



## **Bank for International Settlements**

Committee on Payment and Settlement Systems (CPSS)

## **International Organisation of Securities Commissions (IOSCO)**

Technical Committee

– submitted via e-mail to [cpss@bis.org](mailto:cpss@bis.org) and [OTC-Trade-Repositories@iosco.org](mailto:OTC-Trade-Repositories@iosco.org) –

25 June 2010

## **EAPB comments on the consultative report “Considerations for trade repositories in OTC derivatives markets”**

The European Association of Public Banks (EAPB) is thankful for the opportunity to comment on the above mentioned consultative report by the CPSS and the Technical Committee of IOSCO and welcomes it as a starting point towards an agreement on international standards for trade repositories (TRs).

### **General remarks**

Building efficient, safe and sound market infrastructures is of utmost importance. The proposed factors are generally an adequate framework for TRs to demonstrate to the authorities, users and the wider public that they will function efficiently, safely and soundly.

TRs should be able to collect data on all contracts traded in one or several segments of the OTC derivatives markets. They should ensure continuous and timely access to recorded information to regulators and supervisory authorities and to the reporting entities and the entities on whose behalf the transactions are conducted. In the first case, access should be unlimited for the performance of their respective functions. In the second case, access should only be possible on the relevant information concerning the reporting transaction. The authorisation of TRs should be on condition that such access is assured.

### **Specific remarks on factors**

#### **Factor 1**

At the moment the confirmation of an individual transaction is used for the clarification of discrepancies in OTC transactions. The consultative report now mentions to use the data as "official legal record" (page 2). It is therefore essential to clearly define which documentation is the relevant one.

## Factor 2

There should also be transparency for market participants with regard to which regulators and authorities have access to the data. TRs in this respect should have an information obligation towards the market participants who report the data to the repository. The obligation should contain information about how, when and to whom the data is forwarded. The data should be forwarded only in an anonymised way.

To avoid any arbitrage, all TRs should be subject to equivalent requirements with regard to the amount of information that can be made publicly available.

TRs are natural data aggregators. Direct reporting obligation from participants in the OTC derivatives markets to TRs should not be duplicated by obligations to report the same information to competent authorities. It would be more efficient if TRs simply pass on this information if and how requested.

## Factor 4

Governance arrangements should prevent misuse of confidential information and commercial use of information by the TR in other areas.

## Factor 5

The guidelines for the upload of data from market participants to the TR, particularly concerning the time until when data has to be delivered, must be flexible enough to allow a deferred delivery (for example, once per day in form of a batch/file). The costs to undertake a transmission line that makes an online delivery possible are extremely high and turn out to be profitable only in the case of very high data volumes to be transmitted. Such high volumes usually are only delivered by large banks. The trade repository also should provide a helpdesk to deal with problems concerning uploads, to perform tests or to answer other questions.

The support of TRs for interconnectivity with other providers of clearing services should be accorded on request. The conditions around that request need to be clarified. TRs would need to demonstrate some form of market/user demand.

## Factor 9

TRs and international standards setters like IOSCO should draft common standards in this area in close cooperation with market participants.



## European Association of Public Banks

– European Association of Public Banks and Funding Agencies AISBL –

Should you have any questions, please do not hesitate to contact us.

Kind regards,

Two handwritten signatures in black ink. The first signature, on the left, is 'Schoppmann' and the second, on the right, is 'Bartels'. Both are written in a cursive, flowing style.

Henning Schoppmann  
EAPB

Boris Bartels  
EAPB

*The European Association of Public Banks (EAPB) represents the interests of 35 public banks, funding agencies and associations of public banks throughout Europe, which together represent some 100 public financial institutions. The latter have a combined balance sheet total of about EUR 3,500 billion and represent about 190,000 employees, i.e. covering a European market share of approximately 15%.*