

November 29, 2016

**Comments on the Consultative Report: *Harmonisation of Critical OTC Derivatives Data Elements (Other than UTI and UPI) – Second Batch*,
issued by the Committee on Payments and Market Infrastructures
and the Board of the International Organization of Securities Commissions**

Japanese Bankers Association

We, the Japanese Bankers Association (“JBA”), would like to express our gratitude for this opportunity to comment on the consultative report: *Harmonisation of Critical OTC Derivatives Data Elements (Other than UTI and UPI) – Second Batch*, issued on October 19, 2016 by the Committee on Payments and Market Infrastructures (“CPMI”) and the Board of the International Organization of Securities Commissions (“IOSCO”).

OTC derivatives data reporting proposed in this Consultative Report is considered to bring about benefits for harmonisation of data elements and supervision by authorities through the development of a globally-available single system (platform). In implementing these requirements, however, we respectfully request CPMI and IOSCO to implement minimum requirements so as to avoid any undue cost being imposed on financial institutions, such as for systems development.

The following comments are provided from practical viewpoints as a reporting party of OTC derivatives transactions data, in the light of the current practices established in private financial institutions. We expect that our comments will be fully considered in your further discussions on this issue.

We would appreciate it if you take into consideration the following comments regarding the data elements (2.1, 2.5 and 2.20) proposed in this Consultative Report.

1. “2.1 Reporting timestamp” (p.6, p.35)

(Our comment)

Reporting timestamp should be defined as the date and time when the initial report was submitted.

(Rationale)

Under the current mechanism, if the recorded data is partially changed, such changed data is

reported again via the system every time a change is made. If reporting timestamp is defined as the date and time when the report was submitted, this would prevent the determination of whether the reporting deadline was met at the initial reporting since reporting timestamp is updated every time changed data is reported. Therefore, we propose to define reporting timestamp as the date and time when the report was initially submitted and determine whether the reporting deadline is met based on such timestamp for individual USI and UTI.

2. “2.5 Confirmed” (p.10)

(Our comment)

“Unconfirmed” transactions should not be required to be submitted.

(Rationale)

If “unconfirmed” transactions are required to be submitted, the reporting frequency would increase. Considering increasing burden on the reporting party, this should not be included in the reporting data elements.

3. “2.20 Location of counterparty 1's trading desk” (p.26)

(Comment)

If this element will be added as a new element, the necessity of adding it should be fully considered.

(Rationale)

To our knowledge, this concept is not included in the current data elements. If this element needs to be added as a new element, first of all, it is necessary to clarify the definition of the “trading desk.”

Another point to be noted is that the reporting of this element requires systems development and other efforts because it is not adequate to have this element entered manually.