

Derivatives Repositories

DTCC Trade Information Warehouse



OTC Derivatives Repositories

- The creation of trade repositories for OTC derivatives is a component of reform proposals in both Europe and the US
- Current regime is voluntary – in June 2009 letter to the FRBNY and primary regulators, the dealers and some major buy-side participants committed to universal registration of OTC derivative transactions in a reporting repository
 - DTCC runs the Trade Information Warehouse for credit derivatives
 - Providing weekly public reporting on www.dtcc.com since October 2008
 - TriOptima has developed a reporting repository capability for interest rate derivatives
 - DTCC and MarkitSERV are developing a reporting repository capability for OTC equity derivatives, for launch 31 July 2010
- The intent is to increase transparency and information available to the public and to regulators



OTC Derivatives Repositories - TIW

- Trade Information Warehouse has ~2.5Mn position records, 2.3Mn of which are full legal records, 130k are short-form. 1,800 clients from over 50 domiciles, reference entities from 90 countries
- Standard weekly public reporting includes total market, net open interest in top 1,000 names, and weekly transaction activity, further information is made public periodically
- Reporting to regulators:
 - aggregate anonymised data
 - named participant data available based on attestation of a material interest:
 - market regulators – transaction level data – as party and as reference entities in its jurisdiction or market
 - central banks – aggregate information on currency, reference entities and financial groups in jurisdiction, and disclosure of parties for largest positions
 - prudential supervisors – transaction detail for its regulatees, and aggregate positions on regulatees as a reference entity



Fragmentation

- Senate Bill
 - repositories are for non-cleared trades, CCPs report directly
 - access conditions – indemnify, confidentiality standard, notify to CFTC
- European Commission indications
 - repositories for cleared and non-cleared trades
 - either recognise third country providers with unfettered access, may require EU subsidiary
- Fragmentation of the data set will be an issue – access, aggregation, and accuracy