

General notice

First of all we would like to point out that Consultative report is only about OTC market. This leads us to a question: is any change proposed to ETD market? No answer can be found in this document.

Second of all basing on the questions stated it seems that anticipated changes are very wide. Given that is it allowed to say that today generating UTI is so ineffective? Do markets, TR, CCP, platforms really need such big changes? From our (CCP) perspective when we deal with trades sent for clearing only, we face no problems with constructing the UTI.

Please bear in mind that all changes mean costs and efforts required from CCPs, TRs and participants. In the report change in length of UTI is proposed so it equals to deep reconstruction in informatic systems. And all this is being consulted in time of implementing level 2 validation and change in RTS next.

Also we have to remember that more and more complicated reporting system will cause problems for authorities to look through it and estimate risk in market.

From the technical point of view we could not find a single word mentioning about TRN code. TRN is used to describe the trade when UTI is used to describe the pair of reports. This is straightforward interpretation of Q&A released by ESMA in December 2013. Discussion of UTI should include TRN aspect.

Question 1: Are there jurisdictional differences about what is a reportable transaction that respondents believe will cause challenges for UTI generation? Please describe the differences and challenges.

No answer.

Question 2: Are there further harmonisations (that could potentially be applied) to the rules that define which transactions are reportable that would reduce or eliminate the challenges around generating UTIs? In answering this question, please also describe the challenge(s) and identify the jurisdiction(s).

No answer.

Question 3: Do respondents agree with the proposed approach to UTI allocation for package transactions? Under what circumstances should the entire package have a single UTI?

We prefer system in which one trade equals one UTI.

Question 4: Are there other approaches to UTI allocation for package transactions that should be considered? If so, please describe.

We prefer system in which one trade equals one UTI.

Question 5: Which, if any, of the options for identifying and linking components of packages do you favour and why? In particular, please consider the extent to which the options achieve traceability?

We find any linking of trades very hard to implement and futile. The risk stems from the position not from the history or moment in lifecycle of trade. The package of trade represents one position. It doesn't matter how many transaction it is made from.

Question 6: Do you see any difficulties in implementing any of the proposed options for identifying and linking components of packages? If so, please describe.

All propositions mean deep changes in the systems and do not provide any important information.

Question 7: Please identify and describe any alternative approaches for identifying and linking components of packages that should be considered, focusing in particular on any impact they would have on UTI generation.

We don't find necessary to link trades.

Question 8: Is the proposed division between events that should and should not require a new UTI complete and correct (please refer to the proposal described in this section and the table in Section 8? If not, please provide other cases and explain why they should or should not lead to a new UTI being required.

Table provided in section 8 is very clear and complete.

Question 9: Different jurisdictions may have different rules (including case law) defining which events would require a new UTI to be created. Are respondents aware of any such differences? What difficulties do these differences create in the creation of UTIs? If jurisdictions' approaches to when a new UTI is required cannot be harmonised, are there other steps that could be taken to avoid double-counting of transactions reported to different TRs?

No answer.

Question 10: Do respondents agree with the analysis of linking related transactions through lifecycle events?

We don't find necessary to link trades.

Question 11: Are there other cases to be considered in the analysis of linking related transactions through lifecycle events?

We don't find necessary to link trades.

Question 12: Are there practical difficulties that would arise from putting a successor UTI on a transaction that had been terminated? Such difficulties could arise in the reporting, the processing by the TR or the analysis by the authorities.

Linking trades is very hard to implement and does not provide any important information.

Question 13: Can respondents suggest other ways of achieving links between reports subject to lifecycle events that meet the characteristic to provide an audit trail?

We don't find necessary to link trades.

Question 14: Which of the proposed solutions to linking reports subject to lifecycle events do you favour? Do you see any difficulties in implementing any of the proposed solutions, and if so, what are they?

Linking trades is very hard to implement and does not provide any important information.

Question 15: Can respondents suggest UTI constructs that would achieve embedding the link information about lifecycle events into the UTI while still compliant with the authorities' desired characteristics for the UTI?

We don't find necessary to link trades.

Question 16: Are there additional issues that should be taken into account in considering the responsibility for generating UTIs?

We support the approach where if clearing takes place CCP is responsible for UTI generation only.

Question 17: Would it be beneficial if the guidance did not provide for the harmonisation of rules for the responsibility for UTI generation with respect to trades that are not cross-border? Would there be disadvantages to this approach? Does the analysis of this idea depend on which option is used for cross-border trades?

Some guidance may be useful. In our point of view it is important that CCP produces UTI for cleared trades.

Question 18: Do respondents agree with the high-level assessment of the Option 1 proposal for the responsibility for generating UTIs? Please explain why or why not.

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 19: Are there additional considerations relevant to the Option 1 proposal for the responsibility for generating UTIs? If so, please describe.

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 20: Is a problem of enforceability created if the UTI was generated by an entity outside the jurisdiction of one of the counterparties?

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 21: What are respondents' views on the proposed Option 1 hierarchy for the responsibility for generating UTIs? Are the steps necessary and sufficient? Are they defined well-enough? Are there alternative ways of achieving Step 6?

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 22: Is it desirable to include the sort of flexibility represented by Steps 1–5? If so, where in the hierarchy should the flexibility be provided?

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 23: Can respondents provide an alternative set of UTI generation steps for the proposed option 1 hierarchy for the responsibility for generating UTIs that meet all of the characteristics set out in Section 2?

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 24: Does the proposed Option 1 hierarchy for the responsibility for generating UTIs work across different reporting jurisdictions, particularly considering differences such as single-sided and double-sided reporting?

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 25: Do respondents agree with the high-level assessment of the Option 2 proposal for the responsibility for generating UTIs? Please explain why or why not.

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 26: What are respondents' views on the feasibility of the Option 2 proposal to the responsibility for generating UTIs? Are there particular issues for respondents that operate in more than one jurisdiction? How serious is the possible ambiguity in Option 2 and are there efficient and suitable workarounds?

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 27: Are there additional considerations relevant to the Option 2 proposal for the responsibility for generating UTIs? If so, please describe.

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 28: Is a problem of enforceability created if the UTI was generated by an entity outside the jurisdiction of one of the counterparties?

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 29: What are respondents' views on the possible rules for the generation of UTIs that meet the compatibility approach of Option 2? Are there any additional rules that should be considered to meet the compatibility approach?

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 30: Do respondents agree with the assessment of the Option 3 approach for the responsibility for generating UTIs?

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 31: Are there particular challenges for authorities in monitoring compliance with any of the options for the responsibility for generating UTIs?

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 32: Considering all three options presented for the responsibility for generating UTIs, do respondents see other suitable solutions meeting the characteristics set out in Section 2?

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 33: Which option for the responsibility for generating UTIs do you regard as preferable? Why is this? What would be the disadvantages to you if your non-preferred option was chosen?

In our point of view it is important that CCP is responsible for generating UTI for cleared trades.

Question 34: Is the assessment about timing for UTI generation correct? Are there examples of timing requirements from authorities that are incompatible with other elements of the proposed UTI generation approach? If so, please describe them.

We agree with the assessment presented.

Question 35: Do respondents agree with the proposed overall approach to UTI structure and format? If not, please suggest alternatives that meet the characteristics?

We propose that proprietary algorithms are allowed when CCP generates the UTI.

Question 36: Which of these possible UTI components, if any, are important and why? Is it necessary for the UTI to have any of these components?

We prefer to stick with the market practice in which first 10 signs define the entity that generates the UTI and the rest of UTI is left to decide to that entity. In our case we use transaction date and trade ID and some other parameters to produce the UTI. We should give some flexibility for entity responsible for UTI generation. Other components included in the table may not be feasible. For example including CP1 and CP2 will make UTI 60 – 70 characters long.

Question 37: Would it be useful or necessary to include check digit(s) in the UTI? Why?

No. That would mean change in UTI generation rules already implemented in markets.

Question 38: Which components, if any, should be included in the UTI? Which components, if any, should be used in UTI construction but not appear in the UTI? In answering this question, consider both the components listed in the table above or suggest other components as necessary. Please explain how the particular components contribute towards meeting the characteristics set out in Section 2.

UTI generating entity should be defined in first 10 signs. This entity should assure that UTI is unique. No other requirements should be imposed.

Question 39: Should the UTI be solely a dummy code, i.e. a value that contains no embedded intelligence? Why or why not? Assuming that other data elements regarding a transaction (e.g. the

identification of the counterparties, the date and time of execution etc.) will be captured by the report to the TR, is it necessary to reflect such elements in the UTI?

No values should be embedded in UTI by regulation except 10 first sign defining the entity generating UTI. Uniqueness of UTI should be assured by entity generating UTI.

Question 40: Should the details of how to construct the ID value be defined and, if so, what approach (e.g. UUID) should be used?

No details should be required except 10 first sign defining the entity generating UTI.

Question 41: How important will it be to be able to distinguish “new” UTIs from “legacy” UTIs? Assuming that the trade report includes the date and time of execution, would it be necessary to embed the indication in the UTI itself or should the indication be explicit in a separate field?

Our UTI constructions assure that distinguishing will be easily provided by transaction date embedded in UTI.

Question 42: Is it necessary or practical for the UTI to include a Mint field? If so, is the use of the LEI appropriate for the Mint field in the UTI? Are there other values that could be considered for this? What issues would arise in this case? How should cases where the Mint entity doesn’t have an LEI be handled?

No details should be required except 10 first sign defining the entity generating UTI.

Question 43: What issues would arise from using the suffix UTI component to link the reports of components of a package?

No details should be required except 10 first sign defining the entity generating UTI.

Question 44: Will the inclusion or not of certain components set out above in the UTI require changes to respondents’ systems or other systems on which you are dependent? How much change?

No details should be required except 10 first sign defining the entity generating UTI.

Question 45: Are there any issues in having an “intelligent” UTI? What are respondents’ views on the potential solutions to these issues? Are there alternative ways of dealing with this?

No details should be required except 10 first sign defining the entity generating UTI.

Question 46: Can respondents suggest algorithms that would achieve the Option 3 approach to generating the UTI?

Our algorithm consists of (in general):

- 10 signs defining the entity generating UTI,
- 1 sign parameter defining the type of market,
- 1 sign parameter defining the side of trade,
- 8 signs for transaction date,
- Unique trade identifier for that transaction date

For ETD we include ISIN in UTI.

Question 47: What are respondents' views on the lengths of the various potential components of the UTI (assuming that they are included directly in the UTI) and hence the length of the overall UTI?

We should not change the length of UTI.

Question 48: Should the UTI be case-sensitive (allowing for upper- and lower-case characters to be regarded as distinct)? Should the UTI avoid using certain alphanumeric characters that resemble others? For example, do you think it advisable for the UTI system to avoid using the digits "0" and "1" so as to avoid confusion with the letters "O" and "I" (or vice versa)?

We propose to use only upper characters and not impose any other limits.

Question 49: Should other characters be allowed in the UTI beyond those proposed? If so, which ones and why do you recommend them? Could all jurisdictions and languages readily accommodate these characters?

We propose to allow usage of following separator sign:

-

Question 50: Should separators between different component parts of the UTI be used? Why or why not? If so, which separators and why do you recommend them?

We propose to allow usage of following separator sign:

-

Question 51: Should the length of UTI be of fixed or should only the maximum length be indicated?

The length of UTI should be described as „up to 52 signs“.

Question 52: Do respondents agree with the proposed implementation approach? Is there a risk that a newly generated UTI would have the same value as an existing UTI as a result of these proposals? Is it possible to estimate the size of this risk? What problems do respondents see regarding "legacy" UTIs under this approach?

UTIs already generated cannot be repeated in UTIs generated in our CCP. In our case there is no risk but we have to remember to construct UTI with first 10 signs defining the entity generating the UTI.

Question 53: Are the descriptions of lifecycle events complete and sufficiently defined? In particular, are there differences between novations and assignments that are not captured in the table and which are significant for UTI generation? Are the conclusions as to when a new UTI is required correct?

Table provided in section 8 is very clear and complete.