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The AMF presents an initial overview of SFTR reporting data

Based on the first six months of reporting data, the Autorité des Marchés Financiers is publishing an initial analysis of the market for securities financing transactions and providing details of the various use cases already identified for these data, whose reliability will have to be improved.

Based on the recommendations of the Financial Stability Board, the European Securities Financing Transactions Regulation (SFTR), enacted in November 2015, has made it possible to establish greater transparency in Europe concerning these transactions, according to a timeline in stages between July 2020 and January 2021.

Reporting covering four types of transaction

Article 4 of the European Regulation provides that investment firms, credit institutions, asset management companies and eligible non-financial entities shall report the following transactions to the trade repositories accredited by ESMA:

- Repo transactions;
- Securities and commodities lending and borrowing transactions;
- Buy-sell back and sell-buy back transactions;
- Margin lending transactions.

Initial analysis by the regulator

SFTR reporting data sent to the AMF represents about one million rows daily and is fed into its ICY supervision platform each day.

Using the data gathered during the first six months of application of the Regulation, the AMF is publishing an initial analysis of this market for securities transactions, based on the reporting of the entities under its jurisdiction or for securities for which it is the competent authority.

Of the financing transactions reported to the trade repositories and sent to the AMF, repo transactions are preponderant, accounting for around 80% of the reported amounts, far ahead of securities lending and borrowing (11% of reported amounts).

SFTR reporting is fairly granular, and makes it possible to establish classifications by type of reporting entity or by product type. Most of the amounts reported for repos and securities lending and borrowing can be attributed to banks and credit institutions. Investment funds account for a small proportion (2% to 3%) of the reported amounts.

It should be mentioned that Brexit caused a sharp drop in the volume of SFTR data from January 2021; however, at first sight the related loss of information remains limited, since these transactions are often carried out with a European counterparty that remains subject to the reporting obligation.

Various use cases

SFTR reporting represents an additional source of data that is most useful for the AMF in performing its work of detecting potential market dysfunctions or abuse, and for risk analysis. Based on this new data, which will provide a clearer understanding of the markets, various use cases have already been identified.

SFTR data can allow the regulator to:

- enhance its risk analysis;
- improve its monitoring of stress on a given underlying asset in the securities lending and borrowing market by using, for example, the lending fee rate entered in the securities lending and borrowing report;


- enhance the monitoring of net short position reports by cross-checking them against SFTR reporting data;
- study the techniques for using securities financing transactions that asset management companies employ;
- analyse significant movements in securities around key dates such as shareholders' meetings or ex-dividend dates.

SFTR reporting will be the subject of work and analyses over the coming months in order to improve the quality of data and make the best use of it.

Find out more

➤ Initial analysis of SFTR reporting data

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