



Dear Sir/Madam:

BBVA appreciates the opportunity to provide comments on the joint CPSS and IOSCO *report on OTC derivatives data reporting and aggregation requirements*, published on August 24, 2011. We welcome this report and very much acknowledge the importance of the issues raised therein in terms of the need to improve the transparency and functioning of the OTC markets and the critical role that Trade Repositories can play in this process.

Although we agree with the general focus and tone of the proposals being put forward in the report, we would like to bring up to your attention one consideration regarding the dissemination of sensitive data. In several places along the Report the possibility of disseminating selected OTC derivatives data to the public is being considered, always taking into account confidentiality constraints. We think it is very important that the highest degree of confidentiality be achieved in relation to an entity's data being stored within a Trade Repository ("TR") as it is very sensitive data which is of the greatest economic importance to the entity. This is specially of concern in the period of time until confidentiality is imposed legally on TRs by the European and American legislation, as in this interregnum, confidentiality is achieved only on a contractual basis.

Having said that, and focusing on the main questions of interest being highlighted in your cover note, we would just like to add the following two comments:

Data gaps: data regarding netting agreements and collateralization. We think that sending details of our netting agreements themselves does not really provide any added value information to supervisors. These arrangements are drafted under the same international standard (e.g. ISDA Master Agreements) so their supervision can be based on the entities declaring them to be in place, rather than by furnishing the TR with copies of the same. As stated in the Report, reporting on the collateral posted from time to time in relation to derivative trades raises, beyond technical difficulties, many legal challenges as supervisors may wrongly assume that the reported collateral may be enforced, without taking into account further legal issues that may arise in the enforcement process (e.g. cross border bankruptcy and custody related issues). We understand that TRs should be places for the supervising authorities to look for information. In our opinion, TRs should not act as calculation or collateral agents: the performance of these functions goes beyond their

projected scope and would require significant amendments to the current contract structure.

Product classification system and legal entity identifiers ("LEI"). Rather than being legally enforced, we think it would be more practical (and flexible) for have an industry lead process of setting up new LEIs and product classification systems.