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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).