

03 September 2014

Laurence White
Senior Manager, OTC Derivatives Reform
Financial Markets Infrastructure
Australian Securities and Investments Commission
MELBOURNE VIC 3001

Lodged by email only to: OTCD@asic.gov.au

Dear *Laurence,*

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

The Australian Custodial Services Association ("ACSA") is the peak industry body representing members of Australia's custodial and administrator sector. Collectively, the members of ACSA hold securities and investments in excess of AUD\$1.8 trillion in value in custody and under administration.

1. We welcome the opportunity to make a submission to the Consultation Paper 221 OTC derivatives reform: Proposed amendments to ASIC Derivative Transaction Rules (Reporting) 2013 (July 2014) (the Consultation Paper).
2. The membership of ACSA has no obligation to report OTC derivative transactions under the ASIC Derivative Transaction Rules (Reporting) 2013 (the Transaction Rules).
3. In relation to the subject matter of the Consultation Paper, ACSA has as its main focus, proposals related to the provision of delegated reporting.
4. A potential commercial opportunity exists for the ACSA membership to consider the provision of delegated reporting for its clients.
5. An impediment to the provision of delegated reporting by custodians is that we generally do not have access to the full range of mandatory data required to be reported under the Transaction Rules.

6. Reducing the scope of the mandatory data to be reported under the Transaction Rules for Phase 3A and Phase 3B reporting entities (our clients) will reduce the challenges faced by custodians in providing delegated reporting.
7. Alignment of the mandatory data requirements under the Transaction Rules for Phase 3A and phase 3B reporting entities (our clients) to the data requirements in other jurisdictions (e.g. EMIR in Europe) will also reduce the challenges faced by custodians in providing delegated reporting.
8. The ACSA membership is supportive of proposal D1 of the Consultation Paper to provide a 'safe harbour' from enforcement action on the basis that its members in providing delegated reporting are also exempt from any enforcement action as was indicated by ASIC during the Wealth Management Derivatives Forum meeting conducted on Thursday 14th August 2014.
9. We do not have any comments on any of the other proposals made in the Consultation Paper.

Thank you for the opportunity to make this submission. If you have any questions on our submission, please contact Daniel Cheever on

Yours sincerely

David H Braga
ACSA Chair