

29 August 2014

Laurence White
Senior Manager, OTC Derivatives Reform
Financial Market Infrastructure
Australian Securities and Investments Commission
GPO Box 9827
MELBOURNE VIC 3001

Email: OTCD@asic.gov.au

Dear Mr White,

Re: Consultation Paper 221: OTC derivatives reform: Proposed amendments to ASIC Derivative Transaction Rules (Reporting) 2013

The Australian Institute of Superannuation Trustees is a national not-for-profit organisation whose membership consists of the trustee directors and staff of industry, corporate and public-sector funds.

As the principal advocate and peak representative body for the \$600 billion not-for-profit superannuation sector, AIST plays a key role in policy development and is a leading provider of research.

AIST wishes to express its support for Option 2 as set out on the consultation paper (CP 221). Our comments in relation to this proposal will be kept largely at a high level, however we have some feedback with respect to a number of the measures contained in that option.

AIST also supports proposal B1, where the ability for a reporting entity to report on a snapshot basis is to be supported. We believe that providing each option will enable flexible solutions to be utilised by reporting entities.

We support the proposal at B5, where a prescribed trade repository is to be utilised in the instance that a trade repository is not yet licensed as at the date that Phase 3A is due to come into effect. This is a pragmatic and sensible proposal; however we will continue to closely follow licensing developments of a trade repository in Australia.

AIST also supports the removal of the requirement for ABNs, as this is also a sensible requirement.

Finally, we support and endorse the 'safe harbour' provided for entities that delegated reporting. However, we believe that this could be improved by the approval of one-sided reporting that could be provided by the counterparty supplying derivative instruments to the reporting entity.

We believe that this would add value to such commercial relationships, and ensure that red tape was reduced, rather than expecting both parties to report.

If you have any further questions regarding this submission, please contact Richard Webb, Policy & Regulatory Analyst on

Yours sincerely,

Tom Garcia
Chief Executive Officer