

Press release

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Ref no: 10/2014

4 February 2014

Feasibility study on approaches to aggregate OTC derivatives trade repository data

G20 Leaders agreed, as part of their commitments regarding over-the-counter (OTC) derivatives reforms, that all OTC derivatives contracts should be reported to trade repositories (TRs). A good deal of progress has been made in establishing the market infrastructure to support these commitments.

However, the data will be reported to multiple TRs located in a number of jurisdictions. The FSB has therefore set up a study group to consider how to ensure that the data reported to TRs can be effectively used by authorities, including to identify and mitigate systemic risk, and in particular through enabling the availability of the data in aggregated form. The FSB, in consultation with the Committee on Payment and Settlement Systems and the International Organization of Securities Commissions, will then make a decision on whether to initiate work to develop a global aggregation mechanism and, if so, according to which type of aggregation model and which additional policy actions may be needed to address obstacles.

The [attached public consultation paper](#) sets out and analyses the various options for aggregating OTC derivatives TR data. The paper examines the three broad types of model for an aggregation mechanism: a physically centralised model; a logically centralised model; and the collection and aggregation by authorities themselves of raw data from TRs. It discusses the key requirements and challenges, focusing on legal considerations and data and technology considerations, and proposes criteria for assessing different aggregation models.

The study is focusing on the feasibility of options for data aggregation in the current regulatory and technological environment and given the existing (and planned) global configuration and functionality of TRs. The aggregation options are being considered on the basis that they would complement, rather than replace, the existing operations of TRs and authorities' existing direct access to TR data.

The FSB wishes to receive public feedback on the considerations and criteria before proceeding to the assessment of the options. Following this public consultation and further analysis by the study group, a finalised version of the report, including

recommendations, will be submitted to the FSB in May 2014 for approval and published thereafter.

The FSB invites comments in particular on the following questions:

1. Does the analysis of the legal considerations for each option cover the key issues? Are there additional legal considerations - or possible approaches that would mitigate the considerations - that should be taken into account?
2. Does the analysis of the data and technology considerations cover the key issues? Are there additional data and technology considerations - or possible approaches that would mitigate those considerations - that should be taken into account?
3. Is the list of criteria to assess the aggregation options appropriate?
4. Are there any other broad models than the three outlined in the report that should be considered?
5. The report discusses aggregation options from the point of view of the uses authorities have for aggregated TR data. Are there also uses that the market or wider public would have for data from such an aggregation mechanism that should be taken into account?

Responses should be sent by Friday 28 February 2014 to fsb@bis.org with “AFSG comment” in the e-mail title. Responses will be published on the FSB’s website unless respondents expressly request otherwise.

Notes to editors

The FSB has been established to coordinate at the international level the work of national financial authorities and international standard setting bodies and to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with 65 other jurisdictions through its six regional consultative groups.

The FSB is chaired by Mark Carney, Governor of the Bank of England. Its Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, www.financialstabilityboard.org.