, data enrichment and trade reporting. In addition, our Enterprise data solution provides the SFTR-specific regulatory classifications required for reporting of target securities and collateral as well as management of life cycle events.

Bloomberg for enterprise

Bloomberg's Enterprise Data solutions provide holistic regulatory data to help streamline reporting requirements and help our clients comply with confidence. Backed by Bloomberg's industry-leading data and our team of regulatory experts, our solutions for transaction-reporting regulations help simplify the process of compliance with multiple regulations and their unique requirements.



Today, banks, investment firms, asset managers and other financial institutions have to comply with an increasing number of transaction-based regulatory requirements. Conceptually, each new regulation has the same goal of creating more transparency within financial markets; however, each new regime imposes an extra layer of complexity to ensure compliance. Navigating this regulatory maze can result in significant data management challenges for firms and making a misstep can expose them to the risk of non-compliance.

Take the next step.

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