

RFP: Interest Rate Derivatives Trade Reporting Repository Questions & Answers

<u>Question N°</u>	<u>Date Raised</u>	<u>RFP Section</u>	<u>Question</u>	<u>Response</u>
01	22-Jul	2.1.1	Please provide a list of all Interest Rate Derivative trade types to be included.	<p>All products classified as Interest Rate derivatives in institutions risk management system and included in institutions monthly metrics submissions. Please see the list below as a guide. This list does not capture every possible variable.</p> <p>Mwire Live: Swaps, Swaptions (European), CapS, Floors, Basis Swaps, Cross Currency basis swap, ZC Inflation Swaps, OIS, FRA, Non Deliverable Swaps</p> <p>DTCC Live (not on Mwire): Bond Options, Bermudan / American Swaptions, Non Deliverable Swaptions, Callable Swaps, Inflation Asset Swaps, Swaptions on ZC IRS, Swaption packages: Strangles etc, Digital Cap/Floors, Cap/Floor Strategies: Collars, bull/bear spreads</p> <p>Not Live: TRS, FX Forwards, Muni Swaps, MTM Cross Currency Basis Swaps, Cross currency fixed/float IRS, Constant Maturity Swaps, BRL CDI Swaps</p>
02	22-Jul	2.1.1	Please confirm that Futures and Exchange Traded products (such as Interest Rate Futures traded on Liffe) are excluded from scope.	We can confirm they are excluded
03	22-Jul	2.1.1	Please confirm the inclusion of trades outside of the ISDA framework (such as German Rahmenvertrag)	We can confirm they should be included
04	22-Jul	2.2.1	Please provide a definition of position reporting.	Aggregate reporting of all positions with summaries by trade count and gross notional. The reporting should be flexible to allow for various cuts by product, maturity, counterparty etc.
	27-Jul		The RFP calls for trade reporting rather than position reporting so how would all IRD in-scope products be aggregated at the trade level to produce a position, and for positions how should the underlying maturity be handled ? Please also confirm no pv01 analysis is required.	Position based data at a contract level should be obtained from electronic sources or direct from market participants. Data should be held in such a way that aggregate reporting can then be built out. (For example: aggregate notional of all contracts outstanding; aggregate notional of all contracts with maturity < 5 yrs). Exact reporting requirements are being discussed with regulators. No PV01 analysis is required.

05	22-Jul	2.2.1	If trades reflect the underlying legal entities within a participant group, should the reporting be at the entity level or the parent group level?	Entity level with ability to summarize by parent group
06	22-Jul	2.2.1	Acknowledging that the reporting frequency is yet to be determined, is there a specific requirement to gather data at a specific frequency (daily, weekly, monthly etc)?	Currently weekly but this could move to daily as the process matures
07	22-Jul	3.3	Please advise the basis of, and/or weighting within, the evaluation process.	Each vendor will be assessed on all of the criteria listed in the RFP. The RIG will be issuing guidance on assessment weighting early next week
08	22-Jul	3.3	Show-stoppers - aside from the delivery deadline, if we cannot deliver something that will automatically eliminate us please could let us know what these are	Appropriate and adequate control over all sensitive data
09	22-Jul	A.4.2	By what process will additional requirements of the regulators be requested from the service operator?	Any additional requests from regulators would be received either from the Rates Steering Committee (RSC); Rates Implementation group (RIG) or ISDA Industry Governance Committee (IIGC)
10	22-Jul	A.4.2.4	The "Purpose" at Section 1 advises that the service will be provided to the regulators and public, and "Reporting Data" at Section 4.2 states "Format and content of reporting will be agreed with regulators by September 30th, 2009." but this section infers other participants in the service. Please confirm that these other participants are only those submitting trade data, and that these participants do not have any reporting requirements within scope.	We can confirm the only participants are those submitting trade data
	27-Jul			Participants do not have any reporting requirements within scope at this time.
11	22-Jul	A.4.2.4	Do ISDA assume the public will have unlimited interactive access to this data, or will delivery of pre-prepared summary reports on a periodic basis be sufficient? Please provide more detail on what is meant by public access to the data.	The data should be accessible to all interested regulators; we envisage pre-prepared summary reports on an agreed periodic basis to be sufficient; although the repository must be suitable for 'ad-hoc' reporting requests; we envisage that on an agreed basis, the pre-prepared summary reports will be made available to the public
12	22-Jul	General	How many trade submitting parties will there be - we propose to assume that initially this will be limited to those organisations that committed to the provision of this service to the regulators (letter dd June 2nd, 2009).	We envisage that the final solution will be open to all market participants; however acknowledge that the initial participants are likely to be the 'FED Letter' signatories

13	24-Jul	2.2.1	Reporting frequency: Would regulators require a reporting frequency smaller than one day, i.e. does the trade reporting repository (TRR) need to be updated in real-time, multiple times per day, or would an end-of-day process be satisfactory (whereby a report extract on a given day reflects the situation of the previous business day)?	Please see answer to question 4 and 6: The reporting frequency is yet to be determined. Currently the requirement to gather data is on a weekly but this could move to daily as the process matures. The current requirement is for position reporting .
14	24-Jul	2.1.1	Reporting flexibility: As to the flexibility of the reporting (ad hoc requests and changes in content and functionality), does that also include "self-service" interfaces and tools which allow the regulators/participants themselves to develop and run their reports? Or is it rather up to the TRR to run and provide them with the reports?	Please see answer to question 12: The data should be accessible to all interested regulators; we envisage pre-prepared summary reports on an agreed periodic basis to be sufficient; although the repository must be suitable for 'ad-hoc' reporting requests; we envisage that on an agreed basis, the pre-prepared summary reports will be made available to the public
15	24-Jul	2.1.1	Non electronically confirmed trades: Can you clarify the exact nature of the trades which will be sent by participants (the "non electronically confirmed trade details")? Will participants send us - all their trades which have not been sent to any electronic matching platform - all their confirmed trades which have not been sent to any electronic matching platform (whether confirmation was obtained in a non-electronic manner) - all their trades which have not been sent to any electronic platform, (i.e. matching, CCP, portfolio reconciliation,...), such as trades outside electronic matching templates and outside CSA Can their feed also include alleged (i.e. non confirmed, single-sided) trades?	Vendors should describe which sources of data they propose to use to source electronically matched information. This will then determine what non electronically confirmed trade information will need to be provided. Where electronically confirmed information is unavailable participants will provide all non electronic trade information including non confirmed transactions.
16	24-Jul	2.1.1	Cleared trades: Which CCP-trades should the TRR take into consideration? The initial (gross) trades provided to the CCP, the novated (gross) trades between the original trade counterparties and the CCP or the net trades (if available by the CCP) between counterparty and CCP?	TRR should take into consideration the novated (gross) trades between the original trade counterparties and the CCP. Net trades are unavailable.
17	24-Jul	2.2.1	Source reliability/precedence: As the sources of trade data are very diverse (i.e. spread along the value chain: matching platforms, portfolio reconciliation providers, CCPs, brokers,...) and therefore very interrelated, the feeds to the TRR are bound to include (a significant amount of) duplicates. Assuming that several sources simultaneously send the trade details of one and the same trade to the TRR (and the TRR recognizes these all pertain to a single trade), but that	Vendors should describe which sources of data they propose to use to source electronically matched information. Participants will then be able to provide a hierarchy for use in instance of inconsistency.

differences in certain trade details prevail between each source, which source should the TRR take into consideration? Which decision tree as regards to precedence by type of source (matching platforms providing legal confirmation status vs portfolio reconciliation providers vs CCPs vs brokers vs...) should the TRR follow?

18	24-Jul	General	Backlog: Does the TRR need to reflect outstanding trades (i.e. the backlog) before December 31st? If so, for which participants (all/subset/Fed-15) and which source should the TRR use in this respect?	TRR should reflect all open positions regardless of trade date.
19	24-Jul	2.2.1	Number of sources on Dec31st: How many different sources, participants in particular, does ISDA expect to be using the TRR at start when it goes live? Is there a view in the likely expansion roadmap towards the end state?	All OMG dealers (15 participants) have committed to use the service from Dec 31 st . Other market participants are strongly encouraged to utilize the service and would be expected to signup.
20	28-Jul	General	Monthly trade volume estimate: It would be very helpful if you could give us a distributed view across: (a) America's (b) EU (c) APAC.	Per monthly industry metrics there are approx 300,000 IRS deals executed a month currently. A regional breakdown is not available.
21	29-Jul	General	Projected trade volumes: Please provide data for projected trade volumes	Projected trade volume is estimated to remain flat at approx 300,000 trades per month in the short term.
22	29-Jul	2.2.1	We would need consent of the signatory participants to obtain their trade info from electronic matching providers (markitwire/derivserv). Also, do we have consent of markitwire/derivserv to query their system?	Signatory participants are anticipating that trade information for electronically confirmed transactions will be sourced centrally from current service providers, however other proposals will be considered. Vendors should highlight any key dependencies on existing industry platforms in their proposal
23	29-Jul	6.2	Does this mean that we would have to form a new legal entity from which this service would be delivered to participant and we will deliver the technology service to .e.g. trade reporting repository UK Ltd. ?	It is not anticipated that there is a need for a separate legal entity however, you should include in your proposal what you feel is the best solution and why.