



APEX Securities Finance

Fast Facts – SFT Module (SFTR)

The Financial Stability Board (FSB) Transparency Directive was conceived from the issues surrounding the Financial Crisis. Globally, each regulatory authority, where securities financing occurs, is required to fulfil the data requirements set out by the FSB, as a minimum. The European Securities and Markets Authority (ESMA) is leading the way; others will likely follow their lead implementing their own reporting regimes in due course. To meet your regulatory requirements for SFTR reporting, you must be on Apex Version 6.0 or higher.

The following combinations of SFTR reporting are accommodated:

- Principal or Broker to Broker transaction: Legal Entity to Counterparty
- Internal transaction: Legal Entity to (Internal) Counterparty

To facilitate the SFTR Reporting Requirement, Apex provides the following within the SFT Module:

- Enhanced Static Data to facilitate the SFTR Reporting
 - Legal Entity Identifier (LEI) Browser and Editor where LEIs are maintained and associated with the relevant static data records (Counterparty, Portfolio Node, Triparty Agent, Issuer, Agent, Broker, and Custodian).
 - Ability to upload LEI information
 - Accommodation of Branch reporting, where one or more Counterparties within a LEI can be flagged as a branch.
 - The ability to view associations on the individual static data objects
 - Enhanced data on the Counterparty, Security, Index Rates, Master Agreements, and Matters
 - The ability to flag Counterparties as 'Exclusive'
 - New Reporting Counterparty Sector Browser and Editor
 - New SFTR Security Types Browser and Editor

- Enhanced Trade Entry to accommodate the additional required fields, allowing for amendment
 - A new 'Regulatory' Tab on the trade displays the SFTR and MIFID II Reporting fields for easy viewing and access
 - A new utility allows for the amendment of the fields on the Regulatory Tab
 - Additional UTI and Report Tracking number fields are utilized in the UTI Generation and Exchange
 - Trade Utility to update new fields on existing trades
- Automated upload of LEI associations
- Enhanced fields at the time of trade novation
- Ability to generate, exchange, and import the Unique Transaction Identifier (UTI) and the Report Tracking Number
 - Parameters determine if a Counterparty should 'receive' or 'generate' the UTI
 - UTIs can be generated individually, via a mass action, or via a batch process
- Ability to exchange and import the underlying lending allocations
- SFTR Reporting
 - Ability to produce the SFTR Reports in the ESMA ISO20022 defined layout
 - Ability to designate if full SFTR reporting is needed, if Delegated reporting is needed (such as, reporting both sides of a transaction), and/or if underlying allocation reporting is needed.
 - Mapping of Trade Types to SFTR Types via Trade Profiles
 - Mapping of the Day Count Convention

Key Considerations

- The FIS solution is built on the presumption that managing and retaining data in and developing reports from the books and records/trading systems can ensure that clients have complete coverage of their securities financing products and counterparties
- All the underlying data requirements can be stored in Apex SF and become an integrated part of the daily workflow, minimizing maintenance and reconciliation
- Alternative solutions add risk through delivery to multiple vendors and division of data across multiple routes
- The SFT module will provide the foundation for new reporting requirements from other jurisdictions which come into force as other regulators apply their own interpretations of the FSB Transparency Directive
- The FIS solution is TR agnostic and reporting can be supported with an ISO20022 compliant data feed ready to deliver to your chosen TR
- Most TR's will be offering an SFTR service, but levels of service and added functionality will vary, as will price. FIS is in communication with all TR's offering an SFTR service to ensure all stakeholders remain informed