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By E-mail

24 February 2016

Dear Sirs

ICAP Response to CMPI-IOSCO Consultative Report on the Harmonisation of the Unique Product Identifier

The development of a UPI system has the potential to fulfil and support many requirements demanded by global regulation and increases market transparency and consistency. ICAP supports the need to fully assess different use cases and the characteristics that the UPI would require in order to fulfil each case. ICAP has seen the list of use cases provided by ISDA in their response to this paper and supports the summary of the situations in which an aligned UPI system could be used.

The Consultative Report highlights the need for the UPI to assist with position and risk analytics. If the UPI is to be useful in this regard, it must include more granular information than what is proposed in the consultation, which focuses on product classification as opposed to identification. In the world of OTC derivatives, many contract lengths are not standardised, but are critical for identifying risk, and so contractual economic terms would need to be included in the UPI.

Similarly, ICAP advocates the formulation of an intelligent system to generate UPIs. This will make it easier and cheaper to generate UPIs within trading venues and investment firms, as well as reducing the risk of double-identifying a product. In order to increase the use cases fulfilled by the UPI, it is crucial for firms to be able to generate UPIs themselves, so that they can begin using them in their systems and externally for data publication and reporting.

Drawing on the points above and from other ongoing consultations, ICAP also highlights the need for an alternative to the ISIN for OTC derivative product identification which has been prescribed by the recent ESMA technical standards.

ICAP appreciates having the opportunity to comment and would be happy to discuss our thoughts further.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Kevin Taylor", with a long, sweeping horizontal stroke extending to the right.

Kevin Taylor

Managing Director, ICAP Information Services