Reply form for the Consultation Paper on Draft technical standards on data to be made publicly available by TRs under Article 81 of EMIR

Responding to this paper

The European Securities and Markets Authority (ESMA) invites responses to the specific questions listed in Consultation Paper on Draft technical standards on data to be made publicly available by TRs under Article 81 of EMIR (DMPA), published on the ESMA website.

Instructions

Please note that, in order to facilitate the analysis of the large number of responses expected, you are requested to use this file to send your response to ESMA so as to allow us to process it properly. Therefore, ESMA will only be able to consider responses which follow the instructions described below:

- use this form and send your responses in Word format (pdf documents will not be considered except for annexes);

- do not remove the tags of type <ESMA_QUESTION_DMPA_1> - i.e. the response to one question has to be framed by the 2 tags corresponding to the question; and

- If you do not have a response to a question, do not delete it and leave the text "TYPE YOUR TEXT HERE" between the tags.

Responses are most helpful:

- if they respond to the question stated;

- contain a clear rationale, including on any related costs and benefits; and

- describe any alternatives that ESMA should consider

Naming protocol

In order to facilitate the handling of stakeholders responses please save your document using the following format:

ESMA_DMPA_NAMEOFCOMPANY_NAMEOFDOCUMENT.

E.g. if the respondent were XXXX, the name of the reply form would be:

ESMA_DMPA_XXXX_REPLYFORM or

ESMA_DMPA_XXXX_ANNEX1

To help you navigate this document more easily, bookmarks are available in "Navigation Pane" for Word 2010 and in "Document Map" for Word 2007.

Deadline

Responses must reach us by **15 February 2017.**

All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input/Consultations'.

Publication of responses

All contributions received will be published following the end of the consultation period, unless otherwise requested. **Please clearly indicate by ticking the appropriate checkbox in the website submission form if you do not wish your contribution to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.** Note also that a confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the headings 'Legal notice' and 'Data protection'.

General information about respondent

Name of the company / organisation	DDRL
Activity	Trade Repository
Are you representing an association?	☐
Country/Region	Europe

Introduction

Please make your introductory comments below, if any:

<ESMA_COMMENT_DMPA_1>
DDRL is very happy to respond with our comments on this consultation. We are pleased to see ESMA referencing a cost-benefit analysis (pages 48 and 49) and we would ask for further elaboration on this point as there are no further details in the consultation.

As we have stressed before, we strongly believe that all ESMA authorised TRs should have the same understanding of the requirements and the process, but today individual TRs have a rather different understanding of these key elements. Consequently, we would encourage ESMA to be as specific and granular as possible when drafting the final requirements. Furthermore, ESMA should provide both a definitive list of authorised CCPs to all TRs to ensure correct aggregation together with a reasonable time to implement. Also, can ESMA clarify point 90 which implies there is a form of reporting due on 1st July 2017?

Conversely, we would highlight, as we have stressed in our responses, that the lack of volume of data in OTC Commodity products if shown in a more granular way, could lead to identification of a client.

Furthermore, DDRL believes that it would be more beneficial for ESMA to gather and consolidate the data for the following reasons:

- **Confidentiality:** significantly mitigates potential confidentiality problems associated with each TR publishing aggregated data separately.
- **Harmonisation:** mitigates the risk of the implementation being applied differently by individual TRs
- **Centralisation:** industry can visit one source for benchmark thresholds, rather than having to individually aggregate 6 different sources,
- **Consistency:** allows outlier thresholds to exclude trades to be applied consistently by ESMA (and to be subsequently policed by the appropriate supervisory bodies).

TYPE YOUR TEXT HERE
<ESMA_COMMENT_DMPA_1>

Q1: **For the purpose of more accurate aggregation of ETD volumes between the CM and its clients should only the trades where the CM is reporting counterparty be taken into account or should all trades where CM is on either side of the ETDs be considered? Please elaborate.**

<ESMA_QUESTION_DMPA_1>
DDRL believes there is no value in TR data being used to duplicate the reporting and calculation already performed by the trading venue. For example, open interest which is reported daily by the trading venue already allows calculation of market size per specific instrument<ESMA_QUESTION_DMPA_1>

Q2: **For the purpose of more accurate aggregation of ETD volumes between the CM and the CCP, is the "Beneficiary ID" the appropriate field or the "Transaction reference number/Report tracking number" field should be used? Do you envisage any other alternative at this stage? What are the potential costs and benefits of implementing any of the proposed options? Please elaborate on the reasons for your response.**

<ESMA_QUESTION_DMPA_2>
We agree with the approach ESMA have outlined under Option 2 by using the Beneficiary ID (para 46). However, as per our comment on Q1, we believe that the trading venues should be publishing this data for ETD transactions.
<ESMA_QUESTION_DMPA_2>

Q3: **For the purposes of more accurate aggregation of ETD market volume, do you agree with the proposed approach to take into account only the original ETD executions, i.e. those that are reported under the current RTS on reporting with action types "N" which would be reported under the amended TS on reporting with action type "P"? Please elaborate on the reasons for your response.**

<ESMA_QUESTION_DMPA_3>
Yes we agree with the approach.
<ESMA_QUESTION_DMPA_3>

Q4: **For the purposes of calculating ETD market volume, do you agree with the proposed approach to divide by 2 the resulting aggregations in order to cater for the inherent duplication of trading volume of ETDs? Please elaborate on the reasons for your response.**

<ESMA_QUESTION_DMPA_4>
We would appreciate some clarification on this point. Whilst we would agree with this approach for trades where Dual Sided reporting has occurred but this is clearly not appropriate for any trade with a single sided report, e.g. non-EEA counterparty etc. We would like clarification therefore on the logic ESMA proposes to apply in order to distinguish between such trades in order to apply the correct approach.
<ESMA_QUESTION_DMPA_4>

Q5: **For the purpose of aggregating more accurately OTC derivatives volume of market activity, do you agree with the proposed approach to take into account only the original bilateral OTC and XOFF trades, i.e. those that are reported with action type "N"? Please elaborate on the reasons for your response.**

<ESMA_QUESTION_DMPA_5>
We believe that this is the right approach. <ESMA_QUESTION_DMPA_5>

Q6: Do you consider that the approaches outlined in sections 3.1 and 3.2 should be taken into account for the purposes of calculating also total volumes of reported transactions? Please elaborate on the reasons for your response.

<ESMA_QUESTION_DMPA_6>
We believe that the total volumes should be reported without the market activity volume calculation of CCP vs CM and CM vs Non-CCP. Section 3.1 and 3.2 suggest a calculation of market activity where this question seems to be asking if the same logic should be applied to calculate the total volume reported to the TR. We believe that to look at the total volume, a pure Trade ID calculation should be used rather than removing trades by the market activity filters, as Sections 3.1 and 3.2 suggest.
<ESMA_QUESTION_DMPA_6>

Q7: Do you agree with the proposed cut-off and publication times? If not, what other aspects need to be considered? Please elaborate.

<ESMA_QUESTION_DMPA_7>
DDRL is in agreement with the proposed cut off and publication times specified.
<ESMA_QUESTION_DMPA_7>

Q8: Are there any further specific additional conditions that need to be included? Please elaborate on the reasons for your response.

<ESMA_QUESTION_DMPA_8>
We believe that ESMA should draft precise rules around the correcting of historical reported public data that proves to have been reported inaccurately in order to avoid scenarios where the public data is effectively under constant revision. Rules should reflect criteria such as age of report and values reported when calculating the impact of correction. We would be happy to discuss this point further as required.
<ESMA_QUESTION_DMPA_8>

Q9: Further to products and currencies, what other data elements need to be taken into account to correctly identify outliers from the aggregate position data? How should the outliers be treated – not at all included in data aggregations or included in a raw data aggregation, but removed from a cleansed one? Please elaborate on the reasons for your response.

<ESMA_QUESTION_DMPA_9>
We believe that for identifying outliers, the notional value should be used as a key determinant factor. We would like to stress that ALL TRs must implement the same set of outlier criteria to ensure the same standard, and consequently to enhance data quality Moreover, we believe that only the cleansed data should be made available publicly. As per our response to Q8, ESMA must issue precise guidelines regarding outlier criteria.
<ESMA_QUESTION_DMPA_9>

Q10: Should the reconciliation status be taken into account? Should only reconciled trades be included? Please elaborate.

<ESMA_QUESTION_DMPA_10>
Yes but only where a trade has been reported by both counterparties. We believe the reconciliation status should only be taken into account where certain fields are breaking, for example 'Product Type' and 'Notional' since it is not feasible to know which value is correct. All common data fields used for public reporting should be reconciled and, where it breaks on a Dual Sided trade, it should be removed until fully reconciled. In fact, a separate bucket for non-reconciled trades can be shown to reflect the volume of New

Trade or Open Trade count, allowing for all reported trades to be reflected without affecting the quality of the public reporting.

<ESMA_QUESTION_DMPA_10>

Q11: **Do you agree with the suggested aggregation per type of "Venue of execution"?**

<ESMA_QUESTION_DMPA_11>
Yes we agree with the suggested aggregation for MIC codes.
<ESMA_QUESTION_DMPA_11>

Q12: **What other aggregations could be provided? What additional aspects should be taken into account? Please elaborate.**

<ESMA_QUESTION_DMPA_12>
We believe this would suffice and no further aggregation is required
<ESMA_QUESTION_DMPA_12>

Q13: **Do you agree with the suggested categories? If not, what other aspects should be taken into account? Please elaborate on the reasons for your response.**

<ESMA_QUESTION_DMPA_13>
Yes we do strongly agree with the suggested categories and welcome the introduction of Cleared vs Non-Cleared as new categories
<ESMA_QUESTION_DMPA_13>

Q14: **Should ESMA establish a longer period of time for keeping publicly available aggregates? What are the costs and benefits of a longer availability? Please elaborate.**

<ESMA_QUESTION_DMPA_14>
DDRL agrees with keeping the data for 2 years. From our experience in public reporting, the queries tend to be predominantly on the last 12-18 months of data. We therefore see no material benefit in storing such data for longer and obviously, there will be an additional cost associated with such storage.
<ESMA_QUESTION_DMPA_14>

Q15: **Should the data made published by the TRs be in pivoted table form or in tabular form? What are the potential costs and benefits of each alternative?**

<ESMA_QUESTION_DMPA_15>
We think a tabular form is the clearest way of presenting the data and makes aggregation across TR easier.
<ESMA_QUESTION_DMPA_15>

Q16: **Do you agree with the proposed treatment of legacy trades? Please elaborate on the reasons for your response.**

<ESMA_QUESTION_DMPA_16>
Yes we agree on the way of treating legacy trades.
<ESMA_QUESTION_DMPA_16>

Q17: **What other aspects should be taken into account for the purposes of publication of data? Please elaborate.**

<ESMA_QUESTION_DMPA_17>
We believe that each TR should periodically (e.g. annually) publicly confirm that their aggregation methods conform to the identified requirements, including the exclusion criteria applied.
<ESMA_QUESTION_DMPA_17>

Q18: **Do you foresee any potential issues with identifying correctly the data to be included in the commodity derivatives aggregations? If so, please provide concrete examples of cases where you would not be able to identify the trades in scope of the aggregation. Please elaborate.**

<ESMA_QUESTION_DMPA_18>
The only potential issue is on the current data quality of reporting on the *intragroup* field if clients have been incorrectly populating that field. Otherwise, we do not see any issue with the suggested way of trade aggregating.
<ESMA_QUESTION_DMPA_18>

Q19: **Do you agree with the proposed types of aggregation of commodities derivatives? If not, what other aspects should be taken into account? Please elaborate.**

<ESMA_QUESTION_DMPA_19>
Yes we agree with the types of aggregation but due to the low volume of OTC commodities currently reported to DDRL, splitting this out by XXXX, XOFF and Non EEA and EEA MIC may lead to the identification of counterparties trading certain Commodities. We believe therefore that this should not be aggregated by venue of execution.
<ESMA_QUESTION_DMPA_19>

Q20: **Is there any issue that could potentially prevent TRs from performing aggregation on classes of commodity derivatives on historical data reported before the date of application of the amended TS on reporting? Please provide concrete examples.**

<ESMA_QUESTION_DMPA_20>
As per above comment the only issue we foresee is that low volumes in specific categories could lead to the identification of counterparties.
<ESMA_QUESTION_DMPA_20>

Q21: **Do you foresee any issues in publishing a single aggregate figure per class of commodity derivative and a TR in accordance with the aforementioned rules?**

<ESMA_QUESTION_DMPA_21>
As per above comment, the only issue we foresee is that low volumes in specific categories could lead to the identification of counterparties.
<ESMA_QUESTION_DMPA_21>

Q22: **Which alternative, weekly or lower frequency is more accurate and useful to the entities relying on the data? What are the potential costs and benefits of aligning the frequency of publication of commodity derivatives data with other data aggregations? Please elaborate on the reasons for your response.**

<ESMA_QUESTION_DMPA_22>
For consistency with publication of other data and efficiency of production, we would strongly recommend publishing on a weekly basis .
<ESMA_QUESTION_DMPA_22>

Q23: **Are there any other types of derivatives than those mentioned in paragraph 117 that need to be taken into account in order to provide more comprehensive aggregations of derivatives that reference indexes? Please provide concrete examples. Please elaborate.**

<ESMA_QUESTION_DMPA_23>
We note that XXXX trades will be removed from the Index aggregations (point 117): currently the vast majority of Rates and Credit Indexes are traded as pure OTC derivatives and so will not be included in such aggregations.
<ESMA_QUESTION_DMPA_23>

Q24: **What practical issues would you foresee in aggregating data on interest rate indexes? What mechanisms should be put in place to ensure that a TR is in a possession of accurate reference data to identify derivatives that have an underlying interest rate index? How the objective of publishing accurate aggregations can be achieved in the most efficient way? Please elaborate**

<ESMA_QUESTION_DMPA_24>
TRs would require ESMA to advise when the Benchmarks reference data should be extracted to ensure all TRs have the same process and are using the same data source.
<ESMA_QUESTION_DMPA_24>

Q25: **Do you consider this approach feasible? What type of information should be provided by the benchmark administrators? Which other entities should be involved in the reference data collection? How timely should be the provision of reference data to update the ISO 20022 data catalogue? What are the potential costs of such solution? Please elaborate.**

<ESMA_QUESTION_DMPA_25>
No comment
<ESMA_QUESTION_DMPA_25>

Q26: **What alternative solutions are available? Please elaborate.**

<ESMA_QUESTION_DMPA_26>
No comment
<ESMA_QUESTION_DMPA_26>

Q27: **Do you foresee any difficulties in implementing the suggested approach on data aggregation in the case of baskets? Please elaborate on the reasons for your response.**

<ESMA_QUESTION_DMPA_27>
Firstly, we believe the 6,499 character limit for defining the content of the 'basket', could cause problems in both initial reporting of complex baskets and their subsequent aggregation. ESMA should therefore specify precise rules as to the reporting of such instruments to allow subsequent aggregation. Secondly, we would point out that there is no facility within the RTS for reporting weightings and in order for weightings to be applied accurately, we believe this should be corrected. Without this, the basket value will potentially be incorrectly calculated by the TR.
<ESMA_QUESTION_DMPA_27>

Q28: **Is the limit of 5 billion EUR per index and TR, where there are at least 6 different counterparties to trades, sufficient to provide the sufficient transparency over those transactions,**

while not undermining the confidentiality of the data? Please elaborate on the reasons for your response.

<ESMA_QUESTION_DMPA_28>
Yes we agree this should cover any confidentiality issues
<ESMA_QUESTION_DMPA_28>

Q29: Do you foresee any issues in publishing a single aggregate figure per index and a TR in accordance with the aforementioned rules?

<ESMA_QUESTION_DMPA_29>
If an index is part of a basket, it is unclear if this should be included in the aggregation of all similar single index values. If this is the case, we would face the same problems in relation to applying the weightings as described above in Q27. ESMA should therefore clarify if such basket indices should be aggregated with the single index values and if so, clarify the weighting approach as per Q27.

<ESMA_QUESTION_DMPA_29>