

Consultation Paper

“Draft technical standards on Access to data and aggregation and comparison of data across TR under Article 81 of EMIR”

Please find below REGIS-TR's contribution in regards to the proposed methodologies and functionalities that will enhance the data aggregation and comparison process that national competent authorities and international regulators have to perform.

REGIS-TR thanks the opportunity to contribute with its suggestions and hopes that the information provided is useful and taken into consideration in the elaboration of the final report that is to be submitted to the Commission.

Q1: Do you foresee any technical issues with the establishment of secure FTP connections between trade repositories and authorities? What are the cost implications of the establishment of secure FTP connections? What other practical difficulties, if any, do you foresee? Please elaborate.

REGIS-TR considers that establishing an SFTP connection with authorities is a good alternative in order to share high volumes of sensible information. REGIS-TR has already established this type of connection with most of the on-boarded regulators with whom it is sharing information and does not foresee any issue with the use of this technology.

The costs are related to the installation of the new infrastructure, and the maintenance costs related to the administration of the new components.

Nevertheless, it should be noted that the cost of providing this connection increases proportionally to the volume of data being transmitted.

Q2: Do you foresee any technical issues with the above mentioned data exchange supported by ISO 20022 methodology? Do you foresee any cost implication from the establishment of standardised data exchange? Do you foresee any additional benefit from establishing data exchange supported by ISO 20022 methodology? Please elaborate.

REGIS-TR finds technically feasible the establishment of the ISO 20022 standard for the data exchange.

The inclusion of an ISO standard format with a pre-defined scheme makes possible a more homogeneous output of information, which will make easier the data harmonization, aggregation and analysis process.

On the other hand, the implementation of a very prescriptive solution will imply a higher initial cost of adaptation, as it requires an ad-hoc development. Additionally, this type of structures are heavier in terms of file size.

REGIS-TR wants to point out that the data held in the trade repository has been subject to different sets of validations (pre- L1, L1 & L2), and further changes will be introduced with the implementation of the new RTS.

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Only the new RTS will affect the fields and, therefore, structure of the scheme. Therefore, two different scheme will need to be used when generating the reports for regulators. To avoid information being excluded or any other issues with the output information, REGIS-TR suggests that no validation is applied to the output reports, and if any, only scheme validations should be applied.

Q3: Do you foresee any technical issues with the establishment of recurrent and predefined queries? If so, how would authorities be able to compare and aggregate data across TRs in absence of standardised queries and how would they be able to make use of TR data for the exercise of their duties if they are not able to properly and immediately access TR data? What are the cost implications stemming from the establishment of the proposed predefined and ad-hoc queries? Do you agree with the proposed minimum set of queries? What would be the maximum number of recurrent queries which a single authority could submit in a given day? What would be the maximum number of ad-hoc queries which a single authority could submit in a given day? Please elaborate.

The definition of recurrent and predefined queries, i.e. the generation of daily reports, is a suitable way of sharing the information needed by regulators on an automatized way. REGIS-TR currently sends daily predefined reports via SFTP to all the NCAs connected through this mean.

After analyzing ESMA's proposal of the pre-defined queries to be generated by the TRs and the ad-hoc queries to be processed, REGIS-TR would like to suggest a phased in approach for the implementation of the before mentioned solution.

Phase 1 – provide predefined, standard ISO 20022 (To be implemented when the final report of this consultation is into force)

- It is proposed that 5 recurrent data queries are defined and that all TRs build the 5 reports based on these queries. Examples of these queries are as follows:
 - Daily reports
 - All reports submitted on the previous day
 - All trades whose execution was reported during the previous day
 - All trades matured, errored or whose termination was reported the previous day
 - Periodic reports – frequency to be confirmed
 - All outstanding trades as of the end of the reporting period
 - All late reports
- It is proposed that metadata / statistic files are produced and submitted quarterly.
- The report output will be produced in compliance with the ISO20022 format.

Phase 2 – update predefined, standard ISO 20022.

- This phase of the project will introduce support for the fields, validations and formats introduced following the review of the RTS and ITS on reporting under Article 9 of EMIR.
- The reports will support the two XML scheme for pre and post the revised RTS.

Phase 2 should be implemented in parallel to the support for the revised technical standards. A high level of resource need to be allocated in order to achieve a successful and coordinated implementation of these changes. REGIS-TR considers that a minimum gap of 6 months should be considered between the implementation of the proposed phase 2 and the proposed phase 3.

We would like to emphasize the necessity of an urgent and commonly agreed definition of the ISO 20022 structure.

Phase 3 – full automated support for TR connectivity to the ESMA HUB to be completed 6 months after implementation of revised RTS / ITS on reporting under Article 9 of EMIR.

- As a third implementation phase it is proposed to introduce:
 - Automated processing of ESMA HUB requests to execute recurrent queries.
 - Automated processing of all query requests including validation, acceptance and response messages.
 - Full support for ad-hoc queries.
- It is proposed that each NCA can submit up to 5 ad-hoc queries and up to 3 recurrent queries each day. In order to support this volume of requests each TR will process up to 80 recurrent queries and up to 150 ad-hoc queries per day within an agreed SLA. Any subsequent requests that exceed these daily limits will be processed as soon as possible but will not be subject to a SLA.

ESMA proposed that TRs should offer any combination of a high number of fields to query the data on an ad-hoc basis. REGIS-TR's view is that the ad-hoc queries filtering criteria should be limited to the following fields; Reporting timestamp, Reporting counterparty ID, ID of the other counterparty, Corporate sector of the reporting counterparty, nature of the reporting counterparty, Broker ID, Report submitting entity ID, Beneficiary ID, Asset class, Product classification, Underlying Identification, Venue of execution, Execution timestamp, Maturity date, Termination date, CCP, Action type, Trade lifecycle and Outstanding trades.

Please note that there should be a short list of predefined fields mandatory for all queries like dates and counterparties or product identifiers, so the TR could index the database accordingly.

Please note that also crucial that a maximum port file size should be defined, and therefore file splitting and joining rules must be established.

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Q4: Do you agree with the proposed frequency to provide data to the relevant authorities? Please elaborate.

REGIS-TR understands that any ad-hoc report request received on day T will be referenced to data received by the TR up until the end of the day before, T-1, and that the response will be provided to ESMA by 7am of the day after the request was made, i.e. on T+1.

On the other hand, recurrent pre-defined reports can be generated daily during the night and made available to regulators on T+1 including the information received up until the end of T.

The consultation paper defines 3 working days for the submission of information regarding contracts already matured or submissions with action types “E”, “C”, “Z” or “P”, which were reported more than one year before the date on which the request was submitted.

REGIS-TR agrees with the proposed timings, but would like to point out that more details are required as to how data should be split in the case, for example, that a certain query includes both current and historical data.

The system availability should be compatible with the TRs opening hours. In the case of REGIS-TR, the system is opened on business days in accordance with the Target Calendar.

Q5: Do you agree with this proposal? Please elaborate.

REGIS-TR agrees with the proposed methodology. The usage of electronic signature and data encryption protocols could be established in order to ensure data confidentiality.

Q6: Do you agree with this proposal? Please elaborate.

REGIS-TR agrees with the proposed requirement to validate each request for access to data and to provide standardized feedback in a timely manner, including sending feedback no later than 15 minutes after, in the case of invalid data queries.

Q7: Do you foresee any technical issues with the implementation of xml template in accordance with the ISO 20022 methodology? Do you foresee any technical issues in translating data received in non xml format to an xml template in accordance with ISO 20022 methodology? Do you foresee any benefit from establishing standardised xml template in accordance with ISO 20022 methodology for the aggregation and comparison of data? Would any other data standard fulfil to the same extent the requirements set out in paragraph 48 with respect to the aggregation and comparison of data by authorities? Please elaborate.

REGIS-TR agrees with the implementation of an XML format template in accordance with the ISO 20022 methodology. Nevertheless, REGIS-TR would like to express its

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concerns about the possible changes that the scheme could suffer on the way to become part of the ISO 20022, which will impact directly on TRs' developments.

As mentioned before the definition of very prescriptive pre-defined scheme, makes possible a more homogenized output of the information, what will make easier the data harmonization, aggregation and analysis process.