DTCC’S GLOBAL TRADE REPOSITORY FOR OTC DERIVATIVES

Frequently Asked Questions (FAQs)
DTCC’s Global Trade Repository for OTC Derivatives (“GTR”)  

During the first half of 2011, DTCC successfully participated in a series of industry led trade repository selection processes, facilitated by ISDA® (International Swaps and Derivatives Association) and AFME (Association for Financial Markets in Europe), resulting in DTCC being selected as the preferred service provider for building and managing global trade repositories for Interest Rates, Commodities and Foreign Exchange derivatives, adding to its already existing repositories for Credit and Equity derivatives.

DTCC’s Global Trade Repository (GTR) Service provides full coverage of all cleared and uncleared OTC derivatives products within each major asset class. Trade submissions will be supported for 100% of products traded in each asset class regardless of whether trade is electronically processed or bespoke – paper confirmed.

The GTR Service will be utilized by four trade repositories to satisfy global trade reporting requirements as described below:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>DTCC Legal Entities</th>
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<tbody>
<tr>
<td>Interest Rates, Credit, Equities and FX Derivatives (non-US reporting obligations)</td>
<td>DTCC Derivatives Repository Limited (&quot;DDRL&quot; a UK company)</td>
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<tr>
<td>Interest Rates, Credit, Equities and FX Derivatives (Dodd Frank US reporting obligations)</td>
<td>DTCC Data Repository (U.S.) LLC (&quot;DDR US&quot; a US company)</td>
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<tr>
<td>Commodity Derivatives (non-US reporting obligations)</td>
<td>Global Trade Repository for Commodities B.V. (&quot;GTRfC&quot; a Dutch company)</td>
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The OTC Derivatives market is a global trading market where cross-border trading, currencies and underlying assets can cut across multiple jurisdictions and trigger multiple reporting requirements. As such, a global solution is needed to enable reporting parties to submit a transaction record once and meet multiple reporting obligations in one or more of DTCC’s trade repository legal entities.

DTCC’s GTR service operates as a trade repository for all OTC derivative contracts and provides regulators globally with access to data pursuant to supervisory authority or pursuant to industry commitments, such as voluntary reporting commitments to the OTC Derivatives Regulators Forum (ODRF). The ODRF is a group of regulators representing over forty regulators world-wide. In conjunction with industry participants and regulators, this group has provided trade repositories with a set of guidelines regarding data access to regulators. The GTR service will support the mandatory reporting as regulations are finalized in each country, such as the US Dodd Frank Act, Europe’s European Market Infrastructure Regulations (EMIR), Hong Kong, Japan, Singapore, Canada and others. In this capacity, the GTR service is supportive of the Financial Stability Board and CPSS IOSCO recommendations and will enable compliance with standards as defined.

The GTR service supports a multitude of data submissions including real-time price reporting, transaction details, confirmation records, and valuation data.
The GTR service provides open access to third-party providers to promote efficient reporting processes – this includes:

- Electronic Execution Platforms
- Confirmation Providers
- Clearing Houses (CCPs)
- Inter-dealer brokers
- Custodians
- Any other middleware providers

There are multiple ways to submit trade records to the GTR service to provide maximum flexibility to firms based on technology and volume considerations:

- Web-based, csv. upload – usually preferred for small volume users
- Web services – geared for higher volume users
- MQ (Message Queue) – FpML submissions – large volume users
  (current FpML standards will be supported for each asset class)

For updates on DTCC’s GTR Services, you can send an email to repositoryupdate@dtcc.com.
FREQUENTLY ASKED QUESTIONS

REPORTING FURTHER EXPLAINED

Does my firm need to participate in all asset classes?

No. Firms can elect to use DTCC’s GTR Services for regulatory reporting obligations on a single individual asset class, a subset of all asset classes, or as a complete solution for all domestic and global regulatory reporting requirements for all asset classes.

If the firm elects to utilize the GTR services for multiple asset classes, DTCC provides a reporting framework and messaging architecture which is common across all asset classes. This means once a participant has established connectivity with the GTR Service for any single asset class it is a straightforward and relatively seamless process to connect other asset classes at any time.

Is the repository for bilateral transactions only?

No. The GTR Service supports all trade execution types regardless of method, including bilateral execution, brokered trades, and trades executed on an electronic platform. It also supports all transaction submissions whether electronically confirmed, paper confirmed as well as cleared or uncleared trades.

How does the repository intend to handle paper confirmations?

The percentage of confirmations that occur on paper today varies significantly across different asset classes. To meet the requirement that the GTR Service accept all products within a given asset class, the Repository will support a specific Application Programming Interface (API) that allows clients to submit images of paper confirmation documents in a variety of formats (PDF, TIF, etc.). The document images are submitted with a small number of electronic fields that allow for search, retrieval, and permissioning/security, so that the full paper confirmation details can be viewed by all authorized parties.

How does reporting work when the transaction is between parties in different geographies with different regulatory jurisdictions or agencies?

When different regulatory jurisdictions are involved, the GTR service will utilize participants regulatory identification on the inbound message to direct the records to the relevant trade repositories for regulator access to data. For example, US Dodd Frank reporting requires the reporting party to be designated prior to submission. The GTR service will observe this trade attribute in the record and assign the trade record to the relevant US swap data repository.

CONNECTIVITY

How can my firm send messages to the GTR?

DTCC will provide users with the flexibility to connect to the GTR Service using a variety of technological interfaces. Firms that have an existing connection to DTCC via DTCC’s Securely Managed and Reliable Technology (SMART) Network (DTCC’s proprietary network) or BT Radianz network will be able to leverage their connection to submit records into the GTR Service.

A direct MQ link is available to submit FpML messages.

A Web Graphical User Interface will also be provided to firms that wish to “Login and Upload” their trade data.
directly into the GTR Services via a .csv file upload process.

DTCC will also provide Web Services functionality to those firms interested in submitting data to the GTR Services in an “MQ Transaction” like format utilizing a secure internet connection.

What is SMART?

DTCC’s Securely Managed and Reliable Technology (SMART) is the technology backbone that supports DTCC’s entire settlement infrastructure of the U.S. cash securities markets. SMART connects a nationwide complex of networks, processing centers, and control facilities. Each is highly secured; engineered with multiple, independent levels of redundancy; and capable of processing DTCC’s entire workload. As the owner of the entire infrastructure, DTCC can register each element with the Department of Homeland Security for high-priority restoration of service in the event of a telecommunications failure. SMART provides a tremendous level of certainty, security, flexibility, and cost controls, allowing customers to respond to dynamic business changes and take advantage of new services and technologies.

How can my firm receive information/reports from DTCC GTR Services?

The GTR service will provide daily pre-defined asset class specific reports. In addition to this, it will employ a Business Intelligence Report interface which will allow users to create customized reports and view the data they have submitted into the repository. Users will need to gain access to the GTR Service web interface to create these report requests and view them online.

MESSAGING & DATA STANDARDS

What are the different message types?

The following message types are supported to report to one or more of DTCC’s four trade repositories:

**Real Time Price Data**: Allows the firm to submit price data to comply with regulation. Under U.S. Dodd-Frank, real time messages must be submitted to a Swap Data Repository for public reporting. Also, in Europe under EMIR, trade repositories can register as Approved Reporting Mechanisms (ARM) to provide real time reporting services.

DTCC GTR Services provide the ability for users to submit information related to Real Time Price forming data in order to satisfy U.S. Dodd-Frank Regulatory reporting. In addition to the real time reporting message, the GTR Service provides the following interfaces:

**Detail Transaction Data (Primary Economic Terms) / Confirmation**: Allows the firm to provide detailed trade economics and confirmation data to the GTR Service.

**Position updates**: Allows the firm to submit updates to position using lifecycle methodology or end of day (snapshot) reporting.

**Valuations**: Allows the firm to report the valuation of a position previously sent to the GTR Service. A valuation message is applied at the individual Unique Swap Identifier (USI) level.

**Document**: Allows the firm to submit a PDF version of the trade confirmation or any supporting documents to the repository along with a message that will provide a minimal set of economic terms and identifying information.

**Event Processing**: Allows the firm to provide data related to events which result in trade modification such as credit events, compression events, reorganization events, etc. This interface may be utilized by any third party event processing service (e.g. Trade Information Warehouse)
How can my firm get a copy of the messaging specifications?

Message specifications documents are being made available to anyone that has signed a NDA (Non-disclosure agreement) with Deriv/SERV. In order to satisfy U.S. Dodd-Frank registration, the GTR Service will make message specifications publicly available once registration has been granted by the commissions.

The DTCC Account Management group will be able to assist with the NDA process. They can be contacted as follows.

Canada, North, Central and South America;
John Dimeglio, jdimeglio@dtcc.com
John Kim, jkim@dtcc.com

Europe, Asia Pac and all other locations;
Andrew Green, agreen1@dtcc.com

REAL-TIME REPORTING

What type of information will be publically disseminated?

The GTR will provide two types of public data reporting (1) aggregate data reporting and (2) real time price transparency reporting. The reporting will be at an aggregate and anonymous level for the purpose of providing transparency of the size of the market, e.g. number of outstanding positions and notional amounts to the public at large — counterparty names will not be disclosed. The GTR will also provide real time price transparency reporting as required by regulations in each country. Real time price reporting is for the purpose of disclosing price levels for each trade without disclosing the parties to the trade. The US Dodd Frank Act and regulations require such reporting and Europe recognizes trade repositories performing such function as an Approved Reporting Mechanism (ARM) and other jurisdictions vary or are still evaluating such requirement.

Will my firm be identified in the public reporting?

Absolutely not. Neither counterparty’s identity, nor the Unique Swap Identifier, will be part of the real-time message publically disseminated.

The published message will contain sufficient information to facilitate “price discovery”, i.e. allow market observers to meaningfully compare the execution prices on the public tape with prices for comparable contracts being offered in the market.

POSITION REPORTING

What is the difference between the lifecycle and snapshot method of position reporting?

The essential difference is that snapshot reporting allows for a daily, point-in-time report of the state of each contract within a firm’s portfolio. Whereas, the lifecycle (or transaction) based approach requires each discrete event to be reported individually. Thus, an individual contract (at any given point in time) can be constructed from the series of individual discrete events that have been reported. Both methods are supported by the GTR service and regulations may vary as to whether lifecycle or snapshot reporting are required.
Will DTCC’s GTR Services be able to provide reconciliation capabilities for parties to the trades?

Yes. The GTR Service will produce data for aggregate positions, as well as transaction reports per participant, allowing each firm to reconcile their internal books and records to the positions held in the Repository.

PERMISSIONING:
WHO WILL BE ABLE TO SEE MY TRANSACTIONS & POSITIONS?

Within my firm?

Firms wishing to connect to DTCC’s GTR Services will appoint one or more Super Access Coordinators (SACs) at their firm. The firm’s SAC would submit forms to the DTCC GTR on-boarding team which details the level of access their firm requires.

SACs will then have the ability to create individual accounts within their own firm and control the level of access each user account has as a subset of their own entitlements. This allows self-service creation of accounts for subsets of legal entities, reports and/or submission authority by asset class.

Within specific third parties?

Any submitter of information into the GTR Service will have the ability to view the data they have submitted. By default, a firm’s data will not be viewable by any other third party unless it has explicitly granted such permission.

What about my counterparty?

Any counterparty that has onboarded to DTCC and has been named on a submission to the GTR Service will have the ability to view the details of that particular submission. As there may be some fields associated with a trade which may contain private or sensitive internal related information, these fields would remain masked from being viewed by the named counterparty on the trade.

What regulators will be able to access my information?

Regulators will be able to access trade data or reports based on permissioning logic maintained in DTCC GTR Services account system. The criteria for permissioning will vary based on supervisory authority. An example is the current reporting provided under the OTC Derivatives Regulator’s Forum (ODRF) data access guidelines for Credit Derivatives. Regulators accessing data under the ODRF guidelines may have access to data based on their material interest, e.g. oversight over the reporting counterparty or the underlying entity. The type of regulator governs the granularity of information a regulator may view. For example, a market or prudential supervisor may view transaction level information for trades of material interest; whereas, a central bank may only see aggregate concentration reports for the top “X” largest players in the currency they regulate.

Under transaction based permissioning, regulators will have access to trade data where certain trade parameters, such as trading desk location or execution venue, fall within the scope of its regulations.

Who is the OTC Derivatives Regulator’s Forum (ODRF) and how exactly do they interact with the Repository?

The ODRF represents a group of over 40 regulators worldwide who have agreed to guidelines on how information sharing can be achieved amongst regulators to ensure fair, equal and open access to trades of material interest to their regulatory mission. In June 2010, the ODRF group issued data access guidelines to assist DTCC’s TIW (Trade Information Warehouse), and other trade repositories, with guidelines for disseminating information to regulatory authorities - http://www.dtcc.com/downloads/products/derivserv/ODRF_guidelines.pdf.
In January 2011, DTCC created a secure portal using the ODRF data access guidelines as a baseline, through which appropriate regulators and other authorized authorities can directly access and query detailed position reports from a global data set relating to their regulatory oversight requirements. The portal offers market transparency by providing authorities the type of granular data necessary to protect against systemic risk. However, the portal also sets pre-determined filters to limit access to only that data in which a regulator has an appropriate interest.

Regulators signed up to DTCC’s regulator portal have access to trade data information and aggregated position reports, with the ability to download such reports, to which they have been permissioned. The detail-level of viewable information varies; for example, a market regulator and prudential supervisor will have the ability to view trade level details for the firms under their jurisdiction, while central banks will have aggregate report views by currency and concentration. Additionally, the data inventory includes not only those trades over the entities supervised but also the data for underlying reference entities of material interest – even if traded by foreign counterparties.

To date, over 30 different regulators worldwide have linked to DTCC’s portal, including regulators of various types in the Americas, Europe, and Asia-Pacific region. Based on this foundation, DTCC’s GTR Services will provide regulators a mechanism to assess data of material interest to their regulatory mission and, as provided for under law, to assess systemic risk and financial stability in the market, oversee market participants and conduct market surveillance. As regulations are developed in each of the G20 countries, the portal will also facilitate reporting to meet the requirements of those regulatory regimes. DTCC plans to extend this framework to support the reporting of all the additional asset classes.

REGULATORY OVERSIGHT

What jurisdiction will the repository be registered in?

For DTCC’s global trade repositories, DTCC Derivatives Repository Limited (DDRL) and Global Trade Repository for Commodities B.V. (GTRfC), such determination will be made following the finalization of the reporting requirements in Europe under EMIR legislation and ESMA rules. Separately, to support U.S. Dodd Frank requirements, DTCC has established two independent US SDR legal entities, DTCC Data Repository (U.S.) LLC and Global Trade Repository for Commodities (U.S.) LLC, that will subject itself to CFTC jurisdiction and, applicable asset classes to SEC jurisdiction, once rules are finalized by the SEC. DTCC is currently awaiting CFTC response to its application to operate as a swap data repository for these two entities.

Which regulator or regulators will be supervising the repository?

DTCC will assess its regulatory oversight framework as each jurisdiction finalizes its rules to enable it to comply with the reporting requirements of each particular jurisdiction.

Will the GTR Service be Dodd-Frank focused or will it also include other reporting requirements outside of the U.S.?

DTCC’s GTR Service is designed to support global reporting requirements that address the commitments set forth by the G20 countries. International bodies such as the Financial Stability Board, CPSS IOSCO, and the OTC Derivatives Regulator’s Forum have helped to provide necessary guidance for the establishment of trade repositories and the global framework that must be in place to ensure data aggregation can occur.

DTCC already provides over 30 regulators world-wide access to CDS and Equity data based on the ODRF guidelines. The earliest expected trade reporting requirements are those of the U.S. Dodd-Frank rules. DTCC has established two separate repositories to support the Dodd Frank requirements and is working to create and maintain a technical infrastructure is in place to enable reporting entities to meet their trade reporting requirements under U.S. regulations.
ONBOARDING

How do we sign up for the repository services?
Contact DTCC’s GTR Services onboarding team at: gtr_onboarding@dtcc.com. The onboarding team will navigate the firm through the relevant documents needed to sign up to the service.

Does my firm need to sign a contract with DTCC?
Firms will be required to sign a User Agreement that sets the terms and conditions for use of the service as described in the relevant Operating Procedures or applicable Rulebook. For existing firms that already have a signed User Agreement with DTCC, such agreement may already cover trade repository services. This will be reviewed by the Onboarding team, as part of the onboarding process.

Who do we contact with questions about the repository?
DTCC has created a new Account Management group who will be able to assist with any questions you have. They can be contacted as follows.

- **Canada, North, Central and South America:**
  - John Dimeglio, jdimeglio@dtcc.com
  - John Kim, jkim@dtcc.com

- **Europe, Asia Pac and all other locations:**
  - Andrew Green, agreen1@dtcc.com

Does my firm need to sign up for other asset servicing or confirmation services?
No, DTCC’s GTR Services is a stand-alone service designed for multiple reporting needs. However, firms may choose to have ancillary services such as a confirmation provider, asset servicer, clearing house, or other provider to serve as an agent or “trusted source” to submit data to the repository.

GENERAL

Does DTCC have a business continuity plan (BCP)?
DTCC maintains a robust Business Continuity Plan. As part of DTCC, the DTCC GTR Services are included in this plan. The Business Continuity Plan includes primary, alternate, and remote data processing locations, in addition to system redundancy and recovery processes. The GTR data centers will be globally dispersed across Americas, Europe and Asia to allow for continuous operation of the service globally.

How can my firm be kept abreast of the developments?
This is a password protected site for trading parties, service providers and regulators. To obtain login and password information please contact gtr_onboarding@dtcc.com.
Disclosure:

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