

**Kathleen Traynor
Futures and Options
Association**

**36-38 Botolph Lane
London EC3R 8DE
United Kingdom**

Ref: Response to the FOA letter on the obligation to report exchange-traded derivatives to trade repositories under EMIR

Dear Kathleen,

We would like to thank you for your letter, dated 29 January 2014. With this response, we would like to inform you on ESMA's views on your concerns raised therein.

With respect to your proposed methodology for creating UTIs for ETD reporting, we trust that your approach has been confirmed in our Q&A¹ published on 11 February 2014. On that occasion, ESMA has indicated that a method for creation of the UTI according to "*a unique code generated independently by both counterparties based on the pre-agreed set of information about the trade [...]*" would be deemed to meet the requirements for reporting under EMIR provided that such code is preceded by the given ESMA prefix. We therefore look forward to see the details of your proposal on this matter.

Concerning the challenges arising from the 20th December Q&A on the interpretation of the Transaction Reference Number, as you rightly pointed out, the new guidance has been introduced to respond to a precise regulatory need to ensure "full traceability". However, it should be recalled that such traceability extends from the point of execution through to the clearing level. It is not our intention to merely link trading behaviour together. We would welcome industry efforts to develop solutions aimed at enabling full traceability; we would nevertheless encourage taking the stated regulatory intention and legal framework into account when develop-

¹ The Q&As are available on ESMA website at the following link: <http://www.esma.europa.eu/content/QA-VI-EMIR-Implementation>



ing such solutions. At the same time, we fully appreciate that it will require a certain amount of time for reporting firms to properly incorporate ESMA's additional guidance into their systems.

Lastly, we thank you for compiling the list of high level issues related with the implementation of the reporting requirements. We trust that some of them have been addressed in our Q&As published on 11 February 2014. With respect to the remaining issues, ESMA will continue to provide necessary guidance to market participants to ensure a convergent application of EMIR and enhance the quality of the data reported.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Buena Ventura'.

Rodrigo Buena Ventura
Head of Markets Division
European Securities and Markets Authority

A handwritten signature in black ink, appearing to read 'Patrick Spens'.

Patrick Spens
Chair of ESMA MDRWG
Financial Conduct Authority