

9 Annex IV - Procedure for migration in case of withdrawal of registration under SFTR

<p>A. Initial notifications</p> <p>(Voluntary withdrawal) The TR notifies ESMA, TR participants, other involved TRs and NCAs of its request to withdraw its registration at least in advance (as per Guideline 25) of the intended date of cessation of operations (in case withdrawal is requested by the TR).</p> <p>Or</p> <p>(Non-voluntary withdrawal) ESMA notifies the new TR(s) and the NCAs that the new TR(s) should receive data that was originally reported to the old TR (in the event that withdrawal is not requested by the TR)</p>
<p>B. Planning and preparation</p> <p>The old TR informs the TR participants of its intention to cease operations. The TR(s) prepare(s) the migration plan, as detailed in Guideline 3, and submit it to ESMA and the new TR(s). ESMA and the other involved TRs raise any potential objections or concerns and after resolving them all parties agree on the migration plan details.</p> <p>The old TR identifies the SFTs subject to transfer and provides ESMA and the other involved TRs (as part of the migration plan or separately) the following information regarding the SFTs subject to transfer per TR:</p> <ul style="list-style-type: none"> ○ The total number of outstanding SFTs ○ The total number of records relating to lifecycle events corresponding to these SFTs for transaction, margin, and re-use reports ○ The total number of records relating to terminated and matured SFTs ○ The total number of records relating to errored SFTs ○ The number of reporting log entries ○ The total number of data files on Rejections at file level and the number of data files on reconciliation status for the purposes of the inter-TR reconciliation process at transaction level
<p>C. Execution of transfer</p> <p>Once the number of SFTs and records are confirmed, the old TR should proceed with generating the relevant file(s) in accordance with Guideline 5.</p> <p>The old TR and new TR(s) execute the migration plan. Generated files are transferred from the old TR to the new TR(s) which acknowledge each transfer.</p> <p>The sequence prioritisation of SFTs and records included in Guideline 15 is followed.</p>

<p>If possible, outstanding SFTs should be transferred during and within a weekend, while corresponding lifecycle events to these SFTs for transaction, margin, and re-use reports at the earliest opportunity and no later than the week after.</p> <p>If not possible, then outstanding SFTs should be segmented, per TR participant, to two or more batches to be transferred during consequent weekends. The corresponding lifecycle events per batch should be transferred at the earliest opportunity and no later than the end of the week that follows the transfer of the relevant outstanding SFT batch.</p>
<p>The remaining SFTs should be transferred as soon as possible within a month after the conclusion of the transfer of outstanding SFTs.</p> <p>Any issues identified and progress made are reported regularly to ESMA in a timely manner.</p>
<p>D. Verification of data transfer</p>
<p>The new TR(s) should determine the following figures and information for the received records and verify the completeness of the transfer:</p> <ul style="list-style-type: none"> ○ The latest state of the outstanding SFTs received, i.e. the “trade state” ○ The total number of outstanding SFTs ○ The total number of records relating to lifecycle events to these SFTs for transaction, margin, and re-use reports ○ The total number of records relating to terminated and matured SFTs ○ The total number of records relating to errored SFTs ○ The number of reporting log entries ○ The total number of data files on Rejections at file level and the number of data files on reconciliation status for the purposes of the inter-TR reconciliation process at transaction level
<p>The new TRs should notify ESMA and the old TR of the result of the verification. In case of verification failure, the root cause is investigated by both parties (old and new TRs) and the transfer process is repeated until the data transfer is successful.</p>
<p>E. Final notifications</p>
<p>The new TRs should notify the relevant TR participants, all the remaining TRs and the respective NCAs (by email) of the successful conclusion of the transfer.</p>
<p>F. Recordkeeping and secure data deletion</p>
<p>The old TR should maintain the data transferred for as long as detailed in Guideline 28 and according to SFTR requirements as before the transfer.</p>
<p>The old TR should destroy/delete the transferred data when this is permitted and following the relevant principles for secure deletion/destruction included in Guideline 28.</p>

Q53. Do you agree with the procedure described in Annex IV? Which other aspects need to be considered? Please elaborate on the reasons for your response.

