

October 9, 2015

Philippe Troussard
Secretariat
Committee on Payments and Market Infrastructures

Verinder Sharma
Secretariat
International Organization of Securities Commissions

Bank of International Settlements
Centralbahnplatz 2
4002 Basel, Switzerland

**RE: ICE Trade Vault's Response to the Comments Solicited in the Consultative Report on
*Harmonisation of Key OTC Derivatives Data Elements (Other Than UTI and UPI) -- First Batch***

Dear Mr. Troussard and Mr. Sharma:

ICE Trade Vault Europe Limited and ICE Trade Vault, LLC (collectively referred to as "ICE Trade Vault") appreciates the opportunity to respond to the above-referenced consultative report by Committee of Payments and Market Infrastructure and International Organization of Securities Commissions (jointly, "the Harmonisation Group"). As background, Intercontinental Exchange, Inc. ("ICE") was established in 2000 as an over-the-counter ("OTC") marketplace with the goal of providing transparency and impartiality for the previously opaque, fragmented energy market. Since that time, ICE has grown significantly through organic growth fostered by product, technology and clearing innovation, and by acquisition of futures and equities exchanges that have broadened its product offerings and risk management services. As part of this growth, ICE established ICE Trade Vault, LLC, the first provisionally registered Swap Data Repository ("SDR") in the United States, which is dually registered in Canada, as well as ICE Trade Vault Europe Limited, a registered Trade Repository ("TR") and Registered Reporting Mechanism ("RRM").

ICE Trade Vault commends the Harmonisation Group for its continued efforts in bringing consistency in the definitions, format, and usage of key data elements on a global scale. Harmonization of data elements collected by TRs worldwide today is critical for regulatory purposes as well as for TRs that operate in various regulatory jurisdictions globally. ICE Trade Vault supports such efforts and is committed to providing meaningful feedbacks and responses to the proposal, and looks forward to the future globalization initiatives. Hence, ICE Trade Vault respectfully submits the below as its responses and comments solicited in your consultative paper, dated September 2, 2015¹. ICE Trade Vault's comments are specifically applicable to certain sections of the consultative paper and, as such, the applicable sections are referenced for your convenience.

¹ ICE Trade Vault Europe Limited and ICE Trade Vault, LLC jointly submitted a response on September 30, 2015 to the Harmonisation Group's separate consultative report on *Harmonisation of the Unique Transaction Identifier*, dated August 19, 2015.

Section 3.1.1, Effective date

ICE Trade Vault Response:

The definition of “effective date” could be more clearly defined, specifically in the context of characteristics that vary in different asset classes. For instance, it is common industry practice in the commodities asset class to refer to the first contract month as the “effective date”. For example, the “effective date” of a “January 2016 Brent Oil” would equate to January 1, 2016². The contract month is the start date of a contract which is recorded on the legal OTC confirmation is used by TRs to produce position data.

Conversely, it is a common industry practice in the credit asset class that the “start date” is used for a credit default swap index which could be prior to the trade execution date. However, for a single-name credit default swap, the “start date” is typically on a T+1 day basis.

Given this existing industry practice, a start date for a transaction in commodities and credit asset classes should be reported to a TR according to such existing practice. Further, to identify when a “risk” should start on a particular transaction or a contract, the execution timestamp should be used.

It is ICE Trade Vault’s understanding that counterparties’ trade capture systems typically do not store the “time” part of the “effective date,” (“EFTTIMESTAMP” in “YYYY-MM-DDThh:mm:ssZ”). However, it is ICE Trade Vault’s view that the use of “effective time” may bring a simple solution to time validation problems where, among other instances, a regional system captures and stores a date and a timestamp in a regional time zone and reports such data and timestamp in another time zone (e.g., Eastern Daylight Time and Coordinated Universal Time, respectively) as required. Given this benefit, ICE Trade Vault suggests that, if a timestamp is added to the “effective date,” it should be captured in a default value as of the midnight in the local jurisdictional time zone and should subsequently be translated into Coordinated Universal Time.

Section 3.1.2, End date

ICE Trade Vault Response:

Similar to the above in Section 3.1.1 of the consultative report, the definition of “end date” could be more clearly defined, specifically in the context of characteristics that vary by asset class. For instance, in common commodities industry practice, the “end date” refers to the end of the pricing period, which is used to produce position data in the TR. As such, in order to differentiate the “end date” that is commonly referred to as the date on which the pricing period ends from the date on which the contract expires, a separate data field should be instituted (“expiry date”).

Similarly, the definition of “end date” could also be more clearly defined for credit default asset class, as it currently can be applied as the “end of the index term” or as the “end of the grace period” on a cleared swap, during which the price of the index may be updated before settlement.

Further, the proposed definitions provide that “early termination shall not affect this data element”; however, “early termination” is not clearly defined to support a variety of terminations where, for instance in commodities, there are transactions that may have updates to the “end date” of the contract to “shorten” the contract period but the contract itself is not terminated, e.g., a 12-month calendar contract is shortened to a six-month contract, three months after the contract effective date. Given this type of modification, which does not render itself as an “early termination,” per the definition used for “End Date” in the IOSCO Harmonization document, the “early termination” field should be revised to account for instances such as a shortened contract and, conversely, an extended contract.

² Please note that this is for OTC contracts confirmations, and for ETDs the pricing month is stored on the trade details in the contract start and contract end date fields for position aggregation e.g., January Brent Oil Position).

Section 3.1.3, Cleared

ICE Trade Vault Response:

Reliance on only one of the two alternatives provided by the Harmonisation Group would reduce the likelihood in the proper identification by regulators of clearing status of a trade. Thus, ICE Trade Vault suggests that a combination of both alternatives should provide a better, more comprehensive view of the clearing status.

For instance, the proposed Alternative 1 would require the clearing model to be indicated on clearing transactions. Although these reportable values appear to address different reporting counterparties and the clearing status of the transactions, it is ICE Trade Vault's view that CCPs are best positioned to provide such data on all clearing trades with greater clarity and accuracy. Hence, for all clearing swaps, CCPs should report single cleared transactions which reflect all parties to the trade with a separate data field that would allow principal or agency model.

Further, the proposed Alternative 2 would require a basic set of values "Y" and "N" to denote whether the transaction has been cleared. This field should be populated for all transactions, and in addition, a separate field that denotes whether or not the transaction is intended for clearing would help identify transactions that are cleared, transactions that are not yet cleared but are intended for clearing, and transactions that are not cleared and are not intended for clearing.

As described above, the separation of all reportable information into separate unique fields should achieve more comprehensive and meaningful transaction reports.

Section 3.1.4, Settlement method

ICE Trade Vault Response:

In order to achieve increased clarity, a value of "N" should be added to denote a contract such as swaptions, that settle inside an underlying contract, in addition to the existing values of "C," "P," and "O." This is because global regulatory bodies have provided conflicting interpretations on how "swaptions" should be reported. For example, EMIR has stated they should be submitted with "C" (Cash) while REMIT has stated they should be submitted with "P" (Physical)³. By creating another value of "N," (Contract) the data contained therein should be submitted by reporting counterparties in a more consistent manner globally, especially concerning a conflicting instrument such as a "swaption."

Section 3.1.5, ID of the primary obligor

ICE Trade Vault Response:

In order to properly add the ID of the obligator for Counterparty 1 and 2, the definitions of Counterparty 1 and 2 must be clearly defined and harmonized globally. This is because, for instance, in the commodities asset class, there are collective investment vehicles/agency relationships that are part of trade ownership and thus multiple LEIs can essentially represent the full trade ownership. In these instances, there are obligors that are comprised of multiple sub-entities, and those obligors are not allowed to be identified with one Legal Entity Identifier pursuant to the current reporting rules. Thus, the ability to enter multiple Legal Entity Identifiers (allowing submission of values with delimiters while maintaining 20-character field length) would allow a more accurate identification of the underlying obligor. Counterparty 1 and 2 fields should also allow for multiple LEI values.

³ See REMIT's "Transaction Reporting User Manual (TRUM) Version 2.0," Page 66, at "Data Field No (26) Settlement method."

Section 3.1.6, Notional amount

ICE Trade Vault Response:

Instead of four notional amounts fields, only two notional amounts should be reported for FX index swaps per current practice in US reporting.

If the notional amount field cannot be harmonized for commodity asset class, the Harmonisation Group should require that the notional amount be null for commodity transactions that are not executed in notional amounts, e.g., commodity index swaps.

ICE Trade Vault additionally recommends that a single notional amount be reported as opposed to both a notional amount and original notional amount, which can be edited when modifications are made to the original transaction. Further, in case of a full termination and cancellation, the notional amount should not be updated to zero upon such change and should be reflected with the original notional amount and separately denoted as “terminated” or “canceled.” This is because trade capture systems typically do not store two notional amounts and that the original notional amounts are always available using the audit log of transactions within such systems.

Section 3.1.7, Notional currency

ICE Trade Vault Response:

In order to accurately reflect in what currency a transaction is executed, all tradable currencies should be allowed for reporting, including Bitcoins (“XBT”).

A minor currency such as GBX should not be allowed for consistency purposes, and all such currencies should be converted into a relevant major currency so that the current inconsistency problem between EMIR reporting and REMIT reporting can be resolved.

Section 3.1.8, Valuation

ICE Trade Vault Response:

As the first step to defining the proposed fields, a global definition of “valuation” needs to be agreed upon so that it is clear what should be reported for valuations on a global basis. In the European Union, valuations are typically mark-to-market level on the derivative (per UTI), while in the United States, valuations are submitted as the mark at the position level on the derivative (standard contracts). The lack of a global definition presents a challenge on defining the data elements that can be harmonized for valuation amount.

Section 3.2.1, Early termination timestamp

ICE Trade Vault Response:

The term “early termination” field should be more clearly defined so that where the transaction is not fully terminated the field should not be populated. Further, the definition should include scenarios that describe whether an action on a transaction is deemed a termination, including instances such as a shortened period that leaves the contract to remain open⁴.

⁴ See “Questions and Answers, Implementation of the Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR)” by ESMA, dated October 1, 2015, at TR Question 12 (b).

With respect to the timestamps that pertain to an “early termination,” ICE Trade Vault suggests that, when a full termination occurs, timestamps should be submitted in the same format as the end date of the transaction.

Section 3.2.2, Direction

ICE Trade Vault Response:

ICE Trade Vault generally agrees that the current industry standards should be used with respect to Alternative 1. This is because, among other examples, some commodities basis swaps have standards of designating which counterparty should be the buyer or the seller. The identification of buyer and seller differs among different asset classes involved and no one standard methodology should fit all asset classes.

Other than in foreign exchange asset class, in today’s industry practice buyer and seller are used for reporting as well as by electronic confirmation platforms. ICE Trade Vault believes that Alternative 2 may bring more clarity in the foreign exchange asset class; however, the cost of implementing the required fields may outweigh the benefit due to the difficulty in adding them in the current trade capture systems.

ICE Trade Vault encourages the Harmonisation Group to continue to reform OTC derivatives markets for global standards. In order to fully harmonize data reporting rules globally, various input values should also be clearly defined, such as, among other things, regulator display name(s), allowable display value(s), and values that are required, conditionally required, or optional. Field display names and their allowable values should be a requirement for TRs to display to regulators and counterparties, while TRs should allow for flexibility in how their participants report to them in order to minimize additional costs that would be incurred on implementation. Please do not hesitate to contact ICE Trade Vault (Tara Manuel, +1 (770) 857-4735 or at tara.manuel@theice.com), should you have any questions regarding its comments.

Sincerely,



Tara Collier Manuel
Director
ICE Trade Vault & ICE eConfirm
Tara.Manuel@theice.com
Phone: +1 770 857 4735

CC: Takako Okada, Chief Compliance Officer, ICE Trade Vault, LLC
Evgenia Stamatelou, Compliance Advisor, ICE Trade Vault Europe Limited
Carolyn K. Van den Daelen, Chief Compliance Officer, ICE Trade Vault Europe Limited