

Comments by the International
Swaps and Derivatives
Association, Inc. on the Joint
Consultation Paper on Trade
Repository Reporting
Requirement for Over-the-
Counter Derivatives

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Dear Sirs

Joint Public Consultation Paper on Trade Repository Reporting Requirement for Over-the-Counter Derivatives

1. **Introduction:** The International Swaps and Derivatives Association, Inc. (“**ISDA**”)¹ welcomes the opportunity to respond to the Joint Consultation Paper on Trade Repository Reporting Requirement for Over-the-Counter Derivatives (the “**Consultation Paper**”) issued by the Securities Commission Malaysia (“**SC**”), Bank Negara Malaysia (“**BNM**”) and Perbadanan Insurans Deposit Malaysia (“**PIDM**”) (collectively, the “**Regulatory Agencies**”) on November 20, 2013.

2. ISDA is actively engaged with providing input on regulatory proposals in the United States (“**US**”), Canada, the European Union (“**EU**”) and in Asia. Our response to the Consultation Paper is derived from these efforts and from consultation with ISDA members

¹ Since 1985, ISDA has worked to make the global over-the-counter (OTC) derivatives markets safer and more efficient. Today, ISDA has over 800 member institutions from 60 countries. These members include a broad range of OTC derivatives market participants including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure including exchanges, clearinghouses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's web site: www.isda.org.

operating in Malaysia and Asia. Our response is drawn from this experience and dialogue. Individual members will have their own views on different aspects of the Consultation Paper, and may provide their comments to the Regulatory Agencies independently. ISDA will continue to consult with its membership and we hope to have continued dialogue with the Regulatory Agencies to address any issues or concerns that may arise from trade reporting in Malaysia. ISDA also commends the efforts of the Regulatory Agencies in working together to develop and build a framework for the reporting of over-the-counter (“**OTC**”) derivatives to a trade repository in Malaysia to achieve the various objectives outlined in the Consultation Paper as well as consistency and alignment with global standards for trade reporting. We also note that the Reporting Agencies will look to leverage on the trade repository as a single point of access for OTC derivatives information for the purpose of performing their respective mandates.

3. **General Comments:** Before responding to the specific questions posed in the Consultation Paper, we would like to make the following general comments for your consideration:

3.1 Substituted compliance: We seek clarification from the Regulatory Agencies as to whether they would consider substituted compliance. We would encourage the Regulatory Agencies to work with other regulators in the region to attain substituted compliance for their respective jurisdictions and to work towards achieving consistency in fulfilling the trade reporting mandate as well as other G-20 commitments. Substituted compliance will reduce potential duplicative reporting, particularly for cross-border transactions. Additionally, harmonization of reporting requirements across jurisdictions will reduce the differences in trade reporting requirements thereby allowing market participants to leverage off existing infrastructure which will assist in lowering costs and increase data quality. Substituted compliance will also assist in mitigating against cost impact of conflicting reporting requirements where the requirements are substantially equivalent but where full harmonization has not been possible. Given that foreign firms will be subject to reporting obligations in their home jurisdictions, the ability to apply substituted compliance will also reduce the implementation costs as these firms will not need to undertake additional developmental costs and may rely on their home jurisdiction’s reporting requirements.

3.2 Timelines: In order to be able to comply with the Malaysian trade reporting requirements, we would like to seek guidance from the Regulatory Agencies with respect to, among others, the timelines for the transitional period as well as the commencement of mandatory reporting. We have also provided our comments below to the specific questions raised in the Consultation Paper with respect to the transitional period.

We note Section 1(3) of the Capital Markets and Services (Amendment) Act 2011 (“**CMSA**”) provides that Subdivision 4 of Division 3 of Part III shall come into operation at the expiration of two years or a further period not exceeding one year as the Minister may determine, from the date of the coming into operation of the CMSA (being October 2011). It is therefore our understanding that the trade reporting obligations are to commence, at the latest, by October 2014. We also note that

paragraph 5.2 of the Consultation Paper provides that an appropriate commencement date for reporting to the trade repository will be determined at a later date and that the Regulatory Agencies will further consult the industry on the proposed commencement date.

By way of background, we have outlined here certain challenges likely to confront market participants as they prepare to comply with mandatory reporting requirements in both Malaysia and other jurisdictions. Due to the reporting deadlines for other jurisdictions, clarity with respect to the timelines is crucial as it will allow market participants to allocate resources appropriately. We would also recommend that the Regulatory Agencies consider building in buffers into the timelines and scheduling. This is further explained in our responses below to questions in the Consultation Paper relating to the transitional period. Market participants who will be subject to the Malaysian reporting requirements (being the “reporting entities” set out in *3.0 Scope of reporting entities* of the Consultation Paper) will need to ensure that the technology and infrastructure required to deliver the required information is ready. Firms will need to consider the dependencies on service providers to assist them in delivering the reporting requirements as well as the technological builds required to report the requisite information into a trade repository.

We note that paragraph 5.1 of the Consultation Paper provides, among others, that reporting to the trade repository will be implemented in three phases, with each phase coming into effect six months after the preceding phase. We understand that the industry would typically require three to six months of lead time in order to prepare for trade reporting. This period includes for example, a four week period typically required by market participants to test the necessary feeds via a User Acceptance Test (“UAT”) and a subsequent two weeks typically required for data staging. Taking into account the different jurisdictions which are imposing or will be looking to impose trade reporting requirements, firms will need to engage in concurrent simulation tests as well as resolve any information technology (“IT”) related issues arising from each jurisdiction. Market participants may face resource constraints with respect to the testing and implementation of various reporting regimes as well as the testing for the Malaysian reporting requirements. We would also wish to highlight that firms that have not participated in trade reporting in any other jurisdiction may face an even greater challenge in their preparations and technological builds.

It is worth noting that market participants typically utilize middleware providers in order to deliver their reporting obligations. Firms will therefore require time to coordinate and work with these middleware providers in order to meet any stipulated timeline. There is a degree of dependency by the industry on these middleware providers being able to deliver the requisite solution for trade reporting. These middleware providers may need to make certain modifications that will then be required to be tested by the firms utilizing them. Taking into account that there may be committed resources to meet the various reporting requirements in different jurisdictions, sufficient time should be given to a middleware provider to deliver a fully working and compliant version of their software as well as sufficient time for

firms' to test the new software before the "go-live" date. Firms will also need to ensure that they have updated their existing interfaces with various middleware providers prior to the "go-live" date.

Considering that the trade reporting requirements in Malaysia have not been finalized yet, the industry may face an inherent risk of requiring a significant amount of IT change. For example: once the trade reporting requirements are finalized from both a technological and service provider perspective, the firms would need to analyze, develop and work on extracting the required data for those data fields. It is worth noting that within a bank for instance, there will be certain release windows whereby technology changes will need to be aligned with and scheduled to. Therefore, the reporting timelines for other jurisdictions should be considered as it will impact the firm's technological releases. Stipulated timelines should allow for sufficient time to conduct proper dress rehearsals and for cross-bank testing.

Certain firms may be implementing a global solution to meet their reporting obligations in Malaysia as well as other jurisdictions. As such, it would be crucial to ensure sufficient time for testing and ensuring robust connectivity between firms, middleware providers and the trade repository. Firms will usually create a business development document ("**BRD**") for the trade repository which defines how the trade repository product will interact with a firm's processes and systems as well as the BRD provided by the TR, which defines how the product works within the trade repository.

ISDA and its members hope to work together with the Regulatory Agencies on the timelines relating to the commencement date as well as the transitional period. Our members support trade reporting and will work with the Regulatory Agencies to ensure their reporting obligations are met by the start of any mandatory trade reporting commencement date.

3.3 Trade Repository: We understand that a trade repository has not yet been identified for the Malaysian trade reporting framework. At this juncture, we would highlight that certain aspects relating to the trade repository should be considered and factored in the proposed timelines. These include, for instance, the licensing of the trade repository (including the conditions which may be imposed on a trade repository) as well as the operational set up for the trade repository. The Regulatory Agencies would also need to consider the access rights to the data in a trade repository. The trade repository in question will also need to engage the industry on what it proposes to offer and how it may address any implementation or cost considerations. With respect to licensing, ISDA would support a licensing regime for a Malaysian trade repository that is consistent with international regimes.

3.4 Achieving clarity in scope: In order to ensure that the trade repository in Malaysia achieves its intended purpose and the Repository Agencies are able to perform their respective mandates, it is imperative that clarity be achieved. For data to be usable, clarity in terms of, for example, the scope and types of reportable transactions, the

types of reporting entities which would be subject to the reporting requirements and the information required to be reported needs to be clear and defined. This would remove the ambiguity and possibility of differing interpretations of the reporting requirements. We have highlighted in the paragraphs above, the need to factor in sufficient time in order to ensure the smooth implementation of the trade reporting requirements. In conjunction with the need for clarity, there is also a need to ensure that technology and infrastructure will be able to deliver the required information. If the technology and infrastructure are not in place, the data being reported may require manual intervention which may result in errors occurring, particularly where high volumes of transactions are involved or the market participants are simply unable to provide the necessary information as they do not have the necessary tools or infrastructure to do so.

In a keynote address delivered on 16 April 2013, the US Commodity Futures Trading Commission (“CFTC”) Commissioner Scott O’Malia spoke about the CFTC’s struggle in managing and analyzing the data it has collected from trade reporting. Part of the reason for rendering this information unusable to the CFTC is the inconsistent reporting, variability in data, technology shortfalls and incongruent rules.²

4. **Response to Proposals:** We set out below our responses to the questions raised in the Consultation Paper (capitalized terms used below but not defined have the meaning given to such terms in the Consultation Paper):

Range of OTC derivatives products to be reported to the trade repository	Response
(1) Please provide your comments on the proposed range of products that are subject to mandatory reporting obligation.	<p>ISDA OTC Taxonomies: We refer to the scope of reportable transactions as set out in <i>Section 2.0 Scope of Reportable Transactions</i>. So as to achieve greater consistency, flexibility and clarity, we recommend adopting the Most Recent ISDA OTC Taxonomies³.</p> <p>Jurisdictions such as Australia, Hong Kong and Singapore have also referred to the ISDA OTC Taxonomies in the range of products which would be subject to the mandatory reporting obligation in their respective jurisdictions. Where a particular product does not fall within the ISDA OTC</p>

² <http://www.cftc.gov/PressRoom/SpeechesTestimony/opaomalia-24>, US CFTC Commissioner Scott O’Malia, Keynote address Making the CFTC’s Surveillance Work : Efficient Data Management and Clear Rule Implementation, 16 April 2013.

³ http://www2.isda.org/attachment/NTQzOQ--/ISDA_OTC_Derivatives_Taxonomies_0_version2012-10-22.xls

Taxonomies, it may be possible for a trade repository to build particular fields to facilitate the reporting of that product type. Additionally, market participants are familiar with the ISDA OTC Taxonomies and are also reporting based on the ISDA OTC Taxonomies in other jurisdictions.

The ISDA OTC Taxonomies was developed with input from a wide variety of market participants and is freely available on the ISDA website. Additionally, a governance document has been developed to provide transparency to future changes to the ISDA OTC Taxonomies. This would allow market participants to use a standardized solution and minimize differing interpretations.

Our members have also asked for clarification as to how Islamic derivative transactions are to be reported, taking into account that the concepts in Islamic derivative transactions are different from traditional concepts such as interest rates. As noted above, where a particular product does not fall within the ISDA OTC Taxonomies, it may be possible for a trade repository to build particular fields to facilitate the reporting of a certain product type.

Foreign Exchange Spot Transactions: We note that paragraph 2.2 provides that a foreign exchange spot transaction is not deemed to be an OTC derivative and therefore will not be required to be reported to the trade repository. We would be grateful if the Regulatory Agencies could provide clarification on how a foreign exchange spot transaction should be viewed. We understand that there is no formal definition for foreign exchange spot transaction. It would be helpful if the Regulatory Agencies could indicate whether for example, the settlement aspect of such a transaction would be indicative as to whether it would constitute a foreign exchange spot transaction. As an example, we understand that in Hong Kong, reportable transactions exclude, “spot” FX transactions, which refer in this context to FX transactions that are settled via an actual delivery of the relevant currencies within two business days.

We would also be grateful if the Regulatory Agencies could confirm that the scope of reportable transactions excludes exchange traded derivatives, taking into account that the reporting obligations are intended to cover OTC derivatives transactions only.

Structured Products: Paragraph 2.3 provides, among others, that a structured product is not a reportable transaction under this framework. We also note from paragraph 2.5 that BNM or SC may require a reporting entity to report information on structured products that they offer, separately on a need to basis. We understand as well that issuers of structured products are also presently reporting to the SC on these structured products. While our members understand that structured products will be exempted from reporting requirements under this framework, we would be grateful if the Regulatory Agencies could please provide guidance on the ambit of structured products. On a separate basis, for simplicity as well as consistency in implementing rules for structured products, we would suggest that any reporting of structured products should also align with the products specified as bespoke or structured in the ISDA OTC Taxonomies.

Cleared Transactions: At this juncture, we would like to highlight that it may be worthwhile to consider how the reporting of cleared transactions would work in the Malaysian trade reporting framework. For cleared transactions, where a reporting entity is to report such transactions, we would suggest that the counterparty to the transaction at the time of the snapshot be reported. Once a transaction has been accepted by a central counterparty (“CCP”), the CCP is the counterparty to the transaction. If information relating to the counterparty to the transaction, before it is cleared, is required, this will require enhancement to the IT systems as it will require firms to capture the “original” counterparty before the transactions have been accepted by the CCP for clearing. We note that paragraph 4.5 of the Consultation Paper sets out, among others, that where OTC derivatives transactions are cleared through a CCP, the CCP may be appointed as a reporting agent.

We would also highlight that for transactions which are indirectly cleared, clarification should be provided as to what will be reportable. Taking into consideration the principal model here, we note that client cleared transactions are not typically reported to a trade repository by the CCP as the client will face the clearing member and not the CCP. Therefore, the CCP will not have the requisite information to report indirect client transactions under the principal model. It is however possible under the futures

	<p>commission merchant or agency model (“FCM”), for the CCP to have knowledge of the identity of the client as the client will face the CCP directly. We would be grateful therefore if the Reporting Agencies could also consider how the reporting of indirectly cleared transactions would work in the context of paragraph 4.5.</p> <p>It may also be necessary to consider additional time and resources to build the feed from various CCPs to the trade repository in Malaysia, particularly if the CCPs are unable to or not permitted to report to the trade repository directly.</p>
<p>(2) In relation to paragraph 2.4, please also provide your comments on whether the proposed reporting requirements as described in Annex 1 (including the reporting of the Purpose of transaction) are appropriate given the operating model that your organization adopts. Where relevant, please give clear reasons why specific requirements are inappropriate in the context of the operating model adopted by your organization.</p>	<p>Phase-in Reporting by Asset Class and Reporting Entity Type: We also note that <i>Section 5.0 Phase-in reporting</i> provides for, among others, reporting to the trade repository to be implemented in three phases, according to the type of reporting entity. We understand that this takes into consideration the significance of OTC derivative transactions which are undertaken by the various categories of reporting entities and their potential impact on the financial system. We also understand that this proposed phase-in approach by type of reporting entity would also capture the key asset classes which are to be reported.</p> <p>Our members agree that reporting to the trade repository should be implemented in phases, with each phase commencing six months after the previous phase.</p> <p>In addition to the proposed phase-in approach by type of reporting entity, we would recommend the adoption of a phase-in approach by asset class for trade reporting in Malaysia. This would greatly assist market participants in meeting any prescribed trade reporting commencement deadline as well as address any implementation issues and factor in any testing periods. We note that jurisdictions such as Australia and Singapore, have also adopted a phase-in approach by asset class. In Singapore, the two asset types that will be reportable in the first phase are the credit derivatives and interest rates derivatives. In Australia, Phase 2 reporting entities will also report credit derivatives and interest rate derivatives in the initial phase.</p> <p>BNM and the Government of Malaysia: We note from paragraphs 2.6 and 3.2 of the Consultation Paper that, among others, transactions where BNM or the Government of Malaysia is a party to are exempted from the reporting</p>

	<p>requirements under section 107J(2) of the Capital Markets and Services Act 2007 (CMSA). We understand that presently there are no plans to exempt transactions with other central banks or governments.</p> <p>We note that certain jurisdictions have exempted transactions with foreign central banks or governments. As an example, the Fourth Schedule of the Singapore Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013 provides a list of exempted persons, including, for example, any central bank in a jurisdiction other than Singapore, any central government in a jurisdiction other than Singapore and any of the prescribed multilateral agencies, organizations or entities. We would be grateful if the Regulatory Agencies could please consider exempting transactions with other central banks and governments in other jurisdictions.</p> <p>Specific Comments on Annex 1 of the Consultation Paper: We have also included certain comments on Annex 1 in the attached Annex of this submission for your consideration.</p>
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Reporting entities	Response
<p>(1) Please provide your comments on the proposed scope of reporting entities that are subject to mandatory trade reporting obligation.</p>	<p>Principal Party: Paragraphs 2.4, 4.1 and 4.2 refers to, among others, where a reporting entity is a “principal party” to an OTC derivative transaction, it has an obligation to report such information relating to that transaction directly to the trade repository. Our members seek clarification on what constitutes a “principal party”, i.e., would this refer to the legal contracting party to the transaction? If so, based on our understanding above, a reporting entity as stipulated in <i>3.0 Scope of Reporting Entities</i> is the legal contracting party to a reportable transaction as set out in <i>2.0 Scope of Reportable Transactions</i> and that reporting entity would therefore have the obligation to report such a reportable transaction to the trade repository. We would be grateful if the Regulatory Agencies would be able to provide further guidance on this particular point.</p> <p>Treatment of branches: We understand from paragraph 4.2 that reporting must cover all such reportable transactions to which a reporting entity is a principal party, including such reportable transactions which are originated</p>

from, negotiated, arranged or booked by the domestic or foreign branches of the reporting entity. A foreign branch is not required to comply with the mandatory reporting obligation in such an instance. However, the reporting entity itself, being a principal party to the reportable transaction, is required to report such transaction to the trade repository and the reporting obligation does not extend to the parent of the reporting entity. We would be grateful if the Regulatory Agencies could please let us know if our understanding in this regard is correct, particularly taking into account the description of “parent licensed entity” in paragraph 4.2.

Additionally, we would be grateful if the Regulatory Agencies could confirm that where a reportable transaction is entered into by either a domestic or foreign branch of a reporting entity, that transaction should also be reportable to the trade repository. Would a reportable transaction entered into by a branch, either domestic or foreign, being part of the same legal entity as the reporting entity have to be reported to the trade repository?

Inter-branch and Intra-Branch transactions: We believe that Regulatory Agencies should also consider exempting inter-branch transactions (being transactions entered into between branches of the same legal entity) as well as intra-branch transactions (being transactions entered into by desks of the same legal entity).

Inter-branch and intra-branch transactions will contribute to double counting in position reporting and transactional details and would provide no additional benefit as these parameters will be captured under the same legal entity that will essentially already be reporting their position and transaction-level data.

We would also be grateful if the Regulatory Agencies could clarify if inter-group transactions, being transactions between affiliates in the same group, will also need to be reported.

Treatment of subsidiaries: We also note from paragraph 4.3 that the reporting obligation would only apply to a subsidiary of a Capital Markets Services License (“CMSL”) holder or an entity licensed by BNM under the Financial Services Act 2013 (“FSA 2013”) and Islamic Financial Services Act 2013 (“IFSA 2013”) only if such

	<p>subsidiary is itself a reporting entity as stipulated in paragraph 3.1. Also, the reporting obligation would not apply to a subsidiary which is incorporated in a foreign jurisdiction.</p> <p>Investment or fund managers: Taking into account the “principal party” consideration set out above, we would be grateful if the Regulatory Agencies would be able to consider the treatment of investment or fund managers who may enter, for instance, into an OTC transaction on behalf of their funds or clients. As such, these managers would not be entering into such transactions as principal.</p> <p>We would consider that, taking into account the requirement centering around the principal party to the transaction, the investment managers would not have any reporting obligations and would be grateful for your confirmation on this point.</p> <p>We would also be grateful if the Regulatory Agencies could consider that the investment managers may meet the reporting obligations on behalf of the fund. We would suggest that this be added to the various scenarios listed under paragraph 4.5 of the Consultation Paper.</p> <p>Labuan: We would be grateful if the Regulatory Agencies could please confirm that Labuan is not part of the reporting scope for this Consultation Paper.</p>
<p>(2) What are the operational issues, legal impediments or challenges that your organization may face in reporting the OTC derivatives transactions originated, negotiated, arranged or booked by overseas branches? How frequently does your organization consolidate these transactions for the purposes of internal risk management monitoring?</p>	<p>Banking confidentiality: We seek guidance from the Regulatory Agencies with respect to reporting client identifying data without breaching banking confidentiality. We note that counterparty consent would be required in order for a reporting entity to report a transaction to the trade repository. It may also be useful to consider temporary exemptions to banks to report counterparty identifiers on a masked basis in the transitional period. ISDA has also prepared the ISDA 2013 Reporting Protocol to aid market participants in the obtaining counterparty consent for the purpose of trade reporting. We seek confirmation that the counterparty consent in the ISDA 2013 Reporting Protocol is sufficient for firms to report counterparty identifiers for the purposes of trade reporting.</p> <p>We note that Section 133 of the Financial Services Act 2013 (“FSA”) provides, among others, that no person who has</p>

	<p>access to any document or information relating to the affairs or account of any customer of a financial institution, including—</p> <ul style="list-style-type: none">(a) the financial institution; or(b) any person who is or has been a director, officer or agent of the financial institution, <p>shall disclose to another person any document or information relating to the affairs or account of any customer of the financial institution.</p> <p>However, we understand that there are certain permitted disclosures as set out in Schedule 11 of the FSA.</p> <p>Section 134 of the FSA provides that a financial institution or any of its directors or officers may disclose any document or information relating to the affairs or account of its customer for the purpose of, among others, performance of functions of an approved trade repository under the Capital Markets and Services Act 2007 (“CMSA”) to any officer of the approved trade repository authorized to receive the documents or information, as set out in Schedule 11 of the FSA.</p> <p>Masking: We would also highlight trades which are subject to the governance of overseas regulations and where there exists an impediment for a reporting entity to report such transactions to Malaysia. We would request that consideration be given to allow the masking of counterparty identifiers when a reporting entity holds reasonable belief that statutory or regulatory provisions will preclude the reporting of counterparty identifiers. This request will be based on a consistent approach by the reporting party in its application to all other foreign reporting requirements. It may be the case that in certain jurisdictions, a regulator may only verbally indicate that trade reporting to a foreign regulator is not allowed. In such instances, a legal opinion will not be able to capture the impediment to reporting of counterparty data.</p> <p>In Singapore, for example, Regulation 11 of the Securities and Futures (Reporting of Derivative Contracts) Regulations 2013 provides, among others, that a specified person need not report, before 1 November 2014, any prescribed counterparty information if he is, for instance,</p>
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	<p>prohibited from reporting such counterparty information by the laws of any jurisdiction specified in the Fifth Schedule or any requirements imposed on him by any authority of any jurisdiction specified in the Fifth Schedule. Further, any specified person may make representations to the Monetary Authority of Singapore for the inclusion of a jurisdiction in Singapore by furnishing, for example, information concerning the laws of such a jurisdiction.</p>
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Reporting arrangements	Response
<p>(1) The proposed reporting requirements do not currently contemplate allowing either one party to a transaction to report to the trade repository as an alternative to each reporting party separately reporting the transaction. This is in view of the objectives for reporting as set out in paragraphs 1.2 and 1.3, in particular the relevance of information for resolution purposes. Please provide your comments, if any, on this.</p>	<p>Double-sided reporting: Paragraph 4.1 provides, among others, that each reporting entity who is a principal party to a reportable transaction has an obligation to report such a transaction directly to the trade repository. We understand that this requirement therefore contemplates double-sided reporting.</p> <p>As such, we note that this particular requirement does not presently contemplate allowing either one party to a reportable transaction to report a transaction to a trade repository. This is in view of the objectives set out in paragraphs 1.2 and 1.3 of the Consultation Paper.</p> <p>We would request that the Regulatory Agencies consider single-sided reporting. We believe both single-sided reporting and double-sided reporting have different sets of issues for market participants to contend with.</p> <p>We would also be grateful if the Regulatory Agencies could confirm that there would not be any penalties for “over-reporting” of transactions.</p> <p>Under a double-sided reporting framework, if linking or matching of transactions is required, an inordinate amount of time and manual intervention would be required to locate and link or match each transaction to the counterparty’s transaction. Where a large number of transactions are executed on a daily basis, this matching or linking process becomes extremely laborious to manage on a daily basis. This is compounded if transactions are reported to multiple trade repositories. Another issue which may arise is that of exception management when reconciliation is performed on the transactions in a trade repository. A large number of exceptions will be generated as a large number of</p>

transactions may have no corresponding transactions in the trade repository. Resources will need to be devoted on a daily basis to check the exception reports and to ensure that transactions are actual missing transactions and not “false positives”.

It is also worth noting that if trade reporting begins without the availability of Universal Identifiers such as the Unique Trade Identifier (“**UTI**”) it will be difficult to reconcile transactions in a trade repository. Parties will need to agree which reporting entity will be generating the UTI and will then need to provide the UTI to the other party of the transaction. In a double-sided reporting scenario, reporting entities will need to use the same UTI, which will present challenges for parties to be able to report by the following day, if the UTI cannot be exchanged in advance of the timeframe, particularly for paper confirmations.

In a single-sided reporting arrangement, which reporting entity will be required to report will depend on a hierarchy which will clearly enable market participants to determine which of the parties to a transaction will be required to report the reportable transaction. The hierarchy should also consider financial institutions acting on behalf of their clients and who will be reporting the transactions in such an instance. The hierarchy will need to build in a tiebreaker logic that allows market participants to determine which of them will be a reporting party.

It should also be noted that the single-sided reporting arrangement allows for a simplified work flow as it circumvents issues such as the matching or linking of transactions. A defined hierarchy of who submits and the rules governing the hierarchy will provide guidance to market participants as well as a clear indication of who will be the party reporting the transactions under different circumstances for the single-sided reporting arrangement. Additionally, existing controls in the bilateral confirmation matching process enables market participants to identify and remediate erroneous submissions, even though only one side of the transaction is being reported.

We further note from paragraph 4.16 of the Consultation Paper that while there is no specific requirement for matching of transactions, reporting entities are encouraged to reconcile their transaction information with their

	<p>counterparties to ensure that the data reported to the trade repository is accurate. We are also of the view that notwithstanding this, it should not be mandatory for reporting entities to reconcile their transaction information.</p> <p>It is worth noting that the centralization of the reconciliation function may involve third-party service providers.</p>
<p>Using a reporting agent</p>	
<p>(2) Please provide your comments on the proposed scope of and conditions for the use of reporting agents.</p>	<p>Reporting agent: We note that a reporting entity may appoint a reporting agent to report its transactions in certain prescribed circumstances as set out in paragraph 4.5. For clarity, we would be grateful if “and” as used in that paragraph could be changed to “or” as we understand that either of these circumstances should apply.</p> <p>We have received feedback taking into account the three limbs of paragraph 4.5, that there may be instances where a reporting entity may be able to report certain transactions through a reporting agent but may need to report other transactions (which do not presumably fall within the ambit of the three limbs) on its own directly to the trade repository. We understand that this may result in a certain fragmentation in reporting.</p> <p>Therefore, a single reporting agent may not be used for all trades and it may be the case that different agents may be used for different trades based on the asset class, product or platform used for execution or confirmation. Taking this into account and considering that “Reporting Agent ID” is a required data field, we submit that the trade repository will know when a reporting agent is reporting on behalf of a reporting entity. As such, we would be grateful if the Regulatory Agencies could please consider removing the requirement under paragraph 4.8 of the Consultation Paper.</p> <p>For the avoidance of doubt, our members would be grateful if the Regulatory Agencies could please confirm that reporting entities would not be mandated to appoint a reporting agent to report on their behalf based on the three limbs described in paragraph 4.5 and that they <u>may</u> appoint a reporting agent to report in these scenarios.</p> <p>We also refer to paragraph 4.5(c) which provides that where OTC derivatives transactions with a foreign counterparty</p>

	<p>are reported by the foreign counterparty to another trade repository, such trade repository receiving the transaction information may be appointed as the reporting agent. As noted in the previous paragraph, this scenario should not be made a mandatory requirement and it should be an option for a reporting party to appoint a trade repository. Further, in such a scenario, it should also be noted that a trade repository can be only be a reporting agent for the party that submitted a trade record to it and therefore can only be a reporting agent for that particular trade record.</p>
<p>(3) What are the potential operational, organizational or legal issues that your organization may face in appointing a third party reporting agent to assist in discharging your organization’s compliance obligations?</p>	<p>Roles and responsibilities: It would be necessary to clearly define and delineate the roles and responsibilities of both the reporting agent and the reporting entity. Where a reporting entity must take all reasonable steps to ensure that the information reported is complete, accurate and current, it will need to also ensure that appropriate legal and operational arrangements with a reporting agent are entered into. It may also be necessary to take into account whether there are any outsourcing considerations in such an arrangement.</p>
<p>(4) What control mechanisms would your organization put in place (or already exists within your organization) to meet the conditions specified in paragraph 4.6 and 4.7?</p>	<p>No comments.</p>

<p>Data requirements and reporting frequency</p>	<p>Response</p>
<p>(1) Please provide your organization’s comments on the proposed data set provided in Annex 1 and reporting frequency for the reporting of transaction-level data and collateral information. Please highlight the specific operational or data issues that your organization may face to fully comply with the proposed reporting requirements.</p>	<p>General Comments: We note that the Regulatory Agencies would require that the reporting of OTC derivatives data to the trade repository be sufficient in granularity and scope and should also be sufficient in order for each of Regulatory Agencies to meet the respective data needs of each of the Regulatory Agencies in fulfilling their respective mandates. Accordingly, the Regulatory Agencies require that reporting entities report transaction-level data to the trade repository as well as collateral information for transactions where collateral arrangements apply.</p> <p>As noted in an earlier section of this submission, please refer to the Annex of this submission for our comments to</p>

certain of the data fields set out in Annex A of the Consultation Paper. Please note however that the queries and input set out in the Annex are based on initial feedback only.

We would also recommend that work on the proposed data sets be part of a separate workstream. This takes into account the time which would be needed in order to finalize these data sets. We would suggest a deferment in the implementation of the collateral related fields and collateral reporting as no other jurisdiction has yet to begin collateral reporting at this time.

Additionally, we would like to request that the trade reporting data fields be finalized separately from the publication of the final trade reporting rules.

ISDA supports the use of international standards such as the unique trade identifier (“**UTI**”), the unique product identifier (“**UPI**”) and the legal entity identifier (“**LEI**”) where possible.

Also, we would request that flexibility be incorporated into the trade reporting data fields by allowing some of these trade reporting data fields to be made optional or conditional instead of mandatory.

Additionally, we would request that the Regulatory Agencies consider basing the reportable data fields on the CFTC or the European Market Infrastructure Regulation (“**EMIR**”) reportable data fields. This would allow market participants to leverage off their existing reporting infrastructure and aid in reducing implementation costs.

With respect to any data sets which are presently not reportable to any other jurisdiction or which, for instance, do not fall within, for example, the minimum Primary Economic Terms (“**PET**”) data fields of the CFTC, additional time, resource and infrastructure changes will be required to implement any additional reporting data fields or such data fields which are specific to the Malaysian market. Further infrastructure build for the subsequent phasing-in of the other required data fields will require time to build and implement. It is worth noting that even with the reporting of the CFTC minimum PET data fields, this will still require some system developments, such as a change to the internal

	<p>reporting logic by the reporting entities and the necessary identification of transactions to be reported to the Regulatory Agencies before the appropriate data can be reported by the mandatory commencement date and in the required format.</p> <p>We would highlight that firms which are not currently reporting to either the CFTC or any other jurisdiction will require more time, resource and infrastructure changes to implement these data fields that are currently not supported in their existing systems.</p> <p>Frequency of trade reporting: We note that paragraph 4.15 sets out, among others, that the Regulatory Agencies are proposing for reporting entities to report the required transaction-level data and collateral data on the next business day, i.e. on a T+1 basis. We have received feedback from our members that the proposed timing should be extended to two days, i.e. a T+2 reporting deadline as this would be a more workable timeframe. This takes into account that a T+2 deadline would allow for reporting completeness and will factor in that certain members will be reporting from their head offices located elsewhere. The actual timing should also be considered as, very often, transactions are traded late in the day and may not make an end of day batch cycle and will need to be placed in the following day’s batch cycle. Time zone differences may also need to be considered. From an implementation perspective, if the reporting timeframe is specified with respect to a particular jurisdiction, for instance 11.59 p.m. Kuala Lumpur time, this would enable firms to use a single timeframe as opposed to applying multiple timeframes, depending on where the reporting entity resides or is located in.</p> <p>We also understand that the reporting will be based on an end of day snapshot of all transactions entered into by the reporting entity, at a pre-defined reporting deadline, for example, 6.00 p.m. Kuala Lumpur time, rather than, for instance, a real-time snapshot or the real-time reporting of lifecycle trade events.</p>
<p>(2) Given that collateral is usually posted to or received from a counterparty based on the marked-to-market value of total</p>	<p>Collateral: We note that collateral is typically posted on a portfolio basis rather than on a per transaction basis. As such, it would be necessary to separate the reporting of collateral from the reporting of transaction-level data to the</p>

<p>trades with the counterparty, one possible approach for the reporting of collateral information is to separate the collateral reporting from the reporting of PET and their individual marked-to-market value. What is your organization’s view on the proposed approach? What other alternative(s) would you suggest?</p>	<p>trade repository. Collateral, minimum transfer amounts, threshold amounts and initial margin are typically reported on a portfolio level. As such, a market participant will not be able to provide this information on a transaction level. Reporting portfolio data such as collateral at a transaction level, would only seek to produce a hypothetical result, inconsistent from the legal framework of collateral being calculated on a netted basis, subject to an underlying collateral documentation.</p> <p>We agree with the reporting of collateral on a portfolio basis rather than on a per transaction basis. Taking the above into account, it may therefore be necessary, in order to achieve clarity in relation to the collateral reporting requirements, to consider the reporting of collateral and the associated timelines separately from the reporting of transaction level data. It should be noted that collateral data is currently not reportable in any jurisdictions due to the issues highlighted above.</p> <p>With respect to information relating to margin, we note that while it may be possible to provide data margin for cleared trades on a trade by trade basis, this may not be the case for non-cleared trades. For the non-cleared transactions, we would be grateful for guidance as to how these data fields should be populated on a transactional level, given that margining for non-cleared transactions occur on a portfolio level.</p> <p>Our members have also highlighted that a reporting entity may need to report the collateral information on its own as a reporting agent may not necessarily have access to the collateral information.</p>
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Phase-in reporting	Response
<p>(1) Please provide your views on the proposed phase-in approach for the reporting of trades to the trade repository.</p>	<p>Phase-in reporting: As set out in an earlier paragraph of this submission, we agree with the phase-in reporting by reporting entity type and would urge the Regulatory Agencies to also consider phase-in reporting by asset class in addition to phase-in reporting by reporting entity type.</p> <p>A phase-in approach by reporting entity type for example, would provide an opportunity for any issues or problems faced by the reporting entities in Phase 1 to be addressed</p>

	<p>and resolved before the trade reporting requirement is rolled out to the wider industry. A similar argument would also be made for a phase-in approach by asset class. Due to the volume of transactions that will need to be reported and the specific asset class requirements, the phase-in approach by asset class would assist in reducing operational risk, reduce strain on the market participant's IT infrastructure, provide a window to resolve implementation issues and allow market participants to meet their reporting requirements.</p> <p>Also as set out in an earlier paragraph of this submission, we agree with reporting to the trade repository to be implemented in phases, with each phase commencing six months after the previous phase.</p> <p>Registered Person: We note that paragraph 5.1 makes reference to "registered person". We would be grateful if the Regulatory Agencies could please confirm whether "registered person" refers to Section 76 of the Capital Markets and Services Act 2007 (Act 671).</p>
<p>(2) Please indicate whether the proposed 6-month transitional period prior to commencement of reporting would be adequate for your organization to prepare in order to fully meet all reporting requirements. Please highlight any other issues (systems etc) that may pose a challenge for your organization to comply with the reporting requirements.</p>	<p>Transitional Period: A transitional period prior to the commencement of mandatory reporting would be helpful for reporting entities to prepare in order to be able to meet the necessary reporting requirements. As noted in paragraph 3 of this submission, in order for firms to begin reporting, certain necessary technological changes will need to be instituted in the respective firms. The industry would require lead time from the issuance of any final regulations or guidelines on trade reporting before the trade reporting requirements can be fully implemented.</p> <p>We would like to also recommend that the Regulatory Agencies consider the possibility of a contingency deadline to account for the possibility of a slippage in the trade reporting commencement date. As different firms face quite different constraints, each firm will therefore need to make an individual firm assessment to ascertain the amount of work required to implement the reporting requirement within their own respective firms.</p> <p>Also as set out in this submission, we would suggest that a phase-in reporting approach by both reporting entity type and asset class be considered. A phase-in approach would allow firms to have, among others, sufficient lead time to develop, build and deliver the requisite information. We</p>

	<p>have set out in paragraph 3 of this submission certain concerns with respect to timelines and preparation.</p> <p>With respect to additional data fields, lead time should be built into the proposed timeline to allow reporting entities to work on implementing these.</p> <p>Backloading Requirement: We would be grateful if the Regulatory Agencies would be able to confirm if they would require the backloading of historical transactions at the start of mandatory reporting. We would also highlight that if backloading is being considered by the Reporting Agencies that only “live” transactions as of the date firms begin reporting will be back-loaded. In this regard, it may be worthwhile to also consider that a snapshot of all transactions as of the date a firm begins reporting, without regard to maturity, be back-loaded. Therefore, all trade events which occurred prior to the backloading date for a single transaction will be backloaded in a single record. As such, any subsequent trade events for these transactions will not be captured in the back-loaded data. This is consistent with the CFTC, Japan Financial Services Agency (“JFSA”) and Hong Kong Monetary Authority (“HKMA”) in their respective requirements for back-loaded transactions. It should be further noted that certain reporting entities may not be able to populate certain back-loaded data as the necessary information is not stored in their existing infrastructure.</p>
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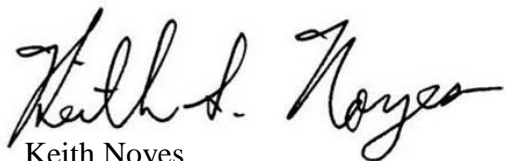
Public disclosure	Response
<p>(1) Statistical information such as outstanding notional OTC derivatives, monthly volume of OTC derivatives, by types of contracts and asset classes, average price levels of contracts may provide useful information to the public, whether used for general business or research purposes. What is your organization’s view on the notion of public disclosure of broad level data?</p>	<p>Public disclosure: We note that paragraph 6.1 provides that the trade repository is intended to facilitate the public disclosure of data on the Malaysian OTC derivatives markets.</p> <p>Broad level data should be sufficiently defined and circumscribed so as to ensure that useful, understandable information is provided to the public and also to ensure that no market-sensitive information is otherwise disclosed. As a starting point, the broad level data should be on an aggregate level and not on a transactional level. This would help to protect financial institutions executing large trade sizes from revealing their position and reducing the competitive advantage in pricing.</p>

	<p>It may also be necessary to consider ensuring that public disclosure of information relating to the Malaysian OTC derivatives market does not, for instance give an unfair advantage to any one particular firm. Publishing any statistical data to the public on an aggregate basis should not adversely affect or disadvantage any entities in any particular market, especially in situations where there may be illiquidity and only a small number of entities participate in the market with respect to, for instance, a particular asset class.</p> <p>We would also ask that the Regulatory Agencies consider the timing for public disclosure of such data, for instance, how frequently aggregated data is to be published and whether this is based on data that is available from a specific window (for instance, whether such public disclosure include current days data or data as of T+2 in order to provide for anonymity of counterparties).</p>
<p>(2) Please identify any specific issues of concern that may need to be taken into account in making OTC derivatives data publicly available.</p>	<p>Issues of concern: Depending on the type of broad level data which would be made available to the public, it may be useful to consider whether there are any banking secrecy considerations which would need to be addressed. Certain counterparty-identifiable information should not be included as part of the broad level data.</p> <p>The trade repository should also establish and maintain policies and procedures in order to protect the confidentiality of information submitted. As the data provided to a trade repository has commercial value, it is of vital importance that the trade repository’s system integrity and security is constantly monitored and upgraded to prevent any unauthorized access to, use and disclosure of data. Additionally, as participants will need to continually report their trades, it is important that the trade repository has a business continuation plan which will be used in the event of any disruption.</p> <p>Providing broad-level data to the public would of course be different from the information which a regulator would require with respect to fulfilling its roles and responsibilities. The BIS-IOSCO paper on “Authorities’ access to trade repository data” released in August 2013 provides, among others, information describing the expected data needs of authorities and access to trade</p>

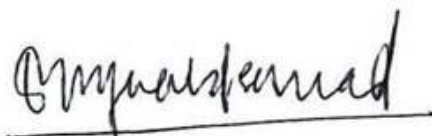
	<p>repository-held OTC derivatives data. We would suggest as a starting point, that the access to information in a trade repository should be based on the function and purpose within these regulatory bodies that are requesting the data. There should also be controls in place on the use or disclosure of the data by the regulators to ensure there is no misuse of information and to protect the confidentiality of the data provided.</p>
<p>(3) What other specific market data would you suggest to be included for public disclosure? Please describe how such data would benefit the public or the derivatives industry.</p>	<p>No comments.</p>

ISDA appreciates the opportunity to provide comments on the proposed trade reporting regime in the Consultation Paper. If you have any questions on this submission, please contact Erryan Abdul Samad at (eabdulsamad@isda.org, +65 6538 3879) or Keith Noyes at (knoyes@isda.org, +852 2200 5909) at your convenience.

Yours sincerely,
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Annex – Comments on Proposed Data Set

While this Annex provides certain comments with respect to certain data fields set out in Annex 1 of the Consultation Paper, we would recommend that a separate workstream be created to discuss and address the proposed data set. Please note that the comments provided here are based on initial feedback. Additionally, as noted in our comments set out in the submission, we would like to request that the trade reporting data fields be finalized separately from the publication of the final trade reporting rules. Also, we would request that flexibility be incorporated into the trade reporting data fields by allowing some of these trade reporting data fields to be made optional or conditional instead of mandatory.

Transaction Information**(1) Counterparty Information**

Data field	Description	Comments
Counterparty ID (1)	SWIFT Code or company registration number of the reporting counterparty.	<p>Our members have provided feedback that in order to align with global standards, that Legal Entity Identifier (“LEI”) should be considered. We understand that there may be local implementation concerns with implementing the LEI in Malaysia and we would be happy to discuss any related concerns with the Regulatory Agencies.</p> <p>We believe that the hierarchy used for the identifier of a reporting entity and non-reporting counterparty should use an LEI as the first step.</p> <p>In the event that the LEI is not available, we would propose to use pre-LEI, SWIFT BIC, or the internal counterparty id as an alternative.</p>

(2) Transaction Information

Data field	Description	Example
Master Agreement Reference	Unique position identifier for the master agreement under which the contract is part of.	<p>We would be grateful for clarification as to what this would constitute.</p> <p>We also understand that this particular field is problematic for firms which are reporting under the EMIR framework as such firms do not have the available static data to, for example,</p>

		distinguish the form or version of the Master Agreement which has been signed. Also, we understand that this distinction is not necessarily reliable on the basis that notwithstanding that parties are using a market standard form of agreement, parties may have included certain revisions in the Schedule to the Master Agreement that may significantly alter the terms of the market standard form of agreement.
Master Agreement Type	The type of master agreement that was executed (e.g. ISDA Master Agreement 1992, ISDA Master Agreement 2002, non-ISDA or ISDA-IIFM Master Agreement).	For the reasons outlined above in “Master Agreement Reference”, we would suggest that this field not require that the version of the Master Agreement be reported.
Transaction Reference No.	Unique internal transaction number assigned by the reporting entity to a particular transaction.	<p>We would be grateful for clarification as to what this would constitute.</p> <p>We would highlight that the generation of a UTI requires a pre-agreement amongst counterparties as to which party to the transaction will generate the UTI. As this process requires time to set up and agree pre-trade, it will require additional time to meet this reporting requirement.</p>
Governing Law	The relevant law governing the derivatives agreement entered into between both parties.	<p>We understand that this is not a standard data field required by other jurisdictions.</p> <p>We also understand that this is not readily available to firms as static data for reporting. Taking into account the different capacities of firms to provide such information, we would suggest that this field be removed or made optional for firms to report.</p>
Confirmation	Indicate whether the contract has been confirmed by the parties.	<p>We note from the Consultation Paper that reporting entities are to report either “Yes/No” to this data field.</p> <p>We would be grateful if the Regulatory Agencies could confirm whether the “Yes/No” answer applies to the original confirmation or the latest confirmable event. We note that parties are</p>

		confirming based on the latest confirmable event for EMIR and would therefore suggest aligning with this for consistency.
Price Multiplier	The number of units of the underlying reference asset represented by one unit of the contract.	We would be grateful for clarification as to what this would constitute and if the Regulatory Agencies could please confirm whether this is an asset class specific reporting term to be used for instance for commodities or equity type products. If so, we would suggest moving this field to asset class specific terms.
Maintenance Margin Requirement	Indicate the maintenance margin requirement that has been agreed upon by the parties.	<p>We note that only initial and variation margin have been included for reporting in other jurisdictions.</p> <p>We would be grateful for clarification as to what this would constitute. We understand that firms may have difficulty reporting this and would suggest that either this be removed or made optional based on the applicability to the reporting entities and also taking into account that firms may need to phase in compliance with this term over a period of time in order to build the ability to report this.</p>
Settlement date	The date of settlement of the contract	We would suggest that this field be made optional and would only be required if the value is different from the reported “Maturity, termination or expiry date” field.
Settlement agent of non-reporting party	This data field is to be populated only if a settlement agent is appointed by the reporting counterparty to effect the settlement of a transaction on its behalf. Either the SWIFT code or company registration number of the settlement agent is acceptable.	We note that this will not apply in all circumstances and would therefore suggest that this be removed or made an optional field with reporting to be done over a phased period to allow firms to build their capability to report this field. We note that if double-sided reporting is required, it would be more efficient for each party to report their own settlement agent rather than each reporting entity reporting both settlement agents.
Purpose	Indicate whether the transaction is intended as a hedging or non-hedging	We understand from our members that it may not always be possible to identify the purpose of a particular trade, and whether it is for hedging or

	transaction. Hedging transactions should be further classified as hedging that meets the definition used under the Malaysian Financial Reporting Standard (MFRS) and those which do not meet the MFRS.	non-hedging. Our members would be grateful if the Regulatory Agencies could let us know as to the reasoning for including this in the proposed data sets.
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(3) Valuation Data

Data field	Description	Example
Marked-to-Market Value	Marked-to-market value of the transaction, in ringgit Malaysia. Marked-to-model values may be used if market prices for the transaction are not readily available. In the event that the MTM Value is not in ringgit Malaysia, a conversion should be made using the exchange rate(s) one business day before the reporting date.	Our members have asked for clarification as to what this would constitute and how this information should be presented.

(4) Contract Information

Data field	Description	Example
Unique Product Identifier	Unique product identification code based on the taxonomy of the product	Please note our recommendation that reporting be based on the ISDA OTC Taxonomies. Taking this into account, we would suggest that the value reported here is the corresponding ISDA OTC Taxonomies value.
Type of contract	Indicate whether the contract is an option, swap or forward. For combination of products, classification should be based on the	As the ISDA OTC Taxonomies will also include the contract type, this field should be made optional based on the use of UPI (Taxonomy).

	primary contract type. For example, a swaption, should be classified as an option, a forward starting swap should be classified as a forward etc.	
Reference Asset	Indicates the specific underlying reference asset of the contract	We understand that for trades with multiple underliers (i.e. baskets or indices), the values may not all be able to be represented in this field. We would be grateful if the Regulatory Agencies could please confirm if there are particular values which represent the reference asset which are or are not acceptable for each asset class.

(4.1) Swaps and Forwards Contracts

Data field	Description	Example
Notional Amount Quantity 1	Notional amount of the transaction, from the perspective of the reporting counterparty. In the case of commodity derivatives, the total quantity in the unit of measure of an underlying commodity should be used.	We would be grateful if the Regulator Agencies could please confirm as to whether this refers to the current or original notional. We would suggest that this represents the current notional.
Notional Amount Quantity 1	Notional amount of the transaction, from the perspective of the non-reporting counterparty. In the case of commodity derivatives, the total quantity in the unit of measure of an underlying commodity should be used.	We would be grateful if the Regulator Agencies could please confirm as to whether this refers to current or original notional. We would suggest that this represents the current notional. We also note that this should also be made optional as this will not apply to all trades.
Notional Currency (2)	The currency in which the notional amount is denominated. The International Organization for Standardization (ISO Code) should be used.	We note that this should be made optional as this will not apply to all trades.
Fixed Rate	The fixed rate paid or	We note that the Fixed Rate of leg 1 through a

of leg 1	received by the reporting counterparty i.e. Counterparty (1). The reporting unit should be expressed in basis point.	Floating Rate Index should be made optional and moved to an asset specific reporting class as this will not apply to all asset classes and all trades. Our members have also asked for clarification as to why this should be expressed in basis point.
Fixed Rate of leg 2	The fixed rate paid or received by the reporting counterparty i.e. Counterparty (2). The reporting unit should be expressed in basis point.	Our members have asked for clarification as to why this should be expressed in basis point.
Floating rate of leg 1	The interest rate paid or received by the reporting counterparty (i.e. Counterparty (1), based on market reference rate).	Our members have highlighted that this is not required under the requirements of the other jurisdictions and have requested that the Regulatory Agencies consider that this be removed.
Settlement Currency	The currency in which the settlement is to be made.	We would suggest that this is only required if the Settlement Currency is different from the Notional Currency or if the Notional Currency 1 and 2 are different.

(4.2) Contracts with Options

Data field	Description	Example
Next Call or Put Date	The next date for which the option could be exercised or cancelled.	We understand that firms may face difficulties reporting this, for instance taking into account an option which is bermudan, reporting entities may have to report the “next” option expiry. Our members have also suggested that this be removed.
Next Payment Date	The date of the next immediate payment. This can either be payment made or received by the reporting counterparty.	We understand that firms may not be able to report this field and that this may create a maintenance issue, taking into account that once the current next payment date has passed, reporting entities are required to update the reported value to the “next” next payment date. We would therefore suggest that this be removed.

(5) Event Information

Data field	Description	Example
Confirmation Timestamp	The time and date the transaction was confirmed by both counterparties.	<p>We would highlight that in many cases the value known by both counterparties will not align, as unless the trade was confirmed electronically, each counterparty will mark the trade as being “confirmed” based on the time they completed confirmation processing.</p> <p>Also, we would be grateful if the Regulatory Agencies could please clarify as to whether this is the timestamp for the original confirmation or the latest confirmation event. We would suggest that this be done based on the latest confirmation event in order to align with implementation under other jurisdictions, for example, under the EMIR framework.</p>