



Reporting & Referencing Data SIG (RRDS)
JWG RRDS 21: European & UK regulatory data plumbing plans
Via Webex
19 March 2020, 16:00-17:30

In attendance:

Martin Udy	Bank of England	Kerry Evans	Independent
Roger Luxton	BMO	Will Graham	Independent
Donald Chapin	Business Semantics	Peter Harris	Invesco
Chris Probert	Capco	Andrew Bayley	ISDA
Karan Kapoor	Capco	Ian Sloyan	ISDA
Tej Patel	Capco	Corrina Stokes	JWG
Anna Morrison	Credit Suisse	PJ Di Giammarino	JWG
Mihir Trivedi	Deutsche Bank	Sid Ives	LBG
Alex McDonald	EVIA	Ben Corrigan	LRH
Alex McLaren	EY	Daniel Corrigan	LRH
Mike Zehetmayr	EY	Ling Ling Lo	Nomura
Andy Beale	FCA	Jatha Sundarapalan	Pictet
Chris Brown	FCA	Carl Erdly	PIMCO
John Graham	FIA	Rochelle Musgrove	Santander
Andrew Pinnington	Goldman Sachs	Emmanuel Ghunney	Societe Generale
Adam Turnbull	Goldman Sachs	Rima Pathakji	Stan Chart
Scott Eaton	Independent	Yvette Hollingsworth	Wells Fargo

The meeting was held under the Chatham House Rule

Meeting materials

RRDS members may access the 22-page presentation and survey results in the members' area.

Meeting objectives

Members discussed updates to EU/UK public sector regulatory data collection strategies and then discussed views on the target 'end to end' vision for reporting while responding to 5 survey questions which were circulated to meeting registrants.

Key points of discussion

- ▶ **RRDS 2020 agenda**. JWG discussed the 2020 agenda which, as set in JWG's March RegBeacon is to help shape the dialogue on the next generation of regulatory reporting across the globe. have an ambitious agenda which will include alignment to **a collective path of action to get from 'rule book' to 'single hub of data'** leveraging new semantic technology and AI. The reporting and reference data group will continue to provide the regulatory intelligence and collaborative, high-trust environment to ensure market stakeholders fully grasp the evolving landscape, develop their heat maps and identify appropriate solutions in a better, faster, cheaper and safer manner.



- ▶ Transparency 2.0. JWG summarized several EU/UK reporting strategy papers:
 1. 11/19 EC Fitness Check [results](#)
 2. 12/19 ROFIEG [report](#)
 3. 01/20 [Bank of England Discussion Paper \(DP\): Transforming data collection from the UK financial sector](#)
 4. 01/20 FCA's [data strategy](#).
 5. 01/20 [Digital Regulatory Reporting: Phase 2 Viability Assessment](#)
 6. 02/20 [The European data strategy](#) and [B2G Expert Group Report: Towards a European strategy on business-to-government data sharing for the public interest](#)
 7. 03/20 Machine Readable and Executable Reporting Requirements - Proof of Concept (PoC) [Tender](#)

PJ presented a framework to discuss how the papers, in aggregate would transform reporting via **machine readable rules** with a **uniform language** to describe transparency requirements **across regulations** which are aligned by a common **dictionary** and reported with common **standards** and **mutualized interpretation** to a **single hub**.

- ▶ EU and UK reporting strategy equivalence. The group generally felt that there was alignment between the UK and EU approaches. However, from day one we can **expect approaches to diverge and then align globally over the medium term**. The survey revealed that 53% believe there is a disconnect between high-level messaging about the desire to 'simplify' UK rule books in the UK (e.g., [here](#)) and the need for detailed data collection. However, 47% felt that the UK vision is more comprehensive than Europe's. This was welcome news to the group which felt that a **joined-up approach is required across jurisdictions to drive the appropriate rule book text (i.e., dictionaries/ glossaries), data model and interpretative standards** which will result in a lower cost model with higher quality outcomes. One member expressed a view that trade/transaction repository consolidation was underway and that a single hub made ultimate sense.
- ▶ End to end vision. 94% of those that took the survey felt that the vision of '**write the rules right**' + '**get the data right**' is the only way forward. A more strategic approach enables convergence between the rules and get a common language and terms will allow production and consumption of the data to be streamlined. One participant felt that we **need the right data to write the rules** up front. This was felt to be consistent with the need to define a common glossary early on – something which Europe does not have as yet. Regulators informed the group that the reporting consultations remain open and encouraged firms to get involved bilaterally.
- ▶ Policy drivers. JWG research has shown that this drive to Transparency 2.0 will occur while several other key policy briefs are underway including: CMU/ MiFID III, LEI Roc/ CPMI/ IOSCO, EU data strategy and, of course, post Brexit equivalence and



reporting infrastructure change. **The survey ranked UK Brexit and CMU/MiFID III as the top policy drivers for transparency.** However, EU regulations do not have a glossary and that it will be a challenge to develop one. UK regulators noted that the variety of sources of rules for reporting instructions is seen as an impediment to data quality. CPMI/IOSCO was seen as a lower priority driver by survey, but the group felt that it is an important global effort and that the **ISO OTC messages will help drive harmonisation.** However, if the end file format is the sole driver, we might not be focused on the '**upstream issues around aligning the texts to a common glossary which needs to get to a more detailed level** e.g., price on a commodity swap, dollar repo. It was also noted that the identity work and global agreement on 'what is a thing' is critical in any regard.

- ▶ Transparency 2.0 reset. 67% felt that CPMI/ISOCO is just a starting point and that **a more holistic, global approach is required.** One participant suggested a 'control by design' approach is required and that involving regulatory colleges which supervise across the markets could be helpful. Another noted that we are creating new standards which enforce a level playing field across the trade repositories. The group discussed OTC data quality issues and agreed that the EMIR Article 9 rewrite is a great opportunity to get this right. A participant felt that **ESMA's EMIR Refit Article 9 consultation is unlikely to focus on the glossary-level issues required for DRR and that the industry needs to jump start interpretation and tooling efforts** in order to have tangible outcomes which move the conversation forwards in the near term.
- ▶ Industry efforts. ISDA noted that the Common Domain Model (CDM) has been proven for EMIR and MiFID reporting rules and more support across the industry is required to digitize the rules, interpret them, implement them and test them in a standard way. This can be done for the CFTC as well as ESMA/ FCA. The survey showed that **60% felt that the RegTech Council should be moving now**, in line with the EMIR consultation paper which is expected in the near term. 40% believed that the conversation should happen this year, perhaps not until summer. One member felt that **If commercial organizations take the lead, we are likely to get much better outcomes**, but the **supervisory engagement is critical** to get the approach right. JWG offered to speak to members 1:1 and help frame priorities and potential roadmap options for the next meeting.
- ▶ Future steps. PJ noted that **MiFID III consultations were in progress and that the 109 data fields for a new report** for 3rd country firms would be included in the Summer meetings. He also let the group know that JWG had a number of intelligence efforts underway which would continue at pace and Corrina would be in touch to schedule phone calls.



Next meeting

The group agreed the next agenda would focus on the near-term actions which could be taken by the private sector to jumpstart OTC reporting efforts.

RRDS 22: Jumpstarting the OTC reg reporting 2.0 roadmap

Date: 30 April 16:00-17:30

Virtual Protocol:

Webex – please register with your name

Survey questions will be circulated shortly before the meeting

Agenda:

16:00 Introductions

16:10 19 March recap

16:20 Transparency 2.0 target state articulation

16:30 Potential roadmap and priorities

17:15 Next steps

17:30 End