

AMUNDI'S ANSWER TO ESMA CONSULTATION PAPER

On Draft technical standards on Access to data and aggregation and comparison of data across TR under Article 81 of EMIR.

(February 1st, 2016)

Amundi would like to express a few comments and does not intend to answer to each individual question of the Consultation Paper published by ESMA. Those comments are limited to our views as an asset manager who is not a member of a CCP and does not run a TR but is involved in the derivative markets. We welcome this opportunity to point out what seems of importance in our daily activities.

First, we agree that the aim of a centralized reporting as organized under EMIR and soon SFTR is to provide not only regulators but also market participants with a better transparency. We recognise that the level of transparency for regulators and market participants are largely different as the objectives vary. In both cases consolidation is of paramount importance. We support all efforts made towards achieving an aggregation of data that would provide market participants with a fair view on all transactions and aggregated positions. We have constantly advocated for a consolidated tape to be made accessible on a non for profit basis and feel that the role of TRs for derivatives is very important in that respect.

Second, we are aware that extra requirements on TRs will most likely lead to an increased cost. We are very sensitive on this topic as end investors such as asset managers and their clients are to suffer higher costs and lower performances. We think that a right balance has to be struck. We find that the long list of all requirements included in the draft have not been thoroughly assessed in terms of the balance between technical easiness to achieve and limited cost implied. We would definitely want that analysis to be done to avoid to unduly increase cost.

Third, in terms of facility of use, we agree with ESMA that specific attention be dedicated to the output formats and data exchange standards and support the common reference to ISO standards. As mentioned §27 open source standard must be preferred to avoid massive cost inflation. We feel that the choice of XML is relevant.

Fourth, we are not convinced that the double sided reporting introduced under EMIR allows a better quality of data transmitted. We know that it produces many uninteresting fail signals on non-

significant data, multiplies the risks of duplicative reports and makes controls far more difficult as each reporting entity may use a different TR for the same deal. In particular those entities that delegate reporting experiment difficulties in establishing adequate procedures with the intermediaries they ask to report and the different TR that they may use. A single sided reporting has the great advantage to clearly establish who is in charge.

Q1: Do you foresee any technical issues with the establishment of secure FTP connections between trade repositories and authorities? What are the cost implications of the establishment of secure FTP connections? What other practical difficulties, if any, do you foresee? Please elaborate.

We agree that access through a portal is not sufficient if there is no possibility to easily load large and huge files. That remark applies as well to the future role of ESMA under MIFIR and MIFID 2 as a central point where data on instruments traded on all different venues in the EU will be available. Easy access to these data is necessary not only for ESMA in its relationship to TRS but also for market participants when accessing data centralized by ESMA.

Q2: Do you foresee any technical issues with the above mentioned data exchange supported by ISO 20022 methodology? Do you foresee any cost implication from the establishment of standardised data exchange? Do you foresee any additional benefit from establishing data exchange supported by ISO 20022 methodology? Please elaborate.

We support the choice of xml as a valid, open source format having a strong governance.

Q3: Do you foresee any technical issues with the establishment of recurrent and predefined queries? If so, how would authorities be able to compare and aggregate data across TRs in absence of standardised queries and how would they be able to make use of TR data for the exercise of their duties if they are not able to properly and immediately access TR data? What are the cost implications stemming from the establishment of the proposed predefined and ad-hoc queries? Do you agree with the proposed minimum set of queries? What would be the maximum number of recurrent queries which a single authority could submit in a given day? What would be the maximum number of ad-hoc queries which a single authority could submit in a given day? Please elaborate.

We think that ESMA should investigate another route whereby it would organize a centralized data warehouse that would be fed by all TRs. ESMA would then be able to build the requests it wants when it pleases and without requiring all TRs to individually develop parallel tools. The set up cost might not be minimal but such an approach would grant ESMA a total flexibility and autonomy in the way it exploits data. For the community the economies realized at the level of the TRs might well balance the cost on ESMA.

As a matter of fact we are concerned that the list of demands for direct queries by ESMA might be disproportionate in comparison to the reality of the use of each entry for a direct query. The cost is not properly assessed nor justified.

Q4: Do you agree with the proposed frequency to provide data to the relevant authorities? Please elaborate.

Q5: Do you agree with this proposal? Please elaborate.

Q6: Do you agree with this proposal? Please elaborate.

Q7: Do you foresee any technical issues with the implementation of xml template in accordance with the ISO 20022 methodology? Do you foresee any technical issues in translating data received in non xml format to an xml template in accordance with ISO 20022 methodology? Do you foresee any benefit from establishing standardised xml template in accordance with ISO 20022 methodology for the aggregation and comparison of data? Would any other data standard fulfil to the same extent the requirements set out in paragraph 48 with respect to the aggregation and comparison of data by authorities? Please elaborate.

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