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Financial Markets Unit  
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The Treasury  
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**Re: Implementation of Australia's G-20 over-the-counter derivatives commitment Proposal Paper  
December 2012 (the "Proposal")**

Dear Sir or Madam,

On behalf of The Depository Trust & Clearing Corporation ("DTCC"), we appreciate the opportunity to comment on the Proposal. As an organization that is looking to seek designation of one or more of its existing Trade Repositories as foreign Trade Repositories in Australia, we would like to share our thoughts on certain aspects of the Proposal related to trade reporting.

**DTCC's Repository Service**

DTCC operates as a registered Swap Data Repository under the Dodd Frank Act in the United States for all OTC derivatives through a United States company, DTCC Data Repository (US) LLC. DTCC also operates a trade repository in the United Kingdom, DTCC Derivatives Repository Ltd ("DDRL"). DDRL is currently regulated by the UK Financial Services Agency as a trade services organization and will be submitting its application in March for registration with ESMA.

DTCC has also begun the process to be registered as a Japanese trade repository to provide trade repository services to entities with mandatory reporting obligations in Japan through a Japanese company, DTCC Data Repository (Japan) KK. DTCC plans to have fully functioning trade repository ability in Japan prior to the JFSA final compliance date of April 1, 2013. DTCC expects to be registered in Japan on or prior to the compliance date.

DTCC plans to seek licensing for our subsidiary, DTCC Data Repository (Singapore) Pte Ltd as a trade repository in Singapore within the next few months and anticipates being granted such licensing prior to the implementation of trade reporting obligations in Singapore which is expected in late Q3 2013.

It must be noted that DTCC has built three data centers to serve our Global Trade Repository service in United States, the Netherlands and Singapore.

Attached are our comments to the Proposal. We look forward to discussing these comments with The Treasury if it so desires.

Yours sincerely,

A handwritten signature in black ink that reads "Stewart Macbeth". The signature is written in a cursive, slightly slanted style.

Stewart Macbeth

President & CEO

DTCC Deriv/SERV LLC

**1. Do you have comments on the costs and benefits of complying with the trade reporting obligation, as outlined above, from the point of view of your business and/or that of your customers?**

DTCC agrees with the statements in the proposal that there is significant benefit in having a derivatives trade repository. This was evidenced during the Lehman Brothers crisis in 2008. During that time DTCC was able, through its company the Trade Information Warehouse, to provide transparency to the CDS market by definitively showing that the outstanding CDS trades with Lehman were a fraction of the amount rumored to be outstanding and was further able to show the net impact on settlement of those outstanding contracts. That information proved invaluable to both the markets and regulators at that time.

DTCC believes trade repositories have value in terms of public confidence, regulatory oversight of derivatives markets and accrue benefits to participants from more processing efficiencies, including reduction in operational risk.

To ensure that the cost of reporting and impact to Australian companies is minimized:

- There should be an open market for providers, including both foreign and domestic offerings. This allows a greater level of competition and will enable greater innovation in streamlining reporting obligations in an international context
- The reporting rules should not be overly prescriptive as to how reporting should be performed, but rather focus on the accountability being with parties who execute and hold positions and the output data required by regulators. Firms should be able to use agents and leverage other related processes where appropriate to reduce the total cost of implementation
- Strict rules should be applied to prevent tying of services that restrict competition

**2. Do you have comments on the proposal to mandate a broad range of derivatives subject to the phase-in and exceptions outlined below? Or is there another option you prefer? If so why?**

DTCC believes the most effective trade repositories will have a broad range of derivatives reported to them to provide the most comprehensive view of the market to the public and regulators. Derivatives are often subject to cross-product netting under a netting agreement, so capturing a firms' full portfolio is important. DTCC believes the second option whereby the timing of implementation is determined by ASIC in consultation with stakeholder would be the proper course.

**5. For Phase 1, do you have a preference for referencing legal status, thresholds of activity, or size proxies? For Phases 2 and 3, do you prefer activity thresholds or size proxies?**

DTCC would propose ASIC consider the threshold implications where an entity falls below the threshold and then subsequently rises above and vice versa. What are the implications of this on reporting and existing records in the trade repository? There are potential consequences where the data will be incomplete if an entity is subject to reporting, then falls under threshold for reporting, and then once again must begin reporting. ASIC should consider the frequency of when these thresholds would be

observed and how it would want to address open activity in the trade repository when an entity fluctuates near or above the threshold.

**9. Do you have comments on the proposal to implement the trade reporting and trade repository licensing regime expeditiously, but not to impose interim reporting obligations ahead of this? Or is there another option you prefer? If so, why?**

DTCC agrees with the proposal to implement trade reporting and licensing regimes expeditiously while cautiously phasing in the actual reporting obligations. The certainty that is achieved by a fully understood regulatory regime is extremely valuable to the market. That certainly will assist stakeholders in preparing for the necessary work to be done on their part while also allowing them to comprehend the impact on their business in the future. By completing the necessary regulatory work, Australia can solve some of the problems related to cross border trade reporting such as the privacy concerns expressed in the Proposal. DTCC agrees with the concept of allowing ASIC to license foreign trade repository that have received licensing in other jurisdictions such as the United States or Europe.