



ESMA
103 rue de Grenelle
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Monday March 19th, 2012

Dear Sir or Madam,

Following your invitation to comment the Draft Technical Standards for the Regulation on OTC Derivatives, CCPs and Trade Repositories, we have the honour to submit hereby our replies to the specific questions we wish to address on the Discussion Paper.

As a non-financial end user, we have mainly concentrated our replies on the questions addressing the exemption to the clearing obligation for non-financial counterparties, the risk mitigation for non-CCP cleared contracts and the trade repositories.

Yours faithfully,



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Q1: In your views, how should ESMA specify contracts that are considered to have a direct, substantial and foreseeable effect within the EU?

In our opinion, substantial and foreseeable effect may arise from:

- The underlying of the derivatives being key to the EU (currencies and associated interest rates, sovereign CDS + corporate stocks and credits belonging to a list of strategic companies to the EU, typically EUROSTOXX etc..)
- One of the contracting parties being ultimately legally guaranteed / or supported (defined by included in consolidation scope) by an entity (financial institutions including banks and insurance companies) the default of which may represent a systemic risk within the EU.

Q2: In your views, how should ESMA specify cases where it is necessary or appropriate to prevent the evasion of any provision of EMIR for contracts entered into between counterparties located in a third country?

ESMA should publish on its website lists of the sensitive underlyings and systemic entities as defined in Q1.

Q3: In your views, what should be the characteristics of these indirect contractual arrangements?

Clearing brokers must operate in a legal framework where end users' deposits and settlements (intraday positions) are totally segregated from clearing brokers' bankruptcy : in our views, clearing brokering should be operated by dedicated entities (ring-fenced from other risk bearing activities of Financial Institutions, including the credit risk these institutions may take on their customer as part of the "clearing brokerage package" to fund the margin calls on behalf) benefitting from CCP's guarantees.

Q4: What are your views on the required information? Do you have specific recommendations of specific information useful for any of the criteria? Would you recommend considering other information?

We would recommend including a measure of the systemic risk the class of derivatives may represent to rank these classes by priority in terms of clearing obligation.

Q5: For a reasonable assessment by ESMA on the basis of the information provided in the notification, what period of time should historical data cover?

From before the subprime crisis (effects of which began mid 2007).

Q6: What are your views on the review process following a negative assessment?

No opinion on that matter.

Q7: What are your views regarding the specifications for assessing standardisation, volume and liquidity, availability of pricing information?

No views as the granularity of the derivatives classes remain unclear to us.

Q8: What are your views, regarding the details to be included in ESMA Register of classes of derivatives subject to the clearing obligation (Article 4b)?

As a non-financial end user, we would presumably:

- Either be exempted
- Either clear through a clearing broker (indirect clearing)

We would nevertheless appreciate CCPs (§25) to disclose tariffs applied to the clearing of the contemplated class of derivatives, through a link from the ESMA register to the commercial website of the CCPs (with an obligation for the CCPs to disclose the conditions to be coped with/ the process to be followed to be a member to the CCPs / to clear derivatives with this CCPs, and an obligation for the CCPs to disclose the list of their members, including clearing brokers).

Q9: Do you consider that the data above sufficiently identify a class of derivatives subject to the clearing obligation and the CCPs authorised or recognised to clear the classes of derivatives subject to the clearing obligation?

No. The concept of class of derivatives must be illustrated further. For instance, in case of options, would the strike or one couple strike / maturity determine a class or would a full matrix of strikes / maturities constitutes a single class of derivatives ? Would the style of the option determine a class or not (European / American ...)?

Q10: In your view, does the above definition appropriately capture the derivative contracts that are objectively measurable as reducing risk directly related to the commercial or treasury financing activity?

We appreciate, based on the ESMA comments during public hearing on March 6th 2012 the exemption for non-financial end users is two folds:

- A short cut method based on IFRS accounting treatment
- A wider definition of hedging positions of commercial activities or treasury financing, regardless of the IFRS accounting treatment.

For the sake of clarity, we would nevertheless propose a slightly different wording, including in the 29a/29b connection that remain unclear to us, to ensure all the derivative transactions we think are incurred in the ordinary course of business (the opposite of proprietary trading, that we define as trading of derivatives, with no underlying economic exposure, with the purpose of taking advantage of market fluctuations to generate profit) are properly included in this exemption scope.

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29. ESMA considers that an OTC derivative entered into by a non-financial counterparty is deemed to be objectively measurable as reducing risks directly related to the commercial activity or treasury financing activity of that non-financial counterparty or of that group when the accounting treatment of the derivative contract is that of a hedging contract pursuant to IFRS principles as referred to in IAS 39 paragraph 71-102 on hedge accounting as endorsed by the European Commission.

30. ESMA also considers that an OTC derivative entered into by a non-financial counterparty, regardless of its accounting treatment pursuant to IFRS principles as endorsed by the European Commission, is deemed to be objectively measurable as reducing risks directly related to the commercial activity or treasury financing activity of that non-financial counterparty or of that group when, whether individually or in combination with other derivative contracts, its objective is to reduce the risk due to the potential change in the value of assets, liabilities, revenues and charges that the non-financial counterparty incurs or reasonably anticipates in the foreseeable future in the course of its operating, financing and investing activities. Investing activities refer to acquisition and disposals of strategic assets (including property, plant, equipment and intangible assets, as well as shareholdings), and exclude proprietary trading (defined as trading of derivatives, with no underlying economic exposure, with the purpose of taking advantage of market fluctuations to generate profit).

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We emphasize on the necessity that no “grey zone” would remain between exempted and non-exempted ones. For instance, as far as equity derivatives are concerned, non-financial end users may typically enter in such hedging strategies:

- On their own stocks to hedge share based payment programs (the cost of which is booked as wages and salaries, hence part of the operating cycle). These share based payment schemes do not only include the classical “stock options” programs granted to the executive management, but also widely spread free shares grants. We also highlight that these derivatives hedging strategies on companies’ own stocks are highly regulated by national market authorities.
- On stocks of their strategic stakes in other companies in the frame of partnership / shareholding agreements.

Finally, with this new wording, we estimate that §31 is redundant. We would therefore recommend to suppress it as investing activities are not sufficiently segregated between:

- Strategic investments that a non-financial user may seek to hedge through derivatives. As an illustration, our group currently holds minority stakes in listed companies active in Biotechnologies (our core business), the value of which we may seek to protect through hedging with equity derivatives.
- Proprietary trading as defined above.

Q11: In your views, do the above considerations allow an appropriate setting of the clearing threshold or should other criteria be considered? In particular, do you agree that the broad definition of the activity directly reducing commercial risks or treasury financing activity balances a clearing threshold set at a low level?

We have the following comments or clarification needs as regards the setting of the clearing threshold.

Measurement unity of the threshold

Is the threshold measured on an outstanding position approach (notional of the portfolio of eligible derivatives alive at the measurement date) or based on the traded volume for a certain period, for instance the fiscal year (meaning that even a matured derivative would be taken into account)?

Scope of instruments included in the threshold measurement

We understand that the threshold applies to all OTC derivatives classes, except the ones complying with the exemption rule set in EMIR article 5 paragraph 3 (“commercial or treasury financing activities” addressed in question 10 here above).

- Do Fx spot transactions participate in the threshold measurement? We consider that Fx spots are not derivative but cash instruments that should not be included in the threshold measurement.
- Are derivatives that are already cleared exempted from the threshold measurement? Even if we currently do not clear any derivative instrument, we estimate that if we did so we would participate in EMIR’s attempt to reduce systemic risk. Thus, cleared derivatives, whether held in a dedicated entity or stand-alone among non-cleared derivatives, should be exempted from the threshold measurement.

Group or legal entity based threshold

We favor one single threshold for a group (consolidated entities) as we are a centralized group. We think it is up to the group to organize through internal procedures how this unique threshold should be allocated between consolidated entities. This is also a mean to strengthen central control of the derivative activities within a group which seems consistent with the aims of this new regulation.

Weighing of instruments in the threshold measurement

Regarding the derivatives classes subject to the threshold measurement, a single threshold expressed as a notional amount does not seem acceptable if there is no weighting of the risk (including settlement risk) these classes of derivatives may represent: adding notional of Interest Rate Swap (IRS) and Cross Currency Interest Rate Swap (CCIRS) does not represent any economic reality for instance (much higher volatility in Fx over the recent period + large settlement risk for Fx while only interests are exchanged in an IRS...). We would strongly encourage a grid (even simplistic) to be published by ESMA (with yearly update for instance) to weigh the average notional of various classes of derivatives.

Setting a threshold specific to each class of non-financial counterparty

Each non-financial counterparty does not have the same ability to deal, settle and monitor OTC derivatives. As a result, we do recommend that for each non-financial counterparty the threshold is set depending on its credit rating and financial strength.

"Broad definition of exemption → low threshold" implication

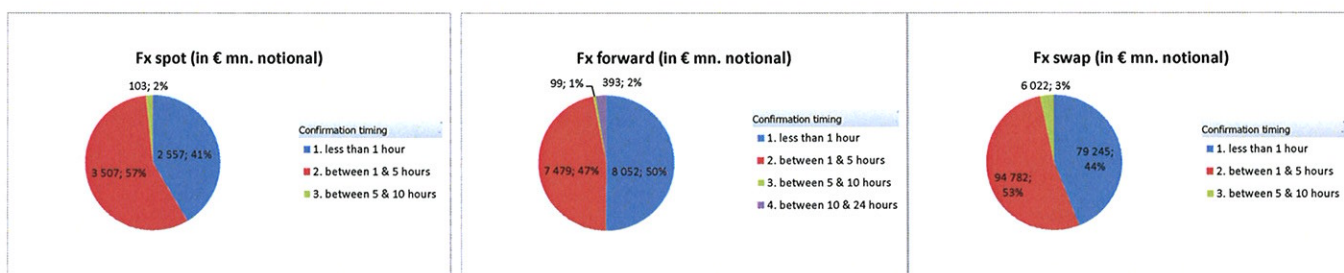
We believe the relationship « broad definition of exemption implies low threshold for non-exempted trades », is not reflecting what we understand the EMIR mandate is: avoid systemic risk. Especially if there is no ad hoc exemption mechanism but a punitive approach (threshold overpassed = all derivatives cleared onward, including formerly exempted strategies), or if a "grey zone" remains between exempted and non-exempted deals (depending on the final definition of investing activities for instance), this may lead to stressed situations for non-financial end issuers with operational and liquidity risk at stake, these risks being difficult to manage within the 4 months implementation period prescribed by Art 5. To deal with this issue, we would favor, in addition to a reasonable threshold (rating dependent / derivatives risk dependent), a "ruling" process with the ESMA (or delegated to the national competent authorities) according to which non-financial end users could introduce the derivatives coming possibly "over-the-threshold", then voluntarily clear these derivatives with a CCP. These voluntarily cleared derivatives would be excluded from the threshold measurement so as to avoid triggering an overall clearing of their exempted portfolio. As a minimum, we would strongly appreciate that if we exceeded the threshold and if we could not operate under this "ruling" process we would not be required to clear the formerly exempted instruments ("commercial or treasury financing activities").

Q12: What are your views regarding the timing for the confirmation and the differentiating criteria? Is a transaction that is electronically executed, electronically processed or electronically confirmed generally able to be confirmed more quickly than one that is not?

Based on EMIR 6 1.(a) and with respect to §39 we understand that the need for appropriate procedures to ensure timely confirmations is applicable to non-financial counterparts that do not exceed the clearing threshold.

Electronically processed transactions are confirmed more quickly than phone transactions. In practice, one business day maximum (meaning: a transaction traded in D day should be confirmed before end of D+1) appears appropriate for electronically traded & confirmed transactions.

We provide here below some internal statistics illustrating the above for electronically traded derivatives (Fx spots, Fx forwards & Fx swaps expressed in notional amount) at Sanofi mother company level in 2011 & 2010:



Note that in 2011 90% of the Fx derivatives traded at Sanofi mother company level (expressed in notional amount) were electronically traded (against 84% in 2010).

As far as transactions on the phone are concerned, five business days maximum (meaning: a transaction traded in D day should be confirmed before end of D+5) seems a reasonable timeframe, since these transactions are confirmed in-writing (either by fax or by mail) and generally show specific terms (example: fixing rates and dates used to settle a non-deliverable forward) that can take a longer time to confirm by the banks' back offices.

Nevertheless, note our current experience with confirmation of phone transactions merely relates to IRS and relatively straight forward Fx derivatives (Non Deliverable Forward or ECB fixing Fx forwards, not addressed by our electronic platform). From our past experience with exotic Fx derivatives (KI/KO Fx options for instance), confirmations of complex deals may take much longer.

Q13: What period of time should we consider for reporting unconfirmed OTC derivatives to the competent authorities?

We consider here that if we establish in §39 a time criteria for confirmation that reasonably addresses current market practices, then the reporting criteria for unconfirmed OTC derivatives should be quite

strict. We therefore suggest two business days maximum for electronic trades (meaning: a transaction traded in D day that is not confirmed at the end of D+2 should be reported in D+3) and ten business days maximum for phone trades (meaning: a transaction traded in D day that is not confirmed at the end of D+10 should be reported in D+11).

Q14: In your views, is the definition of market conditions preventing marking-to market complete? How should European accounting rules be used for this purpose?

As disposed by EMIR Article 6 1a., we understand that non-financial counterparts that do not exceed the clearing threshold will not be required to perform the daily mark-to-market. Nevertheless, we wish to mention here that though not approved yet at the EU level IFRS 13 now provides a more comprehensive guidance on fair value hierarchy than IAS 39, that also has the advantage to be almost fully harmonized with US GAAP.

In case non-financial end users would exceed the clearing threshold and come to be eligible to the daily portfolio valuation, we indicate that for the derivative portfolio located in foreign entities (especially in countries with non-transferable currencies the derivatives of which we cannot always manage centrally), this obligation may prove costly or even non achievable from a practical standpoint. For information, while we tend to think we have state-of-the-art procedures and strict internal control (SOX compliance...), we process these vanilla derivatives foreign portfolio M valuation once a month.

Q15: Do you think additional criteria for marking-to-model should be added?

Same as Q14: we would rather favor IFRS13 hierarchy.

Q16: What are your views regarding the frequency of the reconciliation? What should be the size of the portfolio for each reconciliation frequency?

As disposed by EMIR Article 6 1.(b), we understand that non-financial counterparts that do not exceed the clearing threshold are concerned by the obligation of periodic portfolio reconciliation.

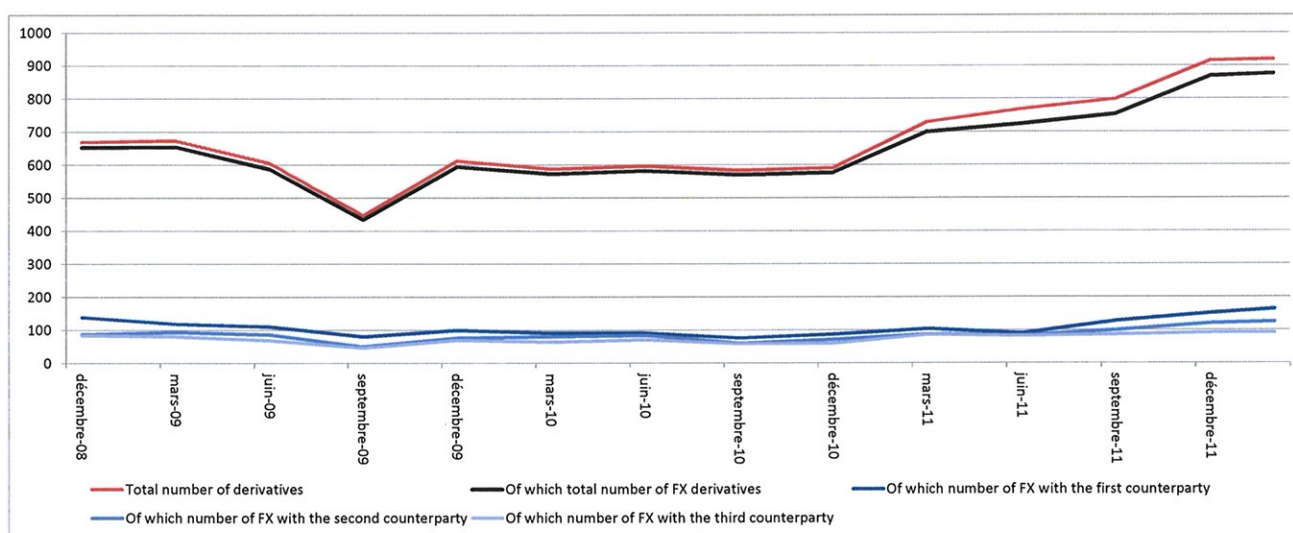
Whereas we acknowledge the interest of portfolio reconciliation in an attempt to reduce the systemic risk of derivatives, but whereas we consider the primary mean to reach this goal in a context of accelerating trading pace between financial institutions (high frequency trading) is a rapid deal by deal confirmation already addressed in questions 12 and 13, we consider that this reconciliation should be performed under the same path as accounting closings, i.e. monthly. A daily or even weekly reconciliation raises several operational issues:

- Confusion / jeopardy of the deal by deal confirmation process for non-financial end users back offices (not staffed to address this huge additional workload)
- Difficulty in obtaining relevant / accurate confirmation from counterparties (we experiment these difficulties: long delays in answering, poor quality of data...) during our quarterly reconciliation process.

- For the time being, no evidence that our confirmation device (currently used on a deal by deal basis) is able to also reconcile portfolios and that such portfolio reconciliation devices would be readily and affordably available to corporates (as a general rule Treasury tools providers focus primarily on solutions dedicated to banks, asset managers, insurance companies etc.)

Nevertheless, a weekly reconciliation may be considered only for counterparts exceeding a huge number of derivatives together. What do we mean by "huge"?

We provide below an historical analysis of the number of derivatives held at Sanofi mother company level (number of deals at quarter-end from December 31st, 2008).



FX derivatives represent more than 95% of the total, and among them Sanofi never had more than 200 deals with a single counterparty.

Fx volumes traded by non-financial entities like Sanofi represent only 13.4% of the worldwide volume traded daily, as per Bank of International Settlements survey led in 2010, the rest being traded by financial institutions. Consequently, we estimate that our "200 deals" current maximum is far from the threshold beyond which an entity may create a systemic risk with its derivative activity and should therefore be required to perform a weekly reconciliation.

Thus, our proposal is that under 500 deals together two counterparts should perform a monthly reconciliation, and switch to a weekly reconciliation any time when the number exceeds 500 deals.

Q17: What are your views regarding the threshold to mandate portfolio compression and the frequency for performing portfolio compression?

Portfolio compression is not addressed as such by level 1.

As for us, the management of counterparty risk on our derivatives portfolio must remain under our control with an array of various tools at our disposal (early expiration of deals, assignment of

derivatives to other counterparties, hedging through CDS, bilateral collateralization...) and not be mandatorily addressed by compression.

Furthermore, compression may generate disqualification of IFRS hedging relationships turning out to be complex / impossible to monitor and to the least generate a great amount of additional documentation burden in this matter.

We also think that portfolio compression is not adapted to our economics.

Indeed, portfolio compression, that is already in place for certain classes of derivatives such as Credit Default Swaps, makes sense for financial entities, since due to their business model they hold derivatives in each side, assets & liabilities. For instance, a bank that trades a forward sale of USD against EUR with another counterpart will immediately return it through a forward buy of USD against EUR, to grasp the bid-ask spread, except in the cases of proprietary trading where the initial position may be held stand-alone a certain time with the purpose to make a further profit. To this respect, compressing the portfolio may appear reasonable to reduce the number of these derivatives.

This is not the case for non-financial entities in the frame of their commercial or treasury financing activities, since they hold derivatives in one single side to hedge exposures that are not derivatives and that cannot be compressed. For instance, a EUR-functional Corporate will trade a forward sale of USD against EUR to hedge a commercial receivable in USD. Another will trade an interest rate swap fixed to float to transform a fixed rate bond into a floating rate bond. In these cases, it is not appropriate to proceed to a mandatory portfolio compression of derivatives since these ones are traded with the number and under the circumstances required to hedge non-derivative and non-compressible exposures.

As a result, we estimate appropriate the exemption to mandatory portfolio compression for non-financial counterparts in the frame of their commercial or treasury financing activities.

Q18: What are your views regarding the procedure counterparties shall have in place for resolving disputes?

No specific views on the topic as we have not faced the situation recently due to:

- The overwhelming majority of electronic trades
- Our phone recording process, known by our counterparties, providing evidence of the agreed terms
- The vanilla nature of our deals

Q19: Do you consider that legal settlement, third party arbitration and/or a market polling mechanism are sufficient to manage disputes?

Same as Q18.

Q20: What are your views regarding the thresholds to report a dispute to the competent authority?

Same as Q18: no specific views.

Q21: In your views, what are the details of the intragroup transactions that should be included in the notifications to the competent authority?

As a non-financial end user with a centralized Foreign Exchange hedging platform, we think should be provided to the competent authority:

- Standard contractual arrangement prevailing within the group
- List of group entities involved (with country of registration)
- A description of the group policy in that matter

Q22: In your views what details of the intragroup transactions should be included in the information to be publicly disclosed by counterparty of exempted intragroup transactions?

We believe public disclosures must be the responsibility of the parent company only.

As far as these internal derivatives are concerned, our 20F / documents de reference already give an information on our centralized financing and hedging model (Item 11: market risk) that could be complemented with further details.

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Item 11. Quantitative and Qualitative Disclosures about Market Risk

General Policy

Liquidity risk, foreign exchange risk and interest rate risk, as well as related counterparty risk, are managed centrally by our dedicated treasury team within the Group Finance Department. Where it is not possible to manage these risks centrally, in particular due to regulatory restrictions (such as foreign exchange controls) or local tax restrictions, credit facilities and/or currency lines, guaranteed whenever necessary by the parent company are contracted by our subsidiaries locally with banks, under the supervision of the central treasury team.

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In addition, our Document de reference, filed with the French AMF, also includes the parent company financial statements, including as off balance sheet items the detailed portfolio of internal Fx forwards entered into with our affiliates (please refer to Appendix joined at the end of this letter).

We believe this information is sufficient to provide appropriate details on this matter.

TRADE REPOSITORIES

Q69: What is your view on the need to ensure consistency between different transaction reporting mechanisms and the best ways to address it, having in mind any specific items to be reported where particular challenges could be anticipated?

We estimate that a single set of reporting should be provided to cover both EMIR and MIFID requirements.

Although we appreciate banks could handle the reporting of table 2 on behalf of us, the main challenge we anticipate is the time frame for non-financial counterparties to adapt their treasury systems to comply with these requirements, if they elect to provide directly the trade repository with their consolidated full set of information.

Q70: Are the possible fields included in the attached table, under Parties to the Contract, sufficient to accurately identify counterparties for the purposes listed above? What other fields or formats could be considered?

We disregard the option "client code" as we do not want our identification to depend on our counterparts.

The Legal Entity Identifier (LEI) seems to be the best approach to define the parties, provided a single LEI provider covering all counterparties is determined soon and these LEIs are quickly available.

Q71: How should beneficiaries be identified for the purpose of reporting to a TR, notably in the case of long chains of beneficiaries?

Such beneficiaries should be identified through a LEI provided a LEI provider is available worldwide.

Q72: What are the main challenges and possible solutions associated to counterparty codes? Do you consider that a better identifier than a client code could be used for the purpose of identifying individuals?

Using a client code that is dependent on the counterparty with whom non-financial end users like us trade OTC derivatives is not appropriate since it will trigger several IDs for a same counterparty and we do not want our identification to depend on our banks.

Again, a single LEI for a single counterparty is the most appropriate provided a universal LEI provider exists.

Q73: What taxonomy and codes should be used for identifying derivatives products when reporting to TRs, particularly as regards commodities or other assets for which ISIN cannot be used? In which circumstances should baskets be flagged as such, or should their composition be identified as well and how? Is there any particular aspect to be considered as regards a possible UPI?

We think that the definition of UPIs highly depends on the definition of asset classes that is needed to classify OTC derivatives in order to assess the application of the clearing obligation. The granularity of these classes will have to be reflected in the UPIs.

Q74: How complex would be for counterparties to agree on a trade ID to be communicated to the TR for bilaterally executed transactions? If such a procedure is unfeasible, what would the best solution be to generate the trade ID?

Electronically traded instruments already have a reference number set by the platform to identify the instrument. This number is communicated to the two counterparties that could use it to report the deal to the TR. The problem is that each platform will use its own codification, which could prove painful to harmonize. To solve this issue, the ID generation could be done at the level of the trade repository itself. Once a deal is concluded between two counterparts on an electronic platform, this one requests an ID to the trade repository that is immediately pushed down to the two counterparts and used by them for reporting to trade repository.

Same could be applied to non-electronically traded instruments: for OTC derivatives traded with non-financial counterparties, the bank counterparty requests an ID to the trade repository and uses this ID to fill the reporting to trade repository on behalf of the non-financial counterparty.

Q75: Would information about fees incorporated into pricing of trades be feasible to extract, in your view?

First, fees attached to an OTC derivative is a concept that does not appear clear to us since theoretically the service rendered is already embedded in the bid-ask spread grasped by the bank.

Secondly, if any, fees will be very difficult to isolate and attach to deals on a one-by-one basis.

As a result, we recommend that this reporting on fees is postponed to a second stage where reporting to trade repositories will have been experienced over a sufficient period allowing to identify presumed out-of-market deals.

Q76: What is your view of the granularity level of the information to be requested under these fields and in particular the format as suggested in the attached table?

As a non-financial end user, we would like to focus here on the reporting requested for intra-group transactions.

Reporting intra-group transactions on a one-by-one basis raises numbers of concerns for non-financial end-users, among which:

- These deals are often generated by batch within industrial groups. For instance we Sanofi grant a high number of internal FX hedges to numerous affiliates within the Group once a month for all the commercial exposures of the month. The reporting of all these deals within the imposed timeframe (1 business day) under the proposed format will prove difficult and even impossible to achieve.
- These deals are evidenced by deal tickets but are pushed down to the affiliates without the same confirmation process as the one involving third parties.
- As these deals are generated by our own FX centralization device, we don't see how we could connect this one to a 3rd party system generating the trade ID.

Secondly, we do not see what systemic risk is implied by these intra-group transactions entered into by non-financial counterparts for commercial hedging purpose that justifies such a reporting.

We thus consider that intra-group transactions traded by non-financial end users should be reported with a less demanding format and a less demanding time frame (quarterly or monthly on a portfolio basis).

Q77: Are the elements in the attached table appropriate in number and scope for each of these classes? Would there be any additional class-specific elements that should be considered, particularly as regards credit, equity and commodity derivatives? As regards format, comments are welcome on the possible codes listed in the table.

We advise that notional amounts should be extended to more than 10 digits (for instance certain trades in Japanese yen, Korean won or Hungarian forint or other currencies largely exceed 10 digits).

Furthermore, concerning the contractual rates of FX trades:

- Spot rates and forward points (if any) should be mentioned in dedicated fields
- Non-deliverable forwards should be specified (with the fixing rate used to settle the instrument on maturity date and the time when this fixing is set)

In addition, the option fields are not sufficient to address all the option types (knock-in, knock-outs, tunnels etc...) that as we understand it are all concerned by reporting to TR.

Q78: Given that daily mark-to-market valuations are required to be calculated by counterparties under [Article 6/8] of EMIR, how complex would it be to report data on exposures and how could this be made possible, particularly in the case of bilateral trades, and in which implementation timeline? Would the same arguments also apply to the reporting of collateral?

This is another set of reporting additive to table 1 and table 2 that would be very complex to handle since it would require to define aggregation rules of exposures: by derivative classes, by currencies, by counterparts etc...

Furthermore, we believe this report on MTM exposure is not part the reporting obligation as described by Article 7 of EMIR.

Q79: Do you agree with this proposed approach? What are in your view the main challenges in third party reporting and the best ways to address them?

As non-financial end-users, we appreciate that our bank counterparts will be able to handle part of the reporting requirements or that we will be able to process them by our own means since in our case all the data provided is sensitive to the following extents:

- It contains intention-oriented information (derivative engaged for hedging purposes) that cannot be delegated
- We may choose not to delegate the appraisal of exceeding or not the clearing threshold

Q80: Do you envisage any issues in providing the information/documentation as outlined above? In particular:

a) what would the appropriate timeline over which ESMA should be requesting business plans (e.g. 1, 3, 5 years?)

b) what would the appropriate and prudent length of time for which a TR must have sufficient financial resources enabling it to cover its operating costs (e.g. 6 months / 1 year)?

As a non-financial end-user that will not apply for TR registration we have no view on this.

Q81: What is your view on these concerns and the ways proposed to address them? Would there be any other concerns to be addressed under the application for registration and tools that could be used?

As a non-financial end-user that will not apply for TR registration we have no view on this.

Q82: What level of aggregation should be considered for data being disclosed to the public?

We already provide a full set of public information on our derivatives per derivative classes (outstandings, tenors, fair values, accounting treatment...) in our 20-F / Document de Référence and as well in our half-year financial statements.



Furthermore, we notice that this comprehensive set of information has proved sufficient to provide a documented reply to the few questions individuals or market participants have asked on our use of derivatives.

Finally, we consider that communicating in real time our foreign exchange portfolio that is highly connected to our commercial performance or strategic moves may lead us to provide confidential information to the market, and disrupt the level-playing field concept (compared to our non UE competitors).

Thus, we do not wish to make available more disclosures on these topics to the public.

Q83: What should the frequency of public disclosure be (weekly? monthly?); and should it vary?

Same as Q82.

Engagements réciproques

Les instruments financiers de couverture de change et de taux sont déclarés à leur valeur nominale.

(en millions d'euros)		-1 an	1 à 5 ans	+5 ans	Total
Engagements bancaires à terme de devises					
Achats à terme :		3 780	35	—	3 815
	dont USD	1 110			
	GBP	899			
	SGD	547			
	CHF	437			
	JPY	329			
	HUF	134			
	AUD	113			
	SEK	34			
	MXN	31			
	RON	31			
Ventes à terme :		7 978	—	—	7 978
	dont USD	4 613			
	JPY	1 649			
	RUB	310			
	CZK	257			
	AUD	236			
	GBP	146			
	SGD	121			
	PLN	111			
	SAR	57			
	MXN	56			
	KRW	49			
	TWD	47			
	RON	46			
	BRL	26			
	ZAR	23			
	HUF	23			
	CHF	21			
	NZD	21			
Instruments de gestion de taux (swaps)					
	dont EUR	—	2 700	800	3 500
	USD	1 404	386	232	2 022
Engagements vis-à-vis des filiales du Groupe					
Garanties de cours export :		6 118	—	—	6 118
	dont USD	3 621			
	JPY	601			
	SGD	411			
	RUB	290			
	HUF	225			
	GBP	193			
	PLN	113			
	AUD	89			
	CAD	84			
	CHF	73			
	MXN	63			
	SAR	54			
	RON	54			
	KRW	43			
	CZK	39			
	TWD	35			
	ZAR	17			
	MYR	13			
Garanties de cours import :		2 221	—	—	2 221
	dont SGD	729			
	USD	415			
	HUF	295			
	CHF	238			
	GBP	170			
	CAD	121			
	JPY	95			
	CZK	45			
	PLN	23			