

27 March 2020

Circular on Regulation (EU) No 2015/2365 on Securities Financing Transactions ('SFTR') - Clarification of Position by ESMA on SFTR Backloading

This circular is being addressed to all market participants, particularly entities which enter into securities financing transactions falling under the scope of SFTR, *inter alia* financial and non-financial counterparties as defined in Article 3 of SFTR.

This circular provides further clarifications on the reporting obligations in addition to the Authority's previous circular dated 20 March 2020. It should also be read in conjunction with the SFTR, its Delegated Acts and previous circulars issued by the Authority on this matter. Details on SFTR can be accessed through the Malta Financial Services Authority's ('MFSA') [dedicated section in its website](#). In particular, this circular sheds further light on the Authority's circular dated 20 March 2020 [\[link\]](#)

SFTs Subject to Backloading

In its previous [public statement](#) issued on 19 March, ESMA put forward actions in order to mitigate the impact of the COVID-19 virus on the EU financial markets. Following feedback from the industry, ESMA has revised the [public statement](#) with the intention of clarifying the reporting obligation under SFTR of Securities Financing Transactions (SFTs) subject to backloading.

In this respect, national competent authorities will not be prioritising their supervisory actions towards counterparties, entities responsible for reporting and investment firms in respect of their reporting obligations pursuant to SFTR or MIFIR regarding SFTs subject to backloading, in addition to SFTs concluded between 13 April 2020 and 13 July 2020.

Contacts

Should you have any queries on the above, please do not hesitate to contact Mr Daniel Theuma or Mr. Luca Caruana, Analysts within the Securities and Markets Supervision, on SFTR@mfsa.mt for any further clarifications.