



Secretariat  
Financial Stability Board  
Bank for International Settlements (BIS)  
Centralbahnplatz 2  
CH-4002 Basel  
Switzerland  
fsb@bis.org

28 February 2014

Dear Secretariat,

**Re: Financial Stability Board Consultation paper dated 4 February 2014 - 'Feasibility Study on approaches to aggregate OTC derivatives data'**

The Futures and Options Association (FOA) appreciates the opportunity to respond to this consultation. The FOA is the principal European industry association for 160 firms and organisations engaged in the carrying on of business in futures, options and other derivatives. Its international membership includes banks, financial institutions, brokers, commodity trade houses, energy and power market participants, exchanges, clearing houses, IT providers, lawyers, accountants and consultants (**see Appendix 1**).

As the FSB will be aware, in the European Union, the obligation to report transactions to a trade repository under the European Market Infrastructure Regulation (EMIR) covers all derivative contracts, not just OTC derivatives.

In drafting this letter, the FOA has drawn on extensive experience of working with its members and with European regulators on the significant interpretive analysis necessary to apply EMIR's reporting rules to exchange-traded derivatives (ETDs). EMIR's reporting rules were largely drafted with OTC products in mind, which means the participants in the ETD industry had to work together on how to best apply the rules to ETDs. The FOA has been concerned to ensure that a cost-effective reporting infrastructure is built, avoiding unnecessary costs for both users and regulators. Data quality and data standardisation issues have been a key focus of our work.

The FOA would like to make the following high-level comments on the Financial Stability Board's (FSB) paper, for consideration by the deadline of 28 February 2014.

In the FOA's view, it is premature to analyse how to aggregate trade repository data globally. Before global aggregation mechanisms are explored, the underlying purpose of global aggregation should be defined by the Financial Stability Board. The FSB, together with IOSCO/CPSS, should first determine the specific purposes for having aggregated data at a global level. The scope of the data required to achieve these specific purposes can then be determined. This is critically important to avoid needless data overload and better facilitate data analysis.

For example, if the FSB's objective is to monitor systemic risk from a global perspective, then the scope of the data required to undertake such monitoring can be adjusted accordingly. It may, for example, be the case that certain data elements need not be captured in a global aggregation exercise, depending on the purposes for which the data is aggregated.

The FOA agrees with the FSB that it will be challenging to overcome the variations in trade reporting requirements and data standards across jurisdictions. This challenge is perhaps underemphasised in the FSB's paper. Data standardisation, data sharing and a focus on data quality are key pre-requisites for any aggregation mechanism to be effective.

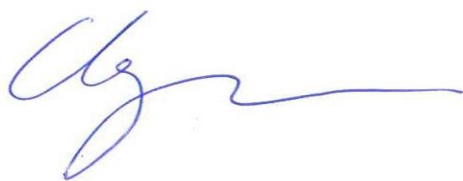
Engagement with industry participants is vitally important in developing standards across jurisdictions. We encourage the FSB to ensure that individuals with appropriate technical expertise and knowledge of the products being traded and reported are involved with international standard setting exercises.

As a separate point, the FSB's paper focusses on OTC data aggregation generally, and only in passing refers to the "potential need in some cases" to combine OTC data with ETD data. In our view, the FSB should avoid the difficulties encountered by the EU and at the outset on whether aggregation should be limited to OTC derivatives data only. If this is not clarified, there is a risk of confusion with respect to whether exchange-traded derivatives are to be included in the work underway to create a global aggregation mechanism.

The costs of aggregating data across jurisdictions and multiple jurisdictions will likely be very significant. It may be too early at this stage to estimate these costs, but an estimate must be undertaken in future, including an indication of which party(ies) are likely to incur them.

We would be happy to discuss any of these issues at your convenience.

Kind regards,



Kathleen Traynor  
Futures and Options Association

## Appendix 1

<i>ABN AMRO Clearing Bank N.V.</i>	FXCM Securities Ltd	PA Consulting Group
<i>Accenture UK - Risk Management</i>	G.H. Financials Ltd	Pekin & Pekin LLP
<i>ADM Investor Services International Ltd</i>	GDF Suez Branch Energy International	Petroineos Trading Limited
<i>AKIN GUMP LLP</i>	Gekko Global Markets Ltd	Phibro Commodities Limited
<i>Alpari (UK) Ltd</i>	GF Financial Markets (UK) Limited	Phillips 66 TS Limited
<i>Amalgamated Metal Trading Ltd</i>	GFI Securities Ltd	Pughview Ltd
<i>AMT Futures Ltd</i>	Glencore Commodities Ltd	R3D Systems Limited
<i>APX Commodities Ltd</i>	Goldman Sachs International	Rabobank International
<i>Ashurst LLP</i>	Gunvor SA	RBC Europe Limited
<i>Ateo Ltd</i>	Herbert Smith Freehills LLP	Reed Smith LLP
<i>Baker &amp; McKenzie LLP</i>	HETCO Advisory Services U.K. Limited	Rostron Parry Ltd
<i>Banca IMI SpA</i>	Holman Fenwick Willan LLP	RWE Supply & Trading GmbH
<i>Banc0o Santander SA</i>	HSBC Bank Plc	Saxo Capital Markets UK
<i>Bank of America Merrill Lynch</i>	ICAP Securities Ltd	Schneider Trading Associates Ltd
<i>Bank of New York Mellon SA/NV</i>	ICE	Scotiabank Europe
<i>Barclays Capital</i>	IG Group Holdings Plc	Scottish Power Energy Trading Ltd
<i>BASF Metals Forwards Limited</i>	International Capital Market Association (ICMA) Limited, London	SEB Futures
<i>BDO LLP</i>	International FC Stone Group	Shanghai Futures Exchange
<i>Berkeley Futures Ltd</i>	Investec Wealth & Investment	Shearman & Sterling (London) LLP
<i>Berwin Leighton Paisner LLP</i>	ION Trading	Shell Trading & Shipping
<i>BGC Partners Inc</i>	J.P. Morgan Securities Plc	Sidley Austin LLP
<i>BNP Paribas Commodity Futures Ltd</i>	Jefferies Bache Limited	Simmons & Simmons LLP
<i>BOCI Global Commodities UK</i>	Johannesburg Stock Exchange	Singapore Exchange Ltd
<i>BP International IST</i>	K&L Gates LLP	Singapore Mercantile Exchange Pte Ltd
<i>Cadwalader, Wickersham &amp; Taft LLP</i>	Katten Muchin Rosenman UK LLP	SJ Berwin & Company LLP
<i>Cargill Plc</i>	Kinetic Partners LLP	SmartStream Technologies Ltd
<i>Centrica Energy Ltd</i>	Koch Supply & Trading Company Ltd	Societe Generale Corporate & Investment Banking London
<i>Chevron Global Trading Limited</i>	KPMG LLP	Speechly Bircham LLP
<i>Citadel Securities (Europe) Ltd</i>	Kyte Group Ltd	Standard Bank Plc
<i>Citigroup</i>	LCH.Clearnet Group Ltd	Standard Chartered Bank (SCB)
<i>City Index Limited</i>	Linklaters LLP	State Street GMBH London Branch
<i>Clifford Chance LLP</i>	Liquid Capital Group	Sucden Financial Ltd
<i>Clyde &amp; Co LLP</i>	LLOYDS BANK COMMERCIAL BANKING	SunGard Global Trading
<i>CMC Group Plc</i>	LMAX Limited	Susquehanna International Securities Limited (SIS)
<i>CME Group Inc</i>	London Capital Group	Swiss Futures and Options Association

<i>CMS Cameron McKenna LLP</i>	London Metal Exchange	The Royal Bank of Scotland Plc
<i>Commerzbank AG</i>	Macfarlanes LLP	The Toronto-Dominion Bank
<i>ConocoPhillips (U.K.) Ltd</i>	Macquarie Bank Ltd	Thomas Murray Data Services
<i>Contango Markets Ltd</i>	Mako Europe Ltd	Thomson Reuters
<i>Credit Suisse Securities (Europe) Ltd</i>	Marex Spectron	Toyota Tsusho Metals Ltd
<i>Dalian Commodity Exchange</i>	McDermott Will & Emery UK LLP	Traderight Limited
<i>Danske Bank A/S</i>	MEFF RV	Tradeweb Europe Limited
<i>Deloitte LLP</i>	Mercuria Energy Trading SA	Trading Technologies UK Ltd
<i>Dentons UKMEA LLP</i>	Metdist Trading Ltd	Trafigura Derivatives Ltd
<i>Deutsche Bank AG</i>	Mitsubishi UFJ Securities International Plc	Traiana Inc
<i>DRS LLP</i>	Mitsui Bussan Commodities Ltd	Travers Smith LLP
<i>E.ON Energy Trading SE</i>	Mizuho Securities USA Inc London	Trayport
<i>ED&amp;F Man Capital Markets</i>	Monument Securities Ltd	Triland Metals Ltd
<i>EDF Energy</i>	Morgan Stanley & Co. International Plc	TriOptima AB
<i>EDF Trading Ltd</i>	MPAC Consultancy LLP	Turquoise Global Holdings Limited
<i>EDF Trading Ltd</i>	Nasdaq OMX  NLX	UBS Ltd
<i>Ernst &amp; Young LLP</i>	National Grid Electricity Transmission Plc	UnaVista Ltd
<i>ETX Capital</i>	Newedge UK Financial Limited	Valbury Capital Ltd
<i>Eukleia Training Ltd</i>	Noble Clean Fuels Ltd	Vitol S.A.
<i>Eurex Clearing AG</i>	Nomura International Plc	Wells Fargo Securities International Ltd
<i>European Energy Exchange</i>	Nord Pool Spot AS	
<i>Fidessa Plc</i>	Norton Rose Fulbright LLP	
<i>FOREX.COM UK LIMITED</i>	NYSE Liffe	
<i>FOW Ltd</i>	Omgeo	
<i>Freshfields Bruckhaus Deringer LLP</i>	Options Industry Council (OIC)	
<i>Futures Industry Association (FIA)</i>	Orrick, Herrington & Sutcliffe (Europe) LLP	