

GMAC TECHNICAL ISSUES SUBCOMMITTEE RECOMMENDATION

Improve Trade Reporting for Market Oversight

Improving Data Sharing and Systemic Risk Analysis

Issue:	Global Rewrites/Refits are based on implementation of CDE, UPI and UTI to enable data amalgamation to facilitate regulatory data usage across jurisdictions. However, there are non-data related impediments that could prevent data sharing thus delivering minimal value from these significant projects.
Recommendation:	<p>In the short-term the CFTC should facilitate discussions with key regulators (market and prudential) on the desire to share data elements and agree upon the MOUs needed to allow such activity, starting with US and then prioritize other G20 regulators where there is significant overlap.</p> <p>Not all reported data needs to be shared to start systemic risk analysis and by working with the global Regulatory Oversight Committee¹ (ROC) regulators could identify the subset of CDE required for this purpose. Provided clear and consistent validation requirements for that data set are adopted globally, data sharing could yield valuable information for effective regulatory oversight. (Note: If this is an accepted recommendation the Technical Issues Sub-committee could draft an initial proposal on this subset of data.)</p> <p>The CFTC should work through an existing regulatory body, like IOSCO, to create working groups comprising regulators, trade associations and industry participants to identify, assess and address data sharing issues in three areas:</p> <ul style="list-style-type: none">• Governance, Legal and Regulatory• Streamlining access to a harmonized data set• Non-data jurisdictional differences that may prevent effective data amalgamation
Background, Supporting Arguments or Examples & Data (if any)	<p>1. Governance</p> <p>Proper governance is quite possibly the single most important part of a complex data sharing ecosystem (multi-jurisdictional, multi data stores, multi technology) to enable an effectively functioning amalgamation and analysis of data. Amongst others, this may include data sharing agreements and a global regulatory body that oversees the technologies used by market and prudential regulators to share</p>

¹ <https://www.leiroc.org/>

and amalgamate data. A key output from the proposed work will be the identification of governance issues and recommended solutions.

2. Streamlining access to a harmonized data set

A prerequisite to enhance how to analyze global data sets, is agreement on the subset of CDE fields which are most relevant to this purpose. The LEI, UTI, UPI and other core data fields can be valuable tools to assess counterparty, risk, notional, and underlier exposures, however. Market participants assess risk in their firms every day and so are well-positioned to partner with regulators to recommend ways and methods to best leverage the available data.

3. Non-data jurisdictional differences preventing effective data amalgamation

A group focused on the identification and resolution of implementation issues could complement the work of the Regulatory Oversight Committee (ROC) to remove technical barriers to data amalgamation. Examples are:

- An FX swap is considered a single trade in the EU for the purposes of reporting, whereas under the CFTC an FX swap is reported as two transactions for each leg, linked with a package identifier;
- Some jurisdictions regard the latest data submission as the gold-source, whereas others regard the submission with the most recent event type as the current source of truth; and,
- Amending a counterparty to a reported trade can be done via a cancel/correct with a new UTI (ESMA) or a modification using the existing UTI (CFTC).

These examples will result in either the same trades reported to different jurisdictions with different UTIs or trades with the same UTI but with different current values of data.