

IMA response to CPSS-IOSCO consultation on Considerations for trade repositories in OTC derivatives markets

The Investment Management Association (“IMA”) represents the UK-based asset management industry. The industry manages in excess of Euro 4,000 billion of assets for underlying clients, such as pension funds, UCITS funds and insurance funds. The industry is global, in the sense that the clients who are the beneficial owners of the assets come from all countries around the world. The vast majority of the assets managed belong ultimately to the man in the street, through his pension, invested savings, annuity and insurance endowment policies.

We have reviewed the consultative report and sought the input of members. We believe the proposed factors for consideration by trade repositories and relevant authorities provide a clear and comprehensive framework for the role of trade repositories in OTC derivatives markets, and we support their adoption.

However, members have expressed some general concerns about the extent to which the principles attend to issues of data privacy, including access to trade data in particular.

Market transparency and data availability

We believe that public availability of data should be couched in more conservative terms than in the consultation. In bullet 1 a reference is made to the minimum publication requirements for data held by the TR. This is not matched by any maximum requirement, however in bullet 3 there is a reference to the type and granularity of trade information to be published conforming to “established regulatory expectations and industry practices”. These are loose and unspecific words. There are, for instance, no checks or balances as to how either the regulatory expectations or the industry practices might be established, or evaluated. There is no reference to customers of the market, who may or may not be considered to be the “industry”, nor to whose interests are meant to be served by such publication. We therefore strongly urge you to consider clarifying and qualifying this section to refer to public and private interests in respect of trade data, both of which are valid in this context.

Access and participation

Although these are high level principles relating to general access, participant access could be construed as giving rise to access to data held within the system also. Issues of privacy require stringent controls around data access. We ask that the focus in this section, which we believe is intended to be about non-discriminatory access as a participant, should be made clearer.

We would be happy to discuss these points further, or answer any questions that you may have.