The Rates Repository

Interest Rate Trade Reporting Repository Fact Sheet

The Interest Rate Trade Reporting Repository (the Rates Repository or IRTRR) was launched in January 2010 in response to the industry's commitment to provide more transparency and reduce systemic risk in the OTC derivatives market. The Rates Repository gathers transaction data from market participants about their interest rate derivatives and provides weekly reports to the regulators and the public.

Q: **Is the Rates Repository open to any financial institution?**
A: Yes. There are two membership tiers within the Rates Repository -

- The ***Standard Tier*** allows a firm to contribute trade data to the Rates Repository once every four weeks from which a firm-specific report is generated. This report is only made available to that firm and cannot be accessed by any other parties (e.g. Regulators). This data is not included in any other reports.

- The ***Regulatory Tier*** allows a firm to contribute data on a weekly basis from which both firm-specific and industry-aggregated reports are generated. The firm-specific reports form part of the regulatory reporting obligations for submitting firms and firm-nominated regulators are able to access these reports. The industry reports are generated from the aggregation of the data from each firm contributing in this tier.

Q: **Should my firm be reporting to the Rates Repository?**
A: Whilst reporting is currently voluntary for non-G14 institutions, this will change as legislation is drawn up in various jurisdictions. Your regulator will be able to inform you as to what is being proposed in your jurisdiction and at what stage these proposals are.

Q: **Which tier should my firm join?**
A: All firms joining the Rates Repository will initially contribute data in the ***Standard Tier*** only. The data upload specification is identical for both tiers and so firms can use the ***Standard Tier*** to help them ensure that their internal processes around data extraction, compilation and submission are robust and reliable. At an appropriate time, once submitting parties are able to comply with the requirements for the Regulatory Tier, groups of firms will be migrated from the ***Standard Tier*** to the ***Regulatory Tier***.

Q: **Who currently contributes data to the Rates Repository?**
A: As at November 2010, the G14 dealers are the only firms submitting data in the *Regulatory Tier*. A number of additional banks and buy-side institutions are currently testing uploads to the *Standard Tier.*

Q: **How does it work?**
A: The Rates Repository structure leverages off of TriOptima's award-winning triResolve platform for OTC derivatives portfolio reconciliation.

- The repository is an entirely internet-based ASP, so clients have no need to invest in any new hardware, software or support services.
- Trade data can be submitted either by Secure File Transfer Protocol (SFTP, also known as SSH File Transfer Protocol) or directly to the Rates Repository website via secure upload.
- Similarly, reports can be downloaded either by SFTP or directly from the service website via a secure link.

Q: **What data is submitted to the Rates Repository?**
A: The full range of cleared and non-cleared OTC derivative interest rate transactions including caps/floors, forward rate agreements, options, swaps, swaptions, cross currency swaps and exotic transactions. Internal trades are not included. Submitting firms provide the Rates Repository with their total eligible population either every week (*Regulatory Tier*) or once every four weeks (*Standard Tier*).

Q: **Can regulators view the Rates Repository reports?**
A: Individual firms contributing data to the *Regulatory Tier* of the Rates Repository are able to nominate which regulators may access their firm-level reports. These reports form part of the firms' regulatory reporting requirement. Regulators also have access to the aggregated, industry report. Regulators are **not** able to access any reports for firms within the *Standard Tier* of the Rates Repository.

Q: **What is reported to the regulators?**
A: Firm-specific reports are generated for nominated regulators for those firms in the *Regulatory Tier* only. These reports show gross notional and trade count volumes for each firm. In addition, a report based on anonymised, aggregated data from across all firms within the *Regulatory Tier* is generated. The information within all the reports is broken down by instrument type, currency and counterparty type (i.e. G-14, CCP, Other).

Q: **How are the reports delivered to Regulators?**
A: Regulators who have adhered to legal terms and conditions governing usage can access the monthly reports for the *Regulatory Tier* firms they regulate directly from the Rates Repository website. Alternatively, each institution delivers the reports bilaterally to its defined regulators.

Q: **What about client confidentiality?**
A: In order to ensure compliance with jurisdictional guidelines and regulations on privacy and confidentiality, some data may currently be made anonymous or not submitted to the Rates Repository. All reporting is currently aggregated, so no transactional information is produced. Information about a reporting institution is only provided to the regulator(s) nominated by that institution.

Q: Are Rates Repository reports available to the general public?

A: Yes. Public reports based on aggregated industry notional and trade count, generated using the data from firms in the *Regulatory Tier* of the Rates Repository only, can be accessed via www.trioptima.com. No individual firm-specific reports are available to the general public.

Q: Will the Rates Repository change its requirements in the future?

A: Yes. Content and functionalities are developed by the Rates Repository Governance Committee which represents the members of the ISDA Rates Steering Committee in consultation with regulators. These requirements are presented to TriOptima which incorporates them into the repository structure.

There will be several phases to the Rates Repository with new data content, reports and functionalities introduced gradually as a result of the on-going dialogue. Phase One went live in January 2010 and in September 2010, reporting frequency increased from monthly to weekly (for *Regulatory Tier* firms).

Q: Is the Rates Repository registered as a "Swaps Data Repository" with the CFTC?

A: As yet, the criteria by which the CFTC will judge that any firm offering a repository is officially recognized as being a Swaps Data Provider are not finalized. As soon as these criteria are set, TriOptima will register the Rates Repository for this status. Similar compliance with ESMA (European Securities and Markets Authority) requirements will be ensured, once these are established.

Q: Which firms make up the G-14 and the Rates Steering Committee buy side members?

A: The G-14 banks are: Bank of America Merrill Lynch, Barclays, BNP Paribas, Deutsche Bank, Citibank, Credit Suisse, Goldman Sachs, HSBC, JPMorgan Chase, Morgan Stanley, Royal Bank of Scotland, Societe Generale, UBS, and Wells Fargo.
The buy-side firms on the ISDA Rates Steering Committee include: Axa, BlueMountain CM, Brevan Howard, EBRD, GSAM, PIMCO, and Wellington Management.