

# **DTCC Global Trade Repository**

## The Reporting Solution for EMIR Compliance



# About DTCC

## Global services with regional solutions

- Global financial market infrastructure provider with **40 years expertise** building safe and robust systems in the post-trade space
- Servicing the derivatives markets since 2003; **created the first derivatives trade repository** in 2006
- Operating **in Europe since 1995**. DTCC staff work in six key European markets across cash equities and derivatives
- European-based (Netherlands) infrastructure **separately holds your European data** and local resources to support EMIR trade reporting
- DTCC's European Repository entity was approved by ESMA as an **authorised TR** on the 7<sup>th</sup> November, it has also been **regulated by the UK FCA** since 2010.
- **Trusted and market-tested by the industry** with 1,100 dealers and buy-side firms in 31 countries using our derivatives services
- Proven track record of reducing costs in the markets in which we operate



# EMIR Legislation: Trade Reporting

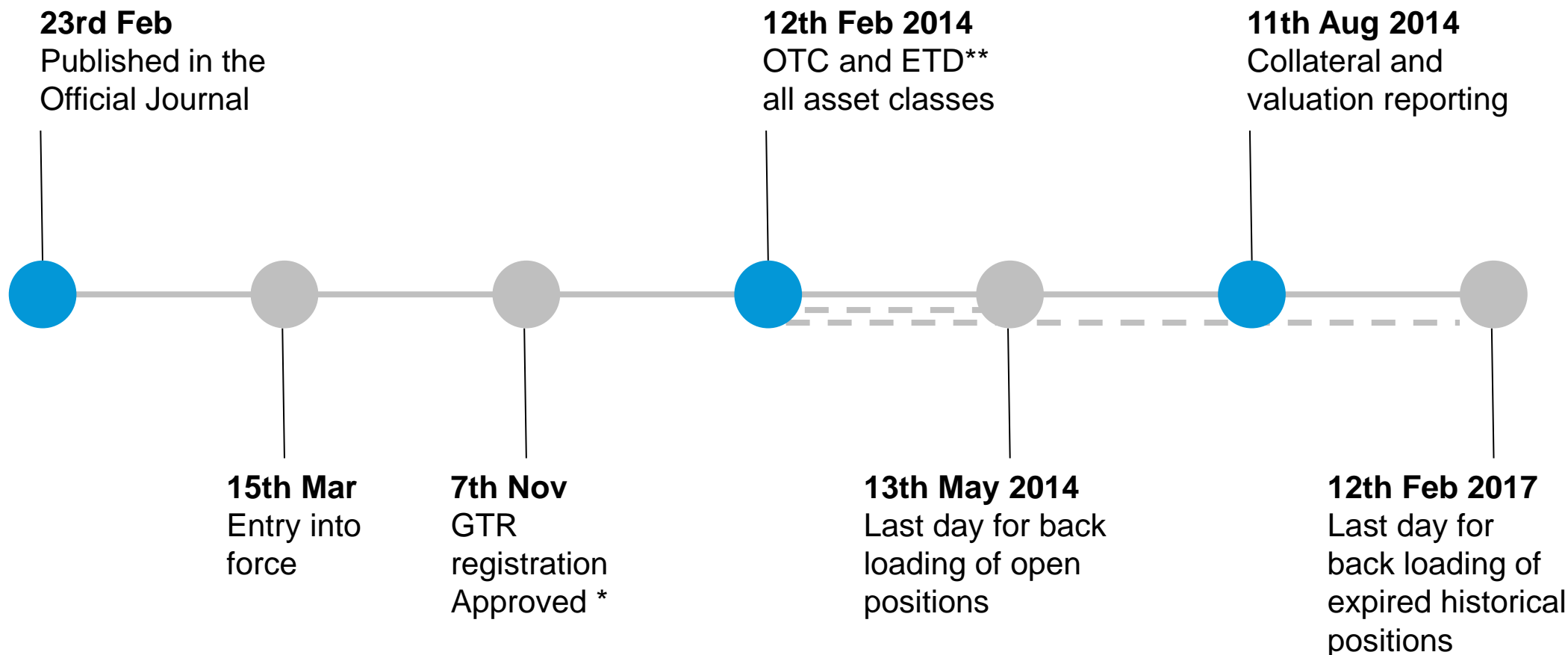
## European Market Infrastructure Regulation (EMIR)

- Europe's response to global derivatives reform; came into effect on 15 March 2013
- Mandates reporting of all derivatives transactions and therefore positions (listed and OTC) to trade repositories
- Trade reporting requirement is mandatory from 12<sup>th</sup> February 2014.

## How does EMIR affect you?

- **Dual reporting:** dealers and end users are required to report all (cleared and uncleared) derivatives transactions to trade repositories
- **Common and Counterparty data:** including valuations and collateral must be submitted by both parties. Delegation to a third party provider or counterparty is allowed
- **OTC and ETD:** mandates reporting of Exchange Traded and OTC derivatives trades across credit, interest rates, equity, commodity and FX derivatives. Reporting for listed derivatives to follow
- **Historic data:** historic information on derivatives trades entered into on or after 16 August 2012 must also be reported to a trade repository

# EMIR: Reporting timeline



\* DTCC was one of the first trade repositories approved by ESMA on 7 November 2013. So therefore the reporting compliance date is 90 + 5 days after this approval was given.

\*\*The European Commission has turned down ESMA application to delay the reporting of ETD. So therefore all OTC and ETD events for all 5 asset classes need to be reported from the 12<sup>th</sup> Feb 2014.



# EMIR: What has to be reported?

## Common Data

- 59 Contract data points known by both parties and reconcilable
- Specific data for each of the five asset classes, i.e. life cycle
- Unique Trade Identifier (UTI) and Universal Product Identifier (UPI) are some of the new data requirements under EMIR

## Counterparty Data

- Open Data, based of the Legal Entity Identifier (LEI) e.g. CICI, which is becoming a standard global requirement
- Proprietary Data – e.g. corporate sector
- Dynamic Data – e.g. purpose of trade

## Valuations

- Financial entities or non-financial entities above a certain clearing threshold will be required to report valuation data 180 days after compliance
- Daily reporting
- Data on mark to market or mark to model valuations

## Collateral

- Firms above a certain threshold, whether they are a financial or non-financial entity, will be required to report collateral data 180 days after compliance
- Daily reporting
- Distinction recognised between collateral posted on a transaction basis and collateral reported on a portfolio basis

# Our European solution

**DTCC Derivatives Repository Limited (DDRL) is the European legal entity that will support the European trade reporting requirements.**

<b>Local data storage</b>	Data storage and technology (The Netherlands) Data stays in the EU; accessed by regulators through the ESMA framework
<b>Multi-asset class (OTC and ETD)</b>	Single reporting solution for credit, interest rates, equity, commodity and FX derivatives Supports reporting of both OTC derivatives and ETDs
<b>Simple reporting options</b>	Simple format for reporting EMIR OTC and ETD products Direct, multi-functional OTC message templates Reporting through existing third-party providers Delegated reporting through your counterparties
<b>Flexible connectivity</b>	Web-based, spreadsheet upload functionality Automated upload via web services FpML message based submission SWIFT messaging
<b>Value-based pricing</b>	Value-based pricing structure based on connectivity option and volume threshold
<b>Multi-centre support</b>	Product and technical expertise (London, Paris, Brussels, Frankfurt) 24/7 multi-lingual customer and operational support (London and Brno)



# Direct Reporting

## Usage

- Allows a participant to report its own records directly
- Full multi Jurisdictional and functional template or EMIR OTC LITE template

## Access

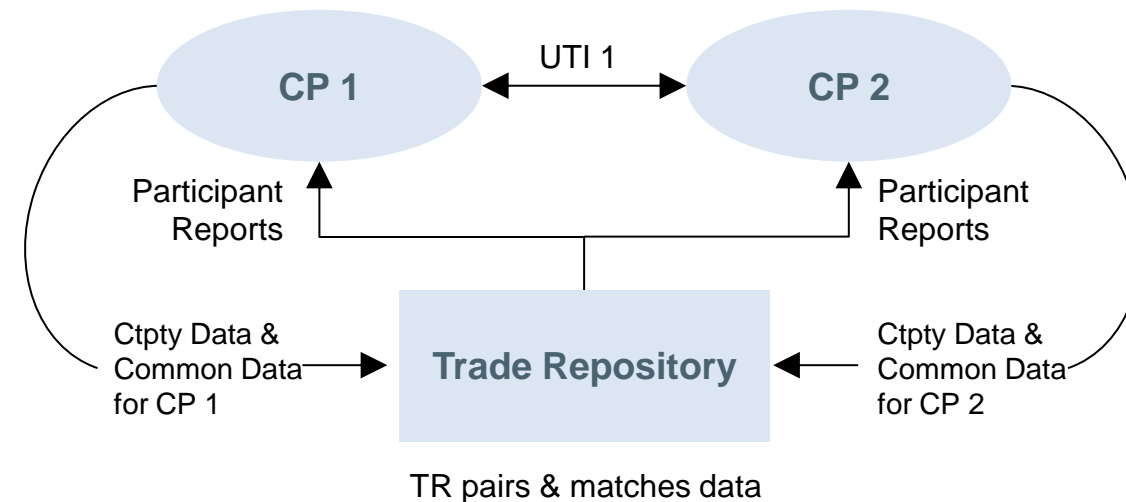
- A participant is required to be set up as a user in the system

## Functionality

- Variable message types to support usage – valuation specific message
- Full T+1 trade identifier (UTI) based reconciliation of the common data with other users
- Provides event and EOD reports to participant

## Example scenario 1:

Both CP 1 & CP 2 separately report their Counterparty & Common Data to the TR



# OTC & ETD Lite

## Usage

- Developed to provide supplemental support for the reporting OTC and ETD products, for participants effected by EMIR only.
- Allows a participant to submit a simple EMIR compliant message – 127 EMIR fields only (including Delegation).
- Supports both direct reporting for the participant, as well as full delegation for its counterparties
- Single or multiple CSV records can be uploaded via the web or SFTP

## Access

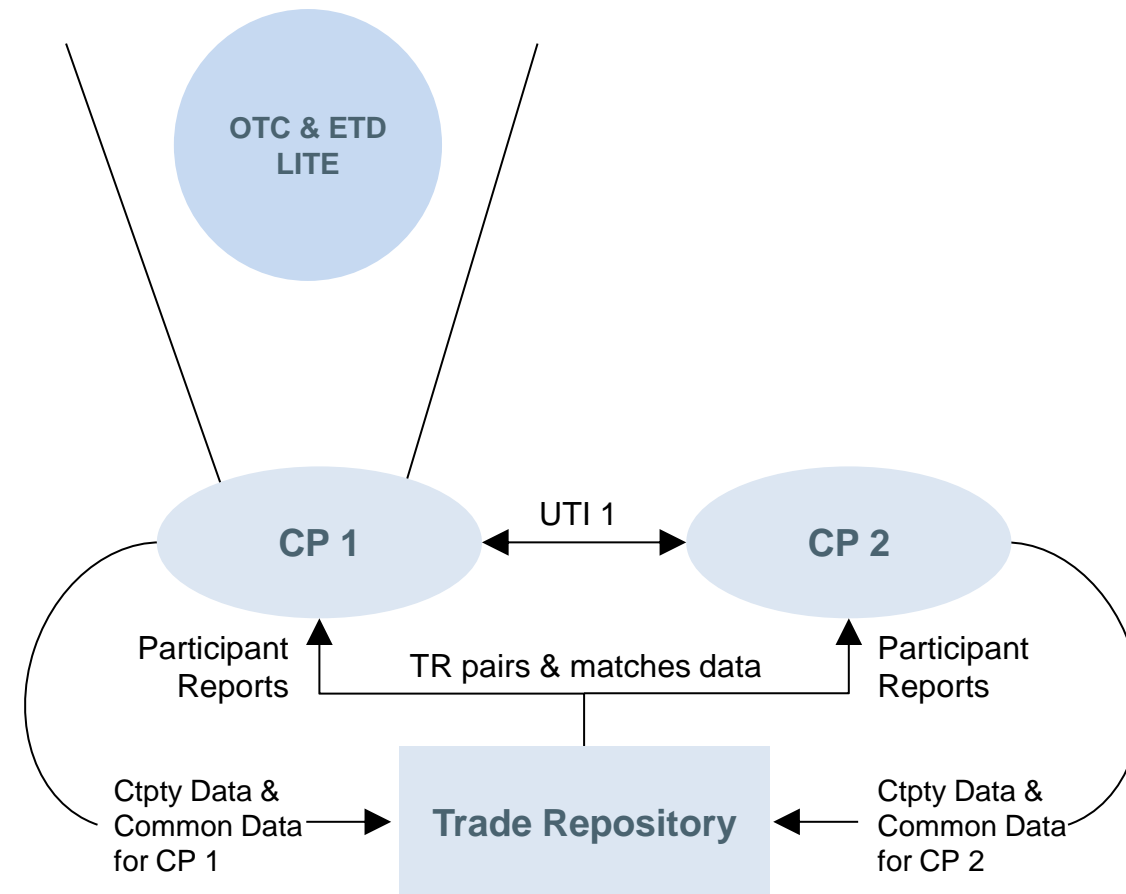
- A participant is required to be a user of the system

## Functionality

- 1 template for all 5 asset classes
- Full T+1 trade identifier (UTI) based reconciliation of the common data with other users, regardless of submission type
- Complements other submission types to create a standard portfolios of OTC and ETD positions
- Provides event and EOD reports to participant

## Example scenario 2:

CP 1 utilises OTC Lite to report its EMIR only common and CPTY data  
CP 2 utilises the full message spec to report their side of the trade.





# Third Party Reporting Delegation

## Usage

- Allows a participant to utilise a third party (TPP) to report records on its behalf
- This can be either for partial or full TPP delegation
- A TPP is a reporting provider who is not a CP to the trade – Asset Manager, Middleware, Custodian, Trade Association etc.

## Access

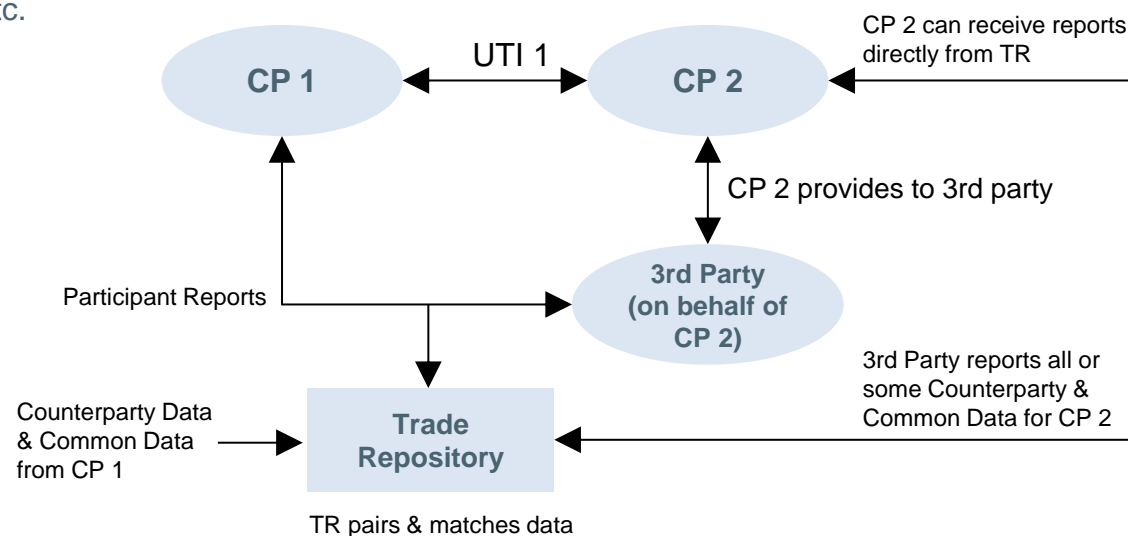
- The participant (CP 2) is required to be set up as a user and name the third party provider
- The TPP is required to be set up as a specific TPP provider
- The Asset Manager onboards and names funds
- Legal obligation to report still resides with Participant delegating its reporting obligation

## Functionality

- Variable message types to support usage – Valuation specific message.
- Full T+1 UTI based reconciliation of the common data with other users of the GTR
- Provides event and EOD reports to participant and TPP
- Non-reporting CP able to reconcile data submitted on its behalf

### Example scenario 4:

Counterparty 1 reports Counterparty & Common Data. A Custodian as the 3rd Party reports Counterparty & Common Data, on behalf of Counterparty 2.



# Counterparty Delegation

## Usage

- Counterparty (CP) delegation allows a participant to request the counterparty to report on its behalf
- Delegation is where the participant delegates the reporting of all the Common data and all, some or none of the Counterparty data to its CP in the trade “reporting CP”
- This is only supported if the reporting CP offers a delegated reporting service and a contract is agreed
- This can either be partial or full CP delegation

## Access

- Both participants are required to be set up as users in the system
- Legal obligation to report still resides with participant delegating its reporting obligation

## Functionality

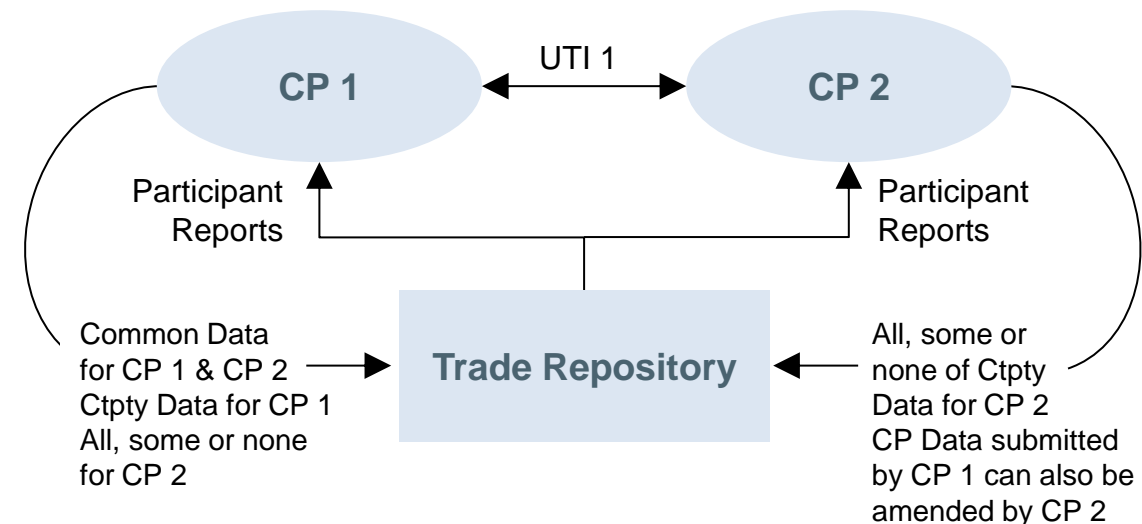
- Non-reporting CP able to contribute some CP data as agreed with reporting CP
- Variable message types to support usage – Valuation specific message
- Provides event and EOD reports to participant for what they have submitted as well as what has been submitted on their behalf
- Non-reporting CP able to reconcile data submitted on its behalf
- The participant can amend any CP data submitted by the reporting CP

## Example scenario 3:

CP 1 reports the Counterparty and Common data for itself

CP 1 reports all, some or none of the Counterparty data and all of the Common data for CP 2

CP 2 reports the remaining Counterparty data not reported by CP 1



Note This solution is currently at the final consultation phase and will remain subject to regulatory approval once finalized.



# DTCC GTR pricing structure for EMIR

	OTC	ETD
<b>Annual membership fee (fixed fee)</b>	<b>EUR 800/3,800 per annum</b>	
<b>&lt;7.5K * OTC Forward type positions** p/m</b> <b>&lt;2.5K OTC Derivative type positions** p/m</b> <b>&lt;20K ETD cleared transactions p/m</b>	<b>Free</b>	<b>Free</b>
<b>Variable fees</b>		
<b>&gt; 10K* OTC billable positions** p/m</b>  <b>&gt;20KETD cleared transactions p/m</b>	\$0.05 per open forward type position at the end of the month  \$0.40 per open derivative position at the end of the month  Cap \$500k	\$0.025 per cleared transaction (up to 420,000 during the calendar month)  \$0.015 per cleared transaction (for the next 420,001 to 1,700,000 during the calendar month)  ...  \$0.0015 per cleared transaction (for all executions above 6,700,001)  Cap \$ 300k

**Notes:**

Fee schedule applies to all users regardless of submission method..  
 The annual membership fee is payable in EUR. Variable fees are payable in USD only  
 Fixed volume, fixed pricing. No hidden charges for operational support  
 Entities can be grouped in one family depending on their organisational or legal structure  
 For Exchange Traded Derivatives there is no fee associated to position reporting

\* OTC FWD Type positions are FX Fwds, FX Swaps, Commodity Fwds, Portfolio Swaps and CFD.

\*\*A billable position is an open position at the end of the month.

# Why choose DTCC's European solution?

## Key benefits

<b>Simple</b>	Compliance with reporting requirements through one single portal Multiple connectivity options; simple to use Industry-driven solution means it is workable
<b>Proven</b>	Infrastructure able to handle large and complex volume of data Live in the US, Japan and Australia Used and tested by regional and global dealers; economies of scale
<b>Safe and local</b>	Highest standards of data safety; robust business continuity and confidentiality Data reported in Europe stays in Europe European solution; local infrastructure, data centre and support
<b>Low cost</b>	Utility pricing means we are low cost No hidden charges, fixed pricing, fixed volume



# Additional benefits

## Our solution is future-proof

<b>Reporting requirements</b>	Standardisation of fields between EMIR and MiFID/R REMIT and other national reporting requirements covered
<b>Portfolio reconciliation</b>	Connectivity to multiple portfolio reconciliation services Utilise trade repository data to send to a portfolio reconciliation service of your choice and resolve disputes
<b>Asset servicing</b>	Post-trade processing Client reference data support

# Next steps: before February 2014

## 1. Online registration

- 24 hour account activation
- Fast onboarding
- Dedicated support
- [www.dtcc.com/gtr](http://www.dtcc.com/gtr)

## 2. UAT

- Build out message functionality to meet your reporting requirements
- Test reporting ahead of deadline
- Prepare to upload historic data

## 3. Live reporting

- OTC & ETD derivatives reporting February 2014
- Data staging for historic reporting before compliance date
- Historic reporting May 2014

Additional information on DTCC and our European reporting solution can be found at [GTR Website – http://www.dtcc.com/gtr](http://www.dtcc.com/gtr)



# Contacts

## Further information

More detailed information about specific requirements can be provided by our European team:

## Europe and Middle East

Email: [GTR-EMEA@dtcc.com](mailto:GTR-EMEA@dtcc.com)

Tel: +44 207 650 1433

## Online registration

[www.dtcc.com/gtr](http://www.dtcc.com/gtr)

## Onboarding

Tel: +44 207 136 6328, Option 2