



ICMA EUROPEAN REPO COUNCIL

CPSS Secretariat
Bank for International Settlements
Centralbahnplatz 2
CH-4002 Basel
Switzerland

IOSCO Secretariat
International Organization of Securities Commissions
Calle Oquendo 12
28006 Madrid
Spain

10 May 2013

Dear Sirs,

Response submission from the ICMA European Repo Council

Re: Joint CPSS and IOSCO public Consultative Report - "Authorities' access to trade repository data"

Introduction:

The purpose of this letter is to provide feedback on behalf of the International Capital Market Association's ("ICMA's") European Repo Council ("ERC"), concerning the joint Committee on Payment and Settlement Systems ("CPSS") and Board of the International Organization of Securities Commissions ("IOSCO") public Consultative Report "Authorities' access to trade repository data", as published on 11 April 2013.

Background to the ERC:

The ERC was established by ICMA in December 1999, to represent the cross-border repo market in Europe. It is composed of the vast majority of practitioners in this market, who meet regularly to discuss market developments in order to ensure that practical day-to-day issues are fully understood and dealt with adequately. The twice yearly ICMA ERC General Meetings are widely attended. The appendix to this letter briefly elaborates on the significant and on-going efforts which the ERC has made to ensure the establishment of a robust infrastructure to underpin the European repo market, including through the development of the Global Master Repurchase Agreement ("GMRA").

Commentary:

The ERC notes that this joint consultative report considers a range of matters relating to the topic of authorities' access to trade repository (TR) data; and that the cover note to the consultative report lays out eight particular points in respect of which comments are sought. The ERC observes that much of this is quite generic and, whilst of undoubted importance does not immediately raise specific points from the ERC's repo oriented perspective. As such, and without prejudice to any points which the ERC may identify at a future stage as the evolution of the TR concept gains greater definition in context of repo, the ERC wishes at this stage to make just a couple of simple, high-level observations in relation to the questions elaborated at point "H" in the cover note to the consultative report.

The ERC is pleased to note that these particular questions reflect official recognition of the importance of technical standardization of data reporting to TRs, without which the ability to effectively utilize and transmit the reported data will be significantly impaired. In this respect the interests of reporting firms are quite consistent with those of the authorities. Reporting data is a costly exercise for firms and this cost escalates as reporting burdens proliferate. In considering the relatively new sphere of TR it is clear that there are significant risks that multiple different demands will be placed upon firms, across financial products, markets and geographies. Whilst each of these individual demands may be well motivated there is understandable concern that absent some coordination this could prove inefficient to firms and leave public authorities with a sea of data which still fails to meet their actual needs. At the same time, there is clearly an opportunity to coordinate the development of new demands in a way which alleviates burdens on firms and amplifies benefits for public authorities. Technical standardization of data and associated messaging standards lie at the heart of capturing such a mutually beneficial outcome, as highlighted in the existing ISO standards used in the industry. As such the ERC firmly encourages the public authorities to proceed with new TR demands in a coordinated manner and at a measured pace; whilst partnering with industry practitioners and taking the time to think through the technical underpinnings of such reporting, so that the effective use of modern technology becomes integrally baked into the TR reporting regimes.

Concluding remarks:

The ERC appreciates the valuable contribution made by the CPSS and IOSCO through their joint examination of the issues articulated in this public consultative report and would like to thank them for their careful consideration of the points made in this response. The ERC remains at your disposal to discuss any of the above points.

Yours faithfully,

Godfried De Vidts



Chairman
ICMA European Repo Council

cc : *ICMA European Repo Committee*
ICMA European Repo Operations Group

Appendix:

ERC Background

Since the early 1990's, the [International Capital Market Association](#) (ICMA) has played a significant role in promoting the interests and activities of the international repo market, and of the product itself.

The ICMA European Repo Council (ERC) has become the industry representative body that has fashioned consensus solutions to the emerging, practical issues in a rapidly evolving marketplace, consolidating and codifying best market practice. The discussions that take place at the ICMA ERC meetings underpin the strong sense of community and common interest that characterises the professional repo market in Europe.

The ICMA ERC also plays a significant role in nurturing the development of the repo market and supporting its wider use in Europe, particularly among banks, by providing education and market information. The ICMA [bi-annual survey of the repo market](#) has become established over more than a decade as the only authoritative indicator of market size and structure and the dominant trends.

ICMA is an active force in standardising repo documentation. The GMRA is the most predominantly used standard master agreement for repo transactions in the cross border repo market.

Membership of the ERC is open to ICMA members who transact repo business in Europe. The ICMA ERC currently has 68 members, comprising the vast majority of firms actively involved in this market.

More information may be found in the one page article "Building and sustaining the European repo market", which appeared on page #31 in [Issue 26 of ICMA Quarterly Report](#) and through the [ICMA ERC's website pages](#).