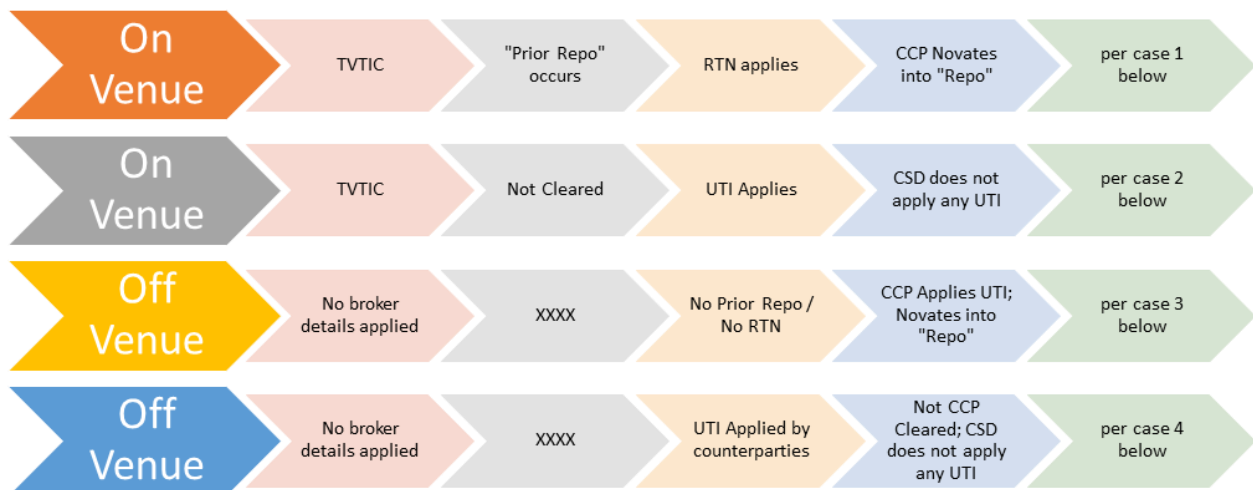


In accordance with the SFTRⁱ [Article 4], the waterfall as described in detail in Article 3(2) of the Technical Standardⁱⁱ, the RTS on Reportingⁱⁱⁱ, guidelines issued by ESMA on 31 March 2017 and the Final Report^{iv} on 06 January 2020, EVIA understands that a trade report shall be identified through either a global unique trade identifier endorsed by ESMA or, in the absence thereof, a unique trade identifier agreed by the counterparties.

For all SFTs arranged on member platforms and systems the protocol aims to ensure compatibility with the ICMA_ERCC "[Best Practices](#)" under their SFTR Guide to ensure common understanding as well as compliance to the regulation. This may often turn on counterparty reliance upon the venue trade identifier, and EVIA members understand the broker or trading venue may be the point of arrangement or of execution ¹for cleared and uncleared SFTs alike.



Noting that on **no** occasions would counterparties not CCP clear on the same day as the trade execution.

Use Cases

Case 1	TOTV Multilaterally arranged (either voice or electronically) and CCP cleared.
Case 2	TOTV Multilaterally arranged (either voice or electronically) and settled bilaterally.
Case 3	XXXX off venue and CCP cleared
Case 4	XXXX off venue (either voice or electronically) and settled bilaterally.

¹ The point of central execution will generate this as a standardised TVTIC and populate the trade confirmation and records accordingly.

Case 1 – TOTV Multilaterally arranged (either voice or electronically) and CCP cleared.



Same Day Cleared				
Report Number	UTI of the trade	Reporting counterparty	Other counterparty	Common identifier (Report Tracking Number field)
1	UTI-1	CP1	CCP	UTI-0
2	UTI-1	CCP	CP1	-
3	UTI-2	CCP	CP2	-
4	UTI-2	CP2	CCP	UTI-0

- a. Deals are executed on MiFIR venue - TVTIC is generated for this deal (referred to as "Prior Repo" with UTI-0 = TVTIC)
- b. Deal is CCP cleared (same day)
 - i. Automatically via STP from electronic platform
 - ii. Broker registers deal on clearing platform
 - iii. Counterparties register on clearing platform
- c. Clearing novation generates two new UTIs; UTI-1 & UTI-2
- d. It is then the counterparties' responsibility to report as below, conferring UTI-0 as now the RTN
- e. CCP also has to report but exempt from using the venue UTI-0 in the RTN field

Case 2 – TOTV Multilaterally arranged (either voice or electronically) and settled bilaterally.



Bi-lateral (not Cleared same day)				
Report Number	UTI of the trade	Reporting counterparty	Other counterparty	Common identifier (Report Tracking Number field)
1	UTI-0	CP1	CP2	-
2	UTI-0	CP2	CP1	-

- a. Deal executed TOTV on MiFIR venue - TVTIC is generated for this deal and TOB state this is mutually agreed by counterparties to be the UTI (referred to as UTI-0)
- b. Two counterparties settle bilaterally in CSD
- c. ToB state that it is the counterparties responsibility to report

Case 3 – XXXX off venue and CCP cleared

- a. Deal arranged sequentially no prior trade and no intermediary reported
- b. Not a “broker trade” in the ESMA guidance terms, neither any “agent” per the ESMA guidance terms
- c. No “prior repo” exists – traceable back to execution via counterparties only
- d. CCP Repo is first trade with allocated UTI

Case 4 – XXXX off venue (either voice or electronically) and settled bilaterally.

- a. Deal arranged sequentially no prior trade and no intermediary reported
- b. Counterparties agree UTI away from arranger ToB and in accordance with ESMA guidance waterfall
- c. No “prior repo” exists – traceable back to execution via counterparties only

ⁱ Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 – also referred to as the regulation

ⁱⁱ RTS on reporting (Commission Delegated Regulation (EU) 2019/356) and ITS on reporting (Commission Implementing Regulation (EU) 2019/363)

ⁱⁱⁱ Commission Delegated Regulation (EU) 2019/356 of 13 December 2018 supplementing Regulation (EU) 2015/2365 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of securities financing transactions (SFTs) to be reported to trade repositories

^{iv} ESMA70-151-2703