



Brussels, 29.1.2014
COM(2014) 40 final

ANNEX 1

ANNEX

Investor information on SFT and other financing structures entered into by UCITS and AIFs

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on reporting and transparency of securities financing transactions

ANNEX

Section A – Information to be provided in the UCITS half-yearly and annual reports and the AIF's annual report

Global data:

- The amount of securities and commodities on loan as a proportion of total lendable assets;
- The amount of assets engaged in each type of SFT and each other financing structure expressed as an absolute amount and as a proportion of the fund's assets under management (AUM)

Concentration data:

- Top 10 collateral securities and commodities received per issuer in regard of all types of SFT and other financing structure
- Top 10 counterparties of each type of SFTs separately and other financing structure

Aggregate transaction data for each type of SFT separately and other financing structures – to be broken down according to the below categories:

- Type and quality of collateral;
- Maturity tenor of the collateral broken down in the following maturity buckets: less than one day, one day to one week, one week to one months, one month to three months, three months to one year, above one year, open maturity;
- Currency of the collateral;
- Maturity tenor broken down in the following maturity buckets: less than one day, one day to one week, one week to one months, one month to three months, three months to one year, above one year, open transactions;
- Country of domicile of counterparties;
- Settlement and clearing (e.g., tri-party, Central Counterparty, bilateral).

Data on re-use and rehypothecation of cash collateral:

- Share of collateral received that is re-used or rehypothecated, compared to the maximum amount specified in the prospectus or in the disclosure to investors;
- Information on any restrictions on type of securities and commodities subject to rehypothecation or re-use;
- Cash collateral reinvestment returns to the fund.

Safekeeping of collateral received by the fund as part of SFT and other financing structure

Number of custodians and the amount of collateral assets safe-kept by each

Safekeeping of collateral granted by the fund as part of SFT and other financing structure

The proportion of collateral held either in segregated accounts or in pooled accounts, or in any other accounts

Data on return and cost for each type of SFTs and each type of other financing structure broken down between the fund, fund manager and agent lender in absolute terms and as a percentage of overall returns generated by that type of SFT and type of other financing structure

Section B – Information to be included in the UCITS Prospectus and AIF disclosure to investors:

- General description of the SFTs and other financing structure used by the fund and the rationale for their use
- Overall data to be reported for each type of SFT and each type of other financing structure
 - Types of assets that can be subject to them
 - Maximum proportion of AUM that can be subject to them
 - Expected proportion of AUM that will be subject to each of them
- Criteria used to select counterparties (including legal status, country of origin, minimum credit rating)
- Acceptable collateral: description of acceptable collateral with regards to assets types, issuer, maturity, liquidity as well as the collateral diversification and correlation policies,
- Collateral valuation: description of the collateral valuation methodology used and its rationale, and whether daily mark-to-market and daily variation margins are used.
- Risk management: description of the risks linked to SFT and other financing structures, as well as risks linked to collateral management, such as operational, liquidity, counterparty, custody and legal risks.
- Specification of how assets lent out and collateral received are safe-kept (fund custodian)
- Policy on sharing of return generated by SFT and other financing structures: description of the proportions of the revenue generated by them that are returned to the fund, to the manager or retained by third parties (e.g. the agent lender).