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Carlo Comporti
Secretary General
CESR
11-13 Avenue de Friedland
75008 Paris
FRANCE

Dear Carlo

**RESPONSE TO CALL FOR EVIDENCE ON THE TECHNICAL STANDARDS
TO IDENTIFY AND CLASSIFY OTC DERIVATIVE INSTRUMENTS FOR
TREM**

Thank you for the opportunity to submit our views on which classification and identification standards should be used for OTC derivative instruments.

As the UK's National Numbering Agency (NNA) we allocate GB ISIN codes, SEDOL codes and CFI codes for a variety of asset classes (including OTC instruments). We perform this allocation function on a non chargeable basis and supply the data on an "open standard" (i.e. our ISIN and SEDOL codes are delivered via all major data vendors to ensure the market receives this information via their preferred channel). By not mandating that customers connect directly to the Exchange to access this information, it ensures the data can be used extensively and carried by all major data vendors and software houses.

We have answered the three questions posed by CESR in our capacity as an NNA and supplier of ISO compliant data. We feel it is important that CESR consider our feedback when making recommendations on the possible introduction of new standards. In particular, we would strongly recommend that CESR do not promote the introduction of new symbology standards, which may fragment the use of ISO standards, incur industry wide development costs and data management issues. From a technology perspective we are pleased to inform CESR that we are already able to allocate ISIN and CFI codes for OTC derivatives at no additional cost to the industry.

With regards ANNA, the rules permit NNAs to allocate ISINs for OTC derivatives based upon the place of trade. Therefore, should CESR and the market require it, we would be very happy to assist and allocate GB ISIN and SEDOL codes for all OTC derivatives traded in the UK market.

Q1. What technical standards do you use or intend to use to classify and identify OTC derivatives?

We intend to use SEDOL and ISIN codes. Our SEDOL and ISIN allocation system is a web based service with free self registration that allows market participants to access the database online and request the set-up of either individual or bulk codes in real time. In addition, we allow issuers of instruments such as OTC products to use our web based pre-allocation service that enables the creation of ISINs and SEDOLs for instruments that they bring to market prior to their trading. This seems to be the perfect solution for OTC derivatives by providing participants with code allocation on a real-time 24/7 basis, whilst ensuring that the market can access the data during the same operational day via our established links with vendors, regulators and ANNA. This allocation functionality exists today and already caters for OTC derivatives.

Q2. If you do not use standards, how do you classify and identify OTC derivatives within your IT systems? Please provide your classification and identification systems where possible.

Our database covers reference data (including ISIN and CFI codes) on approximately four million global instruments. Recently we have added two million Exchange Traded Derivatives to the database and allocated GB ISIN codes to all UK exchange traded derivatives (i.e. GB ISIN codes for EDX, LIFFE and LME). We appreciate that CESR have accepted the AII for transaction reporting to regulators, however as an NNA we are proud to inform you that the UK market now has full GB ISIN coverage for these instruments and the data is in the process of being distributed to data vendors and market participants. With this in mind we will continue to assist the industry in adopting ISO standards for asset classes such as exchange traded and OTC derivatives.

Q3. What characteristics do you use to create identifiers?

As we operate a multi-asset class ISIN allocation system, we use a range of data fields relating to the issuer, instrument, underlying asset and market of trading. Depending upon the asset type, up to 60 data fields may be provided alongside the ISIN, SEDOL and CFI codes (e.g. short names, strike prices, maturity dates, lot sizes, underlying ISINs etc). With regards OTC derivatives, these attributes would depend upon the nature of the underlying asset(s).

I hope our views are helpful to CESR's work. Please do not hesitate to contact me if you wish to discuss any aspect of this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Husler', with a stylized, cursive script.

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cc. David Nowell, Financial Services Authority