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**CPSS secretariat**

By email: [cpss@bis.org](mailto:cpss@bis.org)

23 September 2011

**IOSCO secretariat**

By email: [OTC-Data-Report@iosco.org](mailto:OTC-Data-Report@iosco.org)

Re: Consultation – CPSS-IOSCO Report on OTC derivatives data reporting and aggregation requirements

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**Introduction**

TriOptima is a provider of post-trade infrastructure for the OTC derivatives market. Our headquarters are in Stockholm and we have offices in London, New York, Singapore and Tokyo. Our business comprises three main operations:

- triReduce: a portfolio compression service;
- triResolve: a service including portfolio reconciliation; and
- a trade reporting repository for interest rate swaps (expected to be closed down in the not too distant future).

As a leading provider of post-trade infrastructure for the OTC derivatives market within its business areas, TriOptima is very interested in the draft recommendations contained in the Report on OTC derivatives data reporting and aggregation requirements (the **Report**) as submitted for consultation by CPSS-IOSCO. We perceive that the areas of consideration identified in the Report and the recommendations made are appropriate and will ensure a sound system for the reporting of OTC transactions. However, as described in more detail below, one critical area not sufficiently addressed is non-discriminatory access rights to repository data (access to repository data fairly, cost efficiently, expediently and on equivalent terms). It is essential that such rights are established in the final Report to maintain a fair, secure and efficient post-trade services market.

**Trade repositories as hubs for post-trade information**

Scale economies mean that trade repository services will necessarily be concentrated with a limited number of service providers. The risks related to such concentration of key derivative market data in a limited number of trade repositories are well recognised in the current EMIR Council text.<sup>1</sup>

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<sup>1</sup> See preamble 22a of the Presidency compromise text of 19 September 2011.

While the primary purpose of trade repositories is to ensure effective systemic risk oversight by supervisors, it also remains key that recommendations regarding data access rights<sup>2</sup> establish fair, secure and efficient market functioning for market participants. This is achieved through the establishment of clear rights and obligations governing access to such data, since the data plays an important role in enabling participants to manage and mitigate their OTC derivative risks, as well as enhancing market transparency.

### **Non-discriminatory access to repository data**

Currently, the recommendations set out in the Report do not address a third party's (such as a service provider's) data access rights to granular trade data in trade repositories, where consent to disclosure to the third party has been given by the counterparties to the relevant trades. The recommendations should establish that non-discriminatory access rights to granular trade data in trade repositories shall be given to third parties, subject to meeting applicable confidentiality requirements (e.g. by obtaining consent to disclosure by the counterparties to the relevant trades). Also, the recommendations should establish that such data access rights and requirements must apply equally to the trade repository itself when providing ancillary services and to affiliated service providers within the same group as the trade repository. In the absence of such provisions, a trade repository may offer advantages to its own ancillary (and affiliated) service providers vis-à-vis other third party service providers. Equally, a trade repository would have no explicit requirement to grant non-discriminatory access to third party service providers (albeit subject to the prior consent of the counterparties whose data is being accessed).

Such rights and requirements are central to upholding a fair, secure and efficient post-trade services market.

Consequently, we believe that CPSS-IOSCO recommendations should state that a trade repository shall have objective, non-discriminatory and publicly disclosed requirements for access by third party and trade repository affiliated service providers. Criteria that restrict access shall only be permitted to the extent that their objective is to control the risk to the data maintained by a trade repository. Non-discriminatory access rights shall require a trade repository to provide access to data fairly, cost efficiently, expediently and on equivalent terms to those terms established by the trade repository when accessing such data for the purposes of providing ancillary services itself or through an affiliate, and only subject to consent by the counterparties whose data is accessed.

*Yours faithfully,*

**Christoffer Mohammar**  
General Counsel  
[christoffer.mohammar@trioptima.com](mailto:christoffer.mohammar@trioptima.com)

TriOptima AB  
PO Box 182 | 101 23 Stockholm | Sweden | tel +46 8 545 25 130 | fax +46 8 545 25 140 | Company reg no. 556584-9758  
Visiting address: Klarabergsviadukten 63 | Courier address: Blekhölmögatan 2F

<sup>2</sup> See sections 3.3, 3.4, 5.1.4 and 5.1.5 of the Report.