CESR

via Homepage

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Your ref., Your message of	Our ref., person in charge	Extension	Date
	BSBV 64/Dr.Ru/Ko	3137	15th of September, 2009

Re: **Consultation Paper – Ref CESR / 09-618**

The Bank and Insurance Division of the Austrian Federal Economic Chamber, representing the entire Austrian Banking Industry, would like to comment on CESR's Consultation Paper as follows:

Question 1 - Classification of OTC derivatives
Do you agree with CESR's proposal? Any comments on CESR's view on this subject?

Yes, we basically agree with CESR's proposal. Concerning section C - we do not recommend to limit the focus only on single underlying derivatives since it would be possible to construct a set of OTC derivative transactions with multiple underlyings that in fact has a payoff profile involving exposure to a dedicated single underlying.

Futures/Options:
In compliance with the Austrian Law (Art 64 para 2 Wertpapieraufsichtsgesetz) we already report OTC Futures and Options, whose underlying is admitted to trading on regulated markets. In case of an option, FMA expects a "C" for a call option and a "P" for a put options. Futures are reported, as proposed with "F".

Question 2 - Identification of OTC derivative instruments
Do you agree with CESR's proposal? Any comments on CESR's view on the above?

Yes

Answer - Comments:
Element 1 - Isin Code
Using of the Ultimate Isin Code would be very difficult when you have baskets as an underlying. In that case you have to cover up to a few hundred codes and you do not have a connex to the more relevant ISIN of the derivative instrument

Element 3 - Derivative type

Structures could consist of different types of instrument (e.g. Option, Swap, FX trade). How to handle that

Element 4 + 6 - Put/Call and Strike Price

A great number of trades could should more than 1 option (put AND call) or several strikes (e.g. Cap strike AND Floor strike)

Element 7 - Expiration Date

There has to be a differentiation for products with several expiry dates (e.g. Bermudian or American options)

Futures/Options:

As these OTC futures and options are already reported, all seven fields proposed to add by CESR are already included in the reporting.

Yours sincerely,

Dr. Herbert Pichler
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