



SIX Flex®

# SFTR

Your reliable source for mastering the reference data challenges of the Securities Financing Transactions Regulation.



## Challenge

The European Union (EU) Securities Financing Transactions Regulation (SFTR) was originally triggered by the global financial crisis in 2007–2008. It is intended to address the following points:

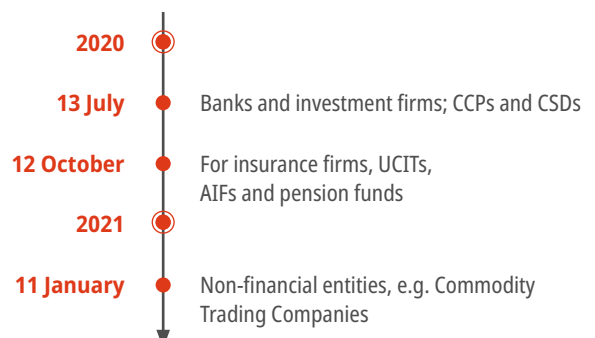
- Increase transparency of securities financing markets, requiring those who enter into securities financing transactions (SFTs) to report the SFT to a trade repository.
- Avoid activities exercised by traditional banks to be shifted to less regulated areas such as the shadow banking sector.
- Monitor and enhance transparency in the area of collateral reuse.

The regulation is extensive, with around 150 data fields in its mandatory regulatory reports. The objective of ESMA is to minimize overlaps and avoid inconsistencies between the technical standards adopted under EMIR and MiFIR – intention to use synergies with the SFT reporting obligations.

Counterparties/reporting entities require access to high quality reference and descriptive data – instruments and institutions data – in order for being compliant with SFTR's data requirements.

SIX supports the market with the complete and high quality data required under EU SFTR and therefore makes the reporting workflow easier.

## Enters into force



### Primary Audience

- Financial entities such as Banks and investment firms, CCPs and CSDs, Insurance firms, UCITs, AIFs and pension funds.
- Non-financial entities such as Commodity Trading firms.

### Common Use Cases

- Front-Office: Trading/hedging, Brokers, Asset Management, Collateral Management, Securities Lending & Borrowing.
- Middle-Office, Risk Management.
- Back-Office, Regulatory Reporting.

### Available Content

In order to manage the reference data challenges that come with the regulation SIX supports its customers' SFTR reporting obligations by focusing mainly on the fields of the "Loan and Collateral Data" table of the Commission Implementing Regulation (EU) 2019/363 of 13 December 2018.

### Key data elements:

- Identification of a security used as collateral (ISIN).
- Classification of a security ISO 10692 (CFI).
- Currency of nominal amount.
- Security quality (based on the rating information provided by recognized rating agencies).
- Maturity of the security.
- Jurisdiction of the issuer.
- Legal Entity Identifier.
- Security type, e.g. classification of an instrument as "MEQU" Main index equities (including convertible bonds).

### Features and Associated Benefits

- Provision of a reliable source for reference data in order to fulfill the reporting obligations, especially focusing on the "Loan and Collateral Data" template.
- Rely on SIX competence to classify securities on ISIN level based on the definitions provided by ESMA.
- Easily identify the security quality of an instrument "in scope" of the EU SFTR based on the rating information SIX is allowed to use by the recognized rating agencies.
- Identification of the main equity indices and their constituents for the "MEQU" security type classification, in collaboration with the main index providers.
- Integrate our EU SFTR data into your database by using standard identifiers such as LEI, ISIN, FISN, CFI.

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