



Mr. David Wright,
Secretary General
International Organization of Securities Commissions (IOSCO)
C/ Oquendo 12
28006 Madrid
SPAIN

29 July 2014

Dear David

Re: Unique Trade Identifier (UTI)

On behalf of the BBA, the BVI, the International Swaps and Derivatives Association, the Investment Management Association, the Global Financial Markets Association and FIA Europe (“the Associations”), we - the Unique Trade Identifier (UTI) steering committee, formed to promote the adoption of a global UTI - are writing to update you on developments around the creation of a global Unique Trade Identifier. Furthermore, we would welcome a meeting between IOSCO and industry to consider how we can work together to secure the endorsement of the Financial Stability Board for a globally consistent trade id construct.

A Global Unique Trade Identifier (G-UTI) has been recognized by various regulators as one of the core identifiers¹ to allow data aggregation on a global basis. In regards to OTC derivatives, by using the Global LEI System as a foundation, the industry’s approach to UTI² will allow for cost effective implementation on a global level, taking into account jurisdiction specific regulatory requirements. With respect to exchange-traded derivatives subject to a reporting obligation in Europe under EMIR, discussions are ongoing to develop a standardized methodology for ETD counterparties to each independently generate an identical UTI using data fields known or shared by each party. This important step could improve matching rates, and avoid having to send a UTI to one’s counterparty, a burden that is particularly problematic given the millions of ETD trades executed every day in Europe.

With industry currently split between inconsistent formats that are either US-based (USI) or European-based (UTI), we are now - with respect to OTC derivatives - looking to promote the adoption of the industry approach as a means of securing greater global consistency. Nowhere is this more important than in Europe, where the European Securities Market Authority has not yet endorsed any industry constructs and industry has consequently struggled to achieve an aligned approach on UTI construction. The current low matching rates for dual sided trade reporting in Europe can, for the most part, be explained by the lack of clear and consistent guidance regarding a standardized UTI construct, a defined method of generation and the subsequent communication of the UTI.

¹Legal Entity Identifier (LEI) and Unique Product Identifier (UPI) are two other crucial global identifiers

²http://www2.isda.org/attachment/NjU5NA==/2014%20Jun%2027%20UTI%20Whitepaper%20v10.3_final.pdf

The Associations very much support the goals of global data aggregation for OTC derivatives to allow for systemic risk management. We firmly believe that the lack of agreement between regulators will defeat this objective. Accordingly, we would like to discuss with you how IOSCO can help in bringing regulators and industry together to work on a global solution.

Thank you for your consideration. Please contact Andrew Rogan of the BBA (Andrew.Rogan@bba.org.uk) should you have any questions, or require further information.

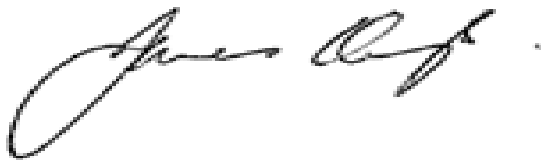
Sincerely,



Sally Scutt
Deputy Chief Executive Officer
BBA



Simon Puleston Jones
CEO
FIA Europe



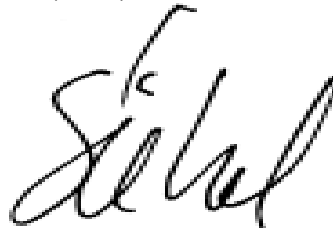
James Kemp
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Head of Data, Reporting and FpML
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