

Comments on “Consultative Document on Standards for Global Securities Financing Data Collection and Aggregation”

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Comment 1: Consistency

We believe it is crucial to achieve consistency in the repo market reports. In our opinion, the consultative document is not always clear enough and leaves room for interpretation, which may lead to inconsistent reporting across entities. Examples include:

- The repo contract design should be accounted for adequately, such that the reports really indicate the underlying risk of repo market participants. For instance, it is unclear how Eurex GC Pooling repos would need to be reported. The pooling feature potentially reduces the repo exposure, relative to the volume of repo trades. It is also unclear to us how GC Pooling repos would be treated regarding “re-use” of collateral.
- Given the global nature of the repo market, it needs to be ensured that exchange rates are used consistently when aggregating the data. Particular important are a coherent treatment of cross-currency trades and the aggregation of repos across continents with different close-of-business times.
- When reporting the collateral type and collateral value, it would be interesting to know whether repos are valued using market or model prices. Are market values and in particular model values determined consistently across entities?
- How should repo transactions on behalf of other banks be reported?

Comment 2: Repos conducted with the central bank

To get a full picture of repo market activity, we believe it is crucial to also understand the repo activity between reporting entities and central banks. These repos are explicitly excluded in the consultative document. We think it is important that reporting entities not only report private repo market activity, but also central bank repos in a consistent manner, i.e., including the same data fields and aggregation methodology.

Comment 3: Unclear and missing data fields

We think that certain relevant information is currently unclear or not included in the data fields proposed in the consultative document.

In Table 1, it would be interesting to include:

- The “trade date”, i.e., the day when the repo transaction was agreed upon (e.g., to distinguish o/n, t/n, and s/n transactions)
- Information about the collateral quality
- Whether the repo was “special” or “GC”, to understand whether the transaction was funding or security driven

In Table 2, a relevant currency that is missing is AUD.

In Table 3, the buckets for the repo rate seem rather coarse, in particular given today’s very low interest rate environment. Negative rates should be allowed for and clearly distinguished.

In Table 4, more details on collateral quality may be useful.