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EBF comments on the FSB consultation paper on feasibility study on approaches to aggregate OTC derivatives data

The EBF appreciates the work that the FSB is doing towards improving the aggregation of OTC derivatives trade repository data, and would like to emphasise the importance of this issue for EBF members.

European banks have made significant efforts in preparing the reporting of data to trade repositories introduced in the EU under EMIR.¹ It is essential that the data reported to trade repositories can be effectively used by authorities, including to identify and mitigate systemic risk. The implementation of a global data aggregation mechanism by regulators would ensure that this data is functional while banks can continue to fulfil their reporting obligations.

In this respect, the EBF would like to highlight the following points:

- It is important that the final feasibility study clearly sets out the criteria by which information can be shared.
- Introducing greater transparency in data reporting would help to ensure legal certainty around sharing data on OTC derivative transactions.
- The status quo (i.e. option 3) is undesirable. It could lead to bifurcation of information and also lead to an unnecessary proliferation of trade repositories, and therefore more fragmentation and complexity.

¹ Regulation 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

- EBF members consider a logically centralised model of aggregation (option 2) as the more realistic option at this current stage as it would also allow banks to continue their reporting of data whilst relying on policymakers and regulators to resolve the issues around data sharing.
- Any changes in relation to the aggregation of OTC derivatives data should be managed and organised in the trade repository domain, without any additional costs for market participants.
- Any data aggregation will lack relevance if the identifiers are not used uniformly. To this end, the FSB should provide some centralised guidance on the uniformity of reporting identifiers.