

Governance arrangements for the unique product identifier (UPI): key criteria and functions

Consultation document dated 3 October 2017

Optional response template

Submission of responses via this optional template document would assist with the processing of responses.

The document has been designed to be completed as a form in Microsoft Word. Users are only able to make changes in the question response areas shaded grey.

For context or any defined terms, please refer to the relevant parts of the consultation document at <http://www.fsb.org/wp-content/uploads/P031017.pdf>.

Please save and submit the completed questionnaire as a Microsoft Word document, rather than converting it to a PDF.

The FSB invites stakeholders to provide their responses by Friday 17 November 2017 by e-mail to fsb@fsb.org with “UPI governance” in the e-mail subject line. The feedback received will be taken into account in the FSB’s development of the UPI Governance Arrangements.

You may choose to leave answers blank – in that case it is acceptable to leave the answer reading “Click here to answer text”.

| Questions | Answers |
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| General questions | |
| A. Name of respondent institution/firm | CME Group |
| B. Name of representative individual submitting response | Jonathan Thursby |
| C. Email address of representative individual submitting response | Jonathan.Thursby@cmegroup.com |
| <p data-bbox="190 515 1117 588">D. Do you request non-publication of any part(s) of this response? If so, which part(s)?</p> <p data-bbox="190 612 1117 730"><i>Unless non-publication (in part or whole) is specifically requested, all consultation responses will be published in full on the FSB’s website. An automated e-mail confidentiality claim will not suffice for these purposes.</i></p> | <p data-bbox="1120 515 2047 547">Click here to enter text.</p> |
| E. About the respondent institution/firm | Trade Repository |
| F. General or introductory remarks | <p data-bbox="1120 791 2047 823">Dear Board Members:</p> <p data-bbox="1120 847 2047 1364">The CME Group Global Repository Services appreciates the opportunity to provide comments in response to this consultation document. We are a strong proponent of global data harmonization and promote the importance of global standards in improving data quality and increasing the efficiency and value of reporting. In our response, we would like to limit the comments specifically to UPI data access and the cost associated with it rather than individual responses. We believe that an approach similar to the formulation and implementation of the Legal Entity Identifier (LEI) must be utilized. This would mean having a central repository that aggregates UPIs from its network of partners or “issuers”, to provide an open source, unrestricted fee-free, high quality machine readable reference data to the market. As a Trade Repository we will require access to the</p> |

| Questions | Answers |
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| | <p>database of UPIs for validation of incoming reports. If the UPI data is consolidated at a single source, we will not need to integrate with each service provider or issuer of the UPI, which only adds operational inefficiencies. We also do not advocate for a Trade Repository to be responsible for the fees in supporting the maintenance of the UPI. This is an industry wide problem and the costs associated with it must be equally distributed rather than aggregating through TRs. This would only mean our costs would go up and we would have to raise the fees, where in a competitive environment, would be very difficult to do.</p> <p>In closing, we support the efforts to establish governance framework arrangements for the UPI and once again thank you for the opportunity to comment.</p> |
| G. Date of response | 11/17/2017 |
| Consultation questions | |
| Q01. Do you consider any further criteria should be included in the above list? | Click here to enter text. |
| Q02. Are there ways in which any of the key criteria should be modified? If so, which ones and how? | Click here to enter text. |
| Q03. Should the UPI System operate on a cost recovery model? If not, what is the suggested alternative and how does it fit with other governance criteria? | Click here to enter text. |
| Q04. How should cost recovery be defined in the context of UPI? How should a UPI Service Provider be permitted to recover its costs? Should start-up, infrastructure, and initial creation of UPI Code costs be treated | Click here to enter text. |

| Questions | Answers |
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| differently than ongoing maintenance and other continuing costs of operating a UPI Service Provider? | |
| Q05. How should costs be allocated amongst stakeholders? | Click here to enter text. |
| Q06. How should a UPI Service Provider provide its rationale for calculating cost recovery? What level of transparency and frequency of disclosure of cost by a UPI Service Provider is required to demonstrate that the UPI System is being administered on a cost-recovery basis? For example, should a UPI Service Provider be required to undertake an audit or other type of review of its costs? To whom should transparency be provided (e.g. to Authorities and/or the public) and under what circumstances? | Click here to enter text. |
| Q07. Should there be different categories of users to describe entities that interact with the UPI Service Provider(s), utilise the UPI System, or access the UPI Reference Data Library in different ways, such as creation of a UPI Code versus leveraging an existing UPI Code, and at different frequencies? How should those categories be defined and should there be different associated costs based on the type and frequency of use of UPI Codes? How would different cost considerations apply to different aspects of the UPI System? | Click here to enter text. |
| Q08. Should access to, and use of, the UPI Reference Data Library (which includes the Data Elements therein) be unrestricted? If not, what types of usage restrictions would be appropriate and to whom should they apply? What would be the consequences, including for harmonisation, of having usage restrictions on the UPI Reference Data Library? | Click here to enter text. |
| Q09. Should the UPI Reference Data Library be subject to any intellectual property restrictions? If so, what types of restrictions would be appropriate? | Click here to enter text. |

| Questions | Answers |
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| What would be the consequences of having any intellectual property restrictions on the use of, or access to, the UPI Reference Data Library? | |
| Q10. Are there any types of ownership or membership structures of a UPI Service Provider that could create conflicts of interest? If so, please describe. | Click here to enter text. |
| Q11. What kinds of business continuity arrangements would it be reasonable to expect from a UPI Service Provider? | Click here to enter text. |
| Q12. What Governance Frameworks for other universal identifiers should or should not be considered in designing the UPI Governance Arrangements and why? | Click here to enter text. |
| Q13. Which elements of such frameworks would be useful or not useful for the UPI Governance Arrangements and why? | Click here to enter text. |
| Q14. Do you agree with the articulated areas of governance identified above? | Click here to enter text. |
| Q15. Can you suggest any refinements or modifications to any of the functions therein? | Click here to enter text. |
| Q16. Can you suggest any other functions that should be included in the above list? | Click here to enter text. |
| Q17. Could a UPI Service Provider also be expected to develop human readable aliases for UPI Codes to satisfy the needs of particular jurisdictions or other stakeholders? Why or why not? | Click here to enter text. |
| Q18. Are there functions in the list which are not relevant for the UPI in your view and if so which ones and why? | Click here to enter text. |

| Questions | Answers |
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| Q19. Which entity or entities (or type of entity) would be best placed to perform each of the above governance functions? | Click here to enter text. |
| Q20. Do you see a need for the UPI Reference Data Elements to be standardised by an International Standardisation Body and if so why? Are there aspects in which this would be impracticable? If so, please describe those aspects. | Click here to enter text. |
| Q21. What benefits of implementation of the UPI, if any, do you see beyond OTC derivatives reporting? Please justify your answer. | Click here to enter text. |
| Q22. What would be the respective costs and benefits of the different potential models to administer the UPI System specified above? | Click here to enter text. |
| Q23. What would be the impact on market participants and other key stakeholders of having multiple UPI Service Providers (whether across asset classes or serving the same asset class) in terms of: | |
| (a) cost; | Click here to enter text. |
| (b) ease of use of the UPI System; | Click here to enter text. |
| (c) their ability to conform to the UPI Technical Guidance; and | Click here to enter text. |
| (d) their ability to associate UPIs with products in a timely manner at least to facilitate the discharge of reporting obligations for OTC derivative transactions? | Click here to enter text. |
| Q24. Should one or a limited number of UPI Service Providers be selected at the outset? Should the UPI Governance Arrangements allow for additional UPI Service Provider(s) to be incorporated over time? | Click here to enter text. |