

Information on European Union's Securities Financing Transaction Regulation and its implications for issuers in non-EU countries

What is the Securities Financing Transaction Regulation (SFTR)?

The [Securities Financing Transaction Regulation \(SFTR\)](#) is an EU regulation which responds to the need to enhance the transparency of securities financing markets and thus of the financial system.

Who is required to report under SFTR?

SFTR requires the counterparties to a securities financing transaction (SFT) to timely report the details of any SFT they have concluded, modified or terminated to a registered or recognized Trade Repository (TR). The correct reporting of valid [Legal Entity Identifiers](#) (LEIs) is a requirement for the compliance of an SFT report with the reporting obligation under SFTR and **covers all entities**.

I am not an issuer based in the European Union. Do I still need to get an LEI?

The LEI requirement has an impact on the counterparties to an SFT that are legal entities, on all issuers of securities which are lent, borrowed or provided as collateral in an SFT as well as on other entities which, in various capacities, participate in an SFT. To ensure compliance with the SFTR reporting requirements, the LEI shall be correctly indicated in the transaction reports **irrespective of the location of the counterparties, the issuers of securities or the rest of participants to an SFT and regardless of whether any of these entities are subject to LEI requirements in their own jurisdictions**.

How is the timeline for the SFTR? Until when should I obtain an LEI?

ESMA preferred a phased in approach for reporting entities.

Regarding third-country issuers, **ESMA allowed for a period of up to twelve months** during which SFTs may be reported without the LEI of third-country issuers (that do not have an LEI). Therefore, within this 1 year temporary relaxation period, **by April 13th, 2021, ESMA expects all third country issuers of securities which are lent, borrowed or provided as collateral in an SFT to obtain an LEI**.

How can I obtain an LEI?

You can contact to an LEI Issuer accredited by GLEIF. You can find the list of all LEI Issuers here: <https://www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations>