

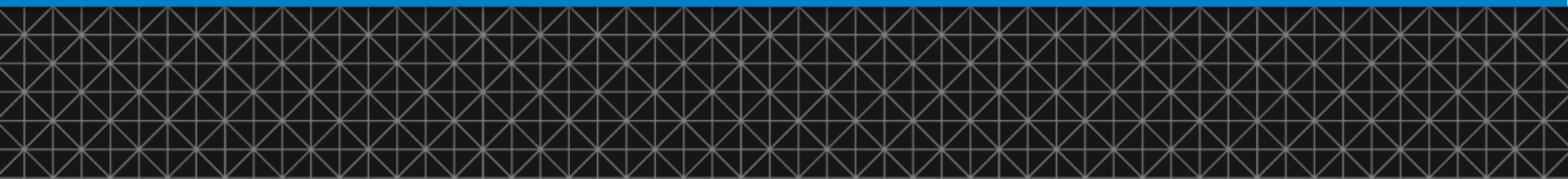


Securing Today. Shaping Tomorrow.®

OTC Derivatives Reporting to Trade Repositories

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GLOBAL TRADE REPOSITORY (GTR) SCOPE



POST-CRISIS RESPONSE

➤ Creation of Trade Repositories

- New rules were developed in accordance with local market priorities and realities and multiple trade repositories were established.
- New industry processes and procedures have been implemented to ensure that transactions across the multi-asset-class OTC derivatives universe can be reported in an accurate and timely fashion.

➤ Challenges

- Coverage has been inconsistent in terms of instrument types and market participants as implementation timelines have been staggered by jurisdiction.
- Diversity in data fields, terms, timing (T+0, T+1, etc), reporting obligations (single vs dual sided) raises compliance costs and hampers the objective of data aggregation to monitor systemic risk.
- Operational separation requirements add to fragmentation of data sets and limit the ability to amalgamate data and monitor systemic risk on a global and local level.

PROGRESS TO DATE

➤ Collaboration

- TRs have acted as a valuable bridge between regulators, regulated firms and industry bodies to share experience, information and perspectives.

➤ Global Standards

- Key industry bodies are establishing data and processing standards for OTC derivatives, along with guidance for implementing these standards in ways that harmonize reporting practices across jurisdictions.

➤ Data Sharing

- On the legal and regulatory front, parties have worked toward removing barriers to data sharing and third-party access. In addition, suitable ways are being sought to share data efficiently and cost effectively without unnecessarily burdening TRs.

SHAPING THE FUTURE STATE

➤ Increased Coordination

- Single global gold records - recent achievements by the FSB and CPMI-IOSCO on governance and technical standards are triggering policy decisions in key jurisdictions that are expected to result in broad adoption of a common framework for derivatives trade reporting.

➤ The Role of Technology

- The proliferation of technology innovation – including artificial intelligence and distributed ledger technology (DLT) – offers the industry an array of tools and solutions to not only improve the reporting process but also to increase the usefulness of the collected data. This could lead to a future where regulators gain access to data processing infrastructures on a more real-time basis.