



The European Association of Corporate Treasurers

Comments in response to the Consultation on Transaction Reporting on OTC Derivatives and Extension of the Scope of Transaction Reporting Obligations (CESR/10-809, issued by CESR on 19 July 2010)

The European Association of Corporate Treasurers (EACT)

The EACT is a grouping of national associations representing treasury and finance professionals in 17 countries of the European Union. We bring together about 8,100 members representing 4,600 groups/companies located in the EU. We comment to the European authorities, national governments, regulators and standard-setters on issues faced by treasury and finance professionals across Europe. We seek to encourage the profession of treasury, corporate finance and risk management, promoting the value of treasury skills through best practice and education.

Our contact details are provided on the final page of this document.

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General comments

In view of the scope of CESR's consultation, and recognising that the membership of the EACT is primarily in the non-financial sector, the EACT is limiting its response to the following comments.

The EACT broadly supports CESR's approach to transaction reporting of OTC derivatives for those not exempted from the European Market Infrastructure Legislation (EMIL). It does so on the assumption that non-financial companies will be largely if not entirely exempt from the scope of the EMIL (and specifically from the central clearing obligation).

In our response to the European Commission's Public Consultation on Derivatives and Market Infrastructures (issued on 14 June 2010) the EACT argued that "Option A, allowing

the financial counterparty to report to the trade repository on behalf of a non-financial counterparty would be the sensible, efficient approach. Financial counterparties will need to ensure they have sufficient monitoring and reporting processes and systems in place to report their interbank trades to the relevant repository. Using this infrastructure to report on behalf of the non-financial would represent minimal extra cost when compared to the difficulty and expense of replicating this within thousands of SMEs. Similarly, the additional complexity for the trade repository of dealing with many more reports would seem to overshadow any perceived benefits”.

In the context of our comments to the European Commission, as noted above, we also consider that CESR's Option 2 is appropriate.

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