**Maintenance Change Request**

**for fast track maintenance of existing message definitions and new message definition**

1. **Submitting organization(s):**

European Securities and Markets Authority (ESMA)

201-203 rue de Bercy

75012 Paris

France

1. **Related messages:**

**Existing:**

auth.052.001.01 SecuritiesFinancingReportingTransactionReportV01

auth.070.001.01 SecuritiesFinancingReportingTransactionMarginDataReportV01

auth.071.001.01 SecuritiesFinancingReportingTransactionReusedCollateralDataReportV01

auth.079.001.01 SecuritiesFinancingReportingTransactionStateReportV01

auth.080.001.01 SecuritiesFinancingReportingReconciliationStatusAdviceV01

auth.086.001.01 SecuritiesFinancingReportingReusedCollateralDataTransactionStateReportV01

auth.083.001.01 SecuritiesFinancingReportingMissingCollateralRequestV01

auth.084.001.01 SecuritiesFinancingReportingTransactionStatusAdviceV01

auth.085.001.01 SecuritiesFinancingReportingMarginDataTransactionStateReportV01

auth.094.001.01 SecuritiesFinancingReportingTransactionQueryV01

**New message definition[[1]](#footnote-2):**

auth.105.001.01 SecuritiesFinancingReportingPositionSetReportV01

1. **Purpose of the change:**

Based on input received from National Competent Authorities (NCAs), Trade Repositories (TRs) and other stakeholders/market participants, ESMA proposes a set of changes to the base messages as indicated above. The updates to the base message result from:

1. changes to the applicable validation rules and reporting guidelines under SFTR as published by ESMA[[2]](#footnote-3);
2. corrections of the inconsistencies between the applicable validation rules/reporting guidelines and the base messages as reported by market participants to ESMA;
3. alignment of the message components (user base is the same) with the latest developments related to the auth.030 message (DerivativesTradeReportV02 – recently approved by the Securities SEG) and updates related to the auth.029 message (DerivativesTradeReportQueryV02).
4. other general improvements based on the feedback from the market and internal comments raised by ESMA staff.

Moreover, due to completion of the consultation period for guidelines on calculation of positions in SFTs by trade repositories (ESMA74-362-608[[3]](#footnote-4)), ESMA decided to introduce a new message definition into the *Securities Financing Transaction Reporting* message set to cater for a new report to be prepared by the trade repositories.

In particular, the new message definition *SecuritiesFinancingReportingPositionSetReport* will be sent by the trade repositories to the supervisory authorities to report aggregated exposures between a pair of counterparties. The message definition will reflect the final guidelines on position calculation soon to be published by ESMA.

1. **Urgency of the request:**

The structural modifications in the proposed solution are limited and result from the technical alignment of the auth.052.001.02 SecuritiesFinancingReportingTransactionReport (and other relevant messages in the set) with the auth.030.001.02 DerivativesTradeReport. Other changes in the messages are limited to updates of fields by adding or changing the type of the elements in the existing components.

The modifications are considered to not have a major impact on relevant parties (NCAs, NCBs, TRs and reporting firms/other market participants) already using the messages but will enable the full and proper reporting of the elements involved which would result a significant improvement in the quality of the submitted data.

In addition, the calculation and reporting of positions by TRs to authorities has not yet started due to the missing Guidelines and XML messages.

According to the business needs the targeted implementation is planned to commence in the beginning of Q3 2021.

ESMA aims at including changes in the Q4 maintenance release cycle of the TRACE system, for which testing would start in the beginning of Q4 2021.

To accommodate for sufficient lead time for the NCAs, NCBs, Trade Repositories and reporting firms/market participants) to adapt to the changes, the updated XML Schemas need to be registered in June 2021 to provide a lead time of 6 months for the relevant developments and testing.

1. **Commitments of the submitting organization:**

The ESMA TRACE project team confirms that it plans to develop a new message definition and new version of the existing messages according to the changes proposed in this document.

1. **Contact persons:**

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# Descriptions of the changes

Appendix A contains detailed information on the changes introduced to the base messages. Each change is provided with the original query of a relevant stakeholder, information on how certain request is catered for from the technical perspective and provide paths/parent elements/components to facilitate the review process.

**Appendix A**

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1. It is assumed that the introduction of the new message definition as part of this maintenance change request does not require additional business justification as the original business justification document (BJ 119) does not mention the exact number of messages to be part of the Securities Financing Transaction Reporting message set. See [[https://www.iso20022.org/submission-status/741/download](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.iso20022.org%2Fsubmission-status%2F741%2Fdownload&data=04%7C01%7CMichal.Zubrycki-ext%40esma.europa.eu%7C936fc41cf0934aa9eb4c08d900becef3%7Ce406f2684ae74c80899402493da00c03%7C0%7C0%7C637541641784007270%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=VMnvtwNQBNrb8ZIxQcwar3WWLjgWRPQvabAuaZQV9lY%3D&reserved=0)] for more details. [↑](#footnote-ref-2)
2. Latest versions of the relevant documents are available here: <https://www.esma.europa.eu/policy-activities/post-trading/sftr-reporting> [↑](#footnote-ref-3)
3. See <https://www.esma.europa.eu/sites/default/files/library/esma74-362-608_guidelines_on_calculation_of_positions_in_sfts_by_trade_repositories.pdf> [↑](#footnote-ref-4)