

# **ZENTRALER KREDITAUSSCHUSS**

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## **Comments of the Zentraler Kreditausschuss**

**on**

### **CPSS-IOSCO's Consultative report**

**“Considerations for trade repositories in OTC derivatives markets”**

**Ref.: Biz-Publ**

June 2010

The Zentraler Kreditausschuss would like to thank the Committee on Payment and Settlement Systems as well as the Technical Committee of the International Organization of Securities Commissions for the opportunity to comment on the consultative report on „Considerations for trade repositories in OTC derivatives markets“. We agree with CPSS-IOSCO’s view over the growing importance of Trade Repositories (TRs) in enhancing market transparency and welcome the draft policy guidance put up for consultation as a first step towards an agreement on international standards for Trade Repositories.

Generally, TRs should be able to collect data on all contracts traded in one (or several) segment(s) of the OTC derivatives markets. TRs should ensure continuous and timely access to recorded information to (i) regulators and supervisory authorities (i.e. unlimited access for the performance of their respective functions); and (ii) to the reporting entities and the entities on whose behalf the transactions are conducted (i.e. only on the relevant information concerning the reporting transaction). We believe that TRs authorisation/recognition should be on condition that such access is assured.

Building efficient, safe and sound market infrastructures is of utmost importance. We feel that the proposed factors are generally an adequate framework for TRs to demonstrate to its authorities, its users as well as to the wider public that they will function efficiently, safely and soundly. Furthermore we welcome that „Guidance on the application of the 2004 CPSS-IOSCO Recommendations for Central Counterparties to OTC derivatives CCPs“ is consulted in parallel as these two kinds of market infrastructures are highly interdependent.

### **Specific remarks on the factors**

#### **Factor 2**

In connection to the market transparency and availability (page 7) we consider that all TRs should be subject to equivalent requirements with regard to the amount of information that can be made publicly available, so not to allow for any arbitrage.

The main objective of TRs is to provide access to information to supervisors with a view to monitor financial stability and to enhance market transparency. The fulfilment of the aforementioned objectives should be a minimum condition also for third country TRs.

As 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**

The governance arrangements should not only prevent misuse of confidential information, but also commercial use of information by the TR in other areas, unless the information providers are adequately compensated.

**Factor 5**

On access and participation (page 10), we agree that TRs' support for interconnectivity with other providers of clearing services should be accorded on request. However, the conditions around that request need to be clarified. We believe that TRs would need to demonstrate some form of market/user demand.

**Factor 9**

Given that TRs are likely to operate in a global context, they should adopt standards for data reporting and access. There is a role for international standards setters, notably IOSCO, to draft common standards in this area in close cooperation with market participants.

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