Dear Sirs,

The Global Foreign Exchange Division (GFXD) of the Global Financial Markets Association (GFMA) wishes to comment on behalf of its members on the consultation issued by ANNA’s Derivatives Service Bureau (DSB) on 19 April 2017.

The GFXD was formed in co-operation with the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA) and the Asia Securities Industry and Financial Markets Association (ASIFMA). Its members comprise 25 global foreign exchange (FX) market participants, 1 collectively representing approximately 85% of the FX inter-dealer market. 2 Both the GFXD and its members are committed to ensuring a robust, open and fair marketplace and welcome the opportunity for continued dialogue with global regulators.

Introduction

The FX market is the world’s largest financial market. Effective and efficient exchange of currencies underpins the world’s entire financial system. Many of the current legislative and regulatory reforms have had, and will continue to have, a significant impact upon the operation of the global FX market, and the GFXD wishes to


2 According to Euromoney league tables.
emphasise the desire of our members for globally co-ordinated regulation which we believe will be of benefit to both regulators and market participants alike.

1. **Bearing in mind that the Day 1 implementation of the ISIN is intended to satisfy the MiFID II Reference data reporting requirements, whilst maintaining structural flexibility for implementation of additional levels in subsequent phases, are there any attributes in the SG2 table above that should be added to the Fixed Float Plain Vanilla Product Definition?**

   The GFXD is not responding to this question.

2. **Do you agree that these attributes can be derived from the Input attributes?**

   The GFXD is not responding to this question.

3. **Do you agree that these should be output by the ANNA DSB?**

   The GFXD is not responding to this question.

4. **Is the derivation of the above attributes useful for industry? If so, would this impact the industry’s implementation and overall ability to meet RTS23 deliverables?**

   We support the submission made by the International Swaps and Derivatives Association (ISDA).

5. **Do you agree that the ANNA DSB should be designing the Product Definitions to align with the current thinking of CPMI IOSCO UPI requirements?**

   We support the submission made by ISDA.

6. **Are there additional fields that you believe need to be added in order to ensure the goal of supporting CPMI IOSCO are met?**

   The GFXD is not responding to this question.

7. **Using the Fixed Float Plain Vanilla Product Definition as an example, are there other products in other asset classes where any additional SG2 Level 1 attributes outlined below should be added to the base RTS23 & CFI fields? In providing feedback, consideration should be given to any attributes that are relevant for CPMI-IOSCO’s UPI.**

   We support the submission made by ISDA.

   For FX, as per our previous response to DSB³, the GFXD supports that the attributes identified within the SG2 Level 1 analysis should be included within the base RTS23 and CFI fields. Whilst the attributes are largely similar between RTS23 and SG2 Level 1, there are, for some instruments, additional attributes within the SG2 Level 1 analysis that more accurately reflect the products as traded. We believe this will offer better quality information to regulators and market participants alike, noting that as the RTS23 data attributes are aligned with the post trade reporting requirements rather than execution risk, that these attributes and would require re-consideration should the ISIN be required for pre-trade, e.g.

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for identifying products under the venue trading regimes. We also believe that the inclusion of these extra attributes may encourage the use of the ISIN for non-MiFID purposes.

We would like to re-iterate that the analysis performed under SG2 for FX was closely mapped to the existing taxonomies used by the global FX market within its daily operations, defined in FpML\(^4\) and the ISDA FX taxonomy\(^5\).

Additionally, for FX forwards, we note the lack of a defined Settlement Date attribute within RTS23. Of the date attributes available under RTS23, we note that Expiry Date is explicitly stated to refer to those products that have a defined expiry date (a FX forward does not have an expiry date). Extrapolating to RTS 22, we also note that the Maturity Date attribute is explicitly defined to apply to debt instruments only (a FX forward is not a debt instrument).

Given the considerable daily traded volume of FX forwards, the rapid, sub-second quoting/execution process and the largely electronic nature of the post trade processes, we believe that the settlement date for a FX forward should be reported separately and not included within any ISIN development work. Any perceived value-add at the regulatory level would be far offset by the disruption to industry wide highly-automated flows.

Finally, we would like to suggest that the DSB prepares for a request from market participants to ‘seed’ their databases before the go-live of RTS 23 requirements with ISINs for a defined set of instruments. For FX, this may be defined as all relevant FX instruments across all currency pairs, accommodating 5 or 10 years of trading. It may then be appropriate for a daily refresh to ensure that there is always a population of ISINs out to 5 or 10 years.

8. Do you believe that the Product Committee’s proposal for the DSB to indicate ToTV/uTOTV would benefit the market? Please explain why

We support the submission made by ISDA.

9. Are there any other workflows in addition to the above that the DSB should accept or provide?

We support the submission made by ISDA.

10. Should the DSB also provide Liquidity/SSTI data in the response to users alongside the ToTV and uToTV flags?

We support the submission made by ISDA.

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\(^4\) Financial products Markup Language, see https://www2.isda.org/functional-areas/technology-infrastructure/fpml/
We appreciate the opportunity to share our views on this subject. Please do not hesitate to contact Andrew Harvey on +44 (0) 203 828 2694, email aharvey@gfma.org, or Fiona Willis on +44 (0) 203 828 2739, email fwillis@gfma.org should you wish to discuss any of the above.

Yours faithfully

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