



CPSS and IOSCO report on Authorities access to trade repository data. November 2013.

The Committee on Payment and Settlement Systems and IOSCO have jointly published a report on the financial authority access to data stored in Trade Repositories (TRs hereinafter).

The TRs are entities that maintain a centralized electronic record (database) on OTC derivatives transactions data. The TRs will play a key role in increasing transparency in OTC derivatives markets by improving the availability of data to authorities and the public in a manner that supports the proper handling and use of the data, while taking into account confidentiality requirements.

The Financial Stability Board (FSB), in October 2011, advocated that CPSS and IOSCO, in coordination with other authorities, take forward the work on authorities' access to TR data, in line with Recommendation 16 of the FSB report on the implementation of reforms in the OTC derivatives market stating that *"market regulators, central banks, prudential supervisors and resolution authorities must have effective and practical access to the data collected by TRs that they require to carry out their respective regulatory mandates. Access to TRs information by official international financial institutions also should be permitted in appropriate form where consistent with their mandates"*.

The existing international framework is complemented by the CPSS and IOSCO principles for financial market structures: principle 24 on disclosure of market data by trade repositories to the relevant authorities to enable them to meet their respective regulatory mandates and legal responsibilities, and responsibility E on cooperation between authorities access to information TRs.

This report has been preceded by a consultative version that was published for a comment period in April-May and whose most relevant comments have been incorporated into the document.

The report describes the expected data access needs of authorities using a functional approach, that is, considering legal obligations or mandates (regulatory mandates) of an authority in contrast to an institutional approach. The different authorities' functional mandates taking into account are: assessing systemic risk, general macro assessment conducting market surveillance and enforcement, supervising market participants, regulating and supervising trading venues and financial markets infrastructures (CCPs and TRs), planning and conducting resolution activities, implementing monetary policy and lender of last resort function, and conducting research supporting the above functions. Typical access needs for each function can be described along three separate dimensions which reflect differing levels of detail in which TR data can be aggregated and presented: 1) **depth**, granularity data on transactions (transaction level, position level and aggregate level), 2) **breadth**, refers to all participants or underliers worldwide to a more limited range, such as those under its authority, and 3) **identity**, refers to whether the data identify counterparty information or only anonymised data and if anonymised data whether it contains any identifier that would allow unique participants to be identified.

The report addresses procedural and legal constraint to TR access data and confidentiality concerns related to TR access data. Non-typical data requests are outside of the scope of data request authorities are typically

expected to make with respect to a particular mandate.

The functional approach to data access by the relevant authorities is complemented by an illustrative data access mapping that aligns each function to the minimum level of access authorities would typically require in support of their mandates and responsibilities. This mapping of data is intended to reduce the discretion of TRs in assessing data request from interested authorities.

The opportunity and feasibility for a centralised or other mechanism in charge of a public entity to produce and share global aggregate data, as a complement to the direct access by the different authorities to TR-held data, is beyond the scope of this report.

The report proposes access guidelines that aim to provide TRs and regulators with a framework upon which to build access policies:

1. Access levels consistent with authorities' mandates. Authorities that require information on OTC derivative transactions in order to carry out their respective mandates should have sufficient and timely access to relevant data.

2. Confidentiality safeguard. Authorities obtaining access to data should have the ability to keep the data confidential.

3. Non-regression. Authorities should, at a minimum, have access to TR-held data where that data can also be received directly from an entity.

4. Responsibility for approving access. In compliance with applicable laws and based upon the guidance provided in this report, a TR is expected to make a judgement whether the application of the requesting authority is consistent with its mandate. Authorities should support their requests for data by providing sufficient information to TRs on the basis for their mandate. In very exceptional cases, the TR supervisor may get involved in assisting to complete the initial determination for data access by a requesting authority.

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