

15 March 2021

Craig McBurnie
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Australian Securities and Investments Commission
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By e-mail: otcd@asic.gov.au

Dear Mr McBurnie,

Submission on ASIC Consultation Paper 334 – Proposed changes to simplify the ASIC Derivative Transaction Rules (Reporting): First consultation

Thank you for the opportunity to make comments in response to ASIC's Consultation Paper 334 – Proposed changes to simplify the ASIC Derivative Transaction Rules (Reporting): First consultation ("CP334").

Background

The London Stock Exchange Group ("LSEG") is a financial market infrastructure provider, headquartered in London, with significant operations in Europe, North America and Asia. LSEG operates UnaVista, a rules-based data matching and validation service, available globally and designed to manage multiple workflows irrespective of market, geography and asset class. UnaVista Ltd is an authorised and regulated Trade Repository ("TR") under the United Kingdom ("UK") implementation of Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories ("EMIR"), operating across all asset classes for both exchange traded derivatives and OTC derivatives; and an Approved Reporting Mechanism under the UK Markets in Financial Instruments Directive ("MiFID") regime.

LSEG also operates multiple clearing houses. It has majority ownership of the multi-asset global central counterparty ("CCP") operator, LCH Group which has two licensed CCP subsidiaries – LCH Limited ("LCH") in the UK and LCH S.A. in France. Both are leading multi-asset class and international clearing houses, serving major international exchanges and platforms as well as a range of OTC markets. They clear a broad range of asset classes, including securities, exchange-traded derivatives, commodities, foreign exchange derivatives, interest rate swaps, credit default swaps and euro, sterling and US dollar denominated bonds and repos.

As a CCP incorporated in the UK (where its principal place of business is located), LCH is primarily regulated by the Bank of England. In the UK, LCH is a Recognised CCP under the UK Financial Services and Markets Act 2000; and in the European Union ("EU"), recognised as a third country CCP under EMIR. LCH is also regulated in Australia, Canada (Ontario and Québec), Hong Kong, Japan, Mexico, Singapore, Switzerland and the United States, permitting it to respectively operate relevant CCP services.

In Australia, section 824B(2) of the Corporations Act 2001 ("Corporations Act") provides licensing for an overseas based clearing and settlement ("CS") facility subject to requirements and supervision in its home country that are considered sufficiently equivalent to those in Australia. LCH holds such a license – an Australian CS facility license ("CS Facility License") granted under section 824B(2) of the Corporations Act as an overseas based CS facility. LCH's CS Facility License permits it to operate the SwapClear service (OTC interest rate and inflation rate derivatives) in Australia. Accordingly, LCH is subject to the Australian OTC transaction reporting regime.

General Comments

It is noted under page seven of CP334, that 'international standards have been developed for entity identifiers, transaction identifiers, product identifiers and common data elements for transaction terms and valuation and collateral information; and that several overseas regulators have made proposals and/or finalised rules to implement these standards'.

LCH welcomes ASIC's work to implement these internationally harmonised standards and generally supports ASIC's proposals in CP334 on standardisation. Overall, LCH encourages:

- collaboration between regulators to ensure a consistent set of reporting requirements between different jurisdictions (variations between different regulatory regimes introduce unnecessary complexity and cost);
- proposed implementation timetabling to follow a similar approach to other jurisdictions and should be considered with contingency in mind. A review of delivery dates should be conducted ahead of go-live to enable the provision of feedback on implementation including limitations and feasibility;
- avoidance of unnecessary burden on industry participants as they are currently working on various other reporting initiatives and timetabling will overlap these other regulatory changes;
- further communication on ASIC's work including updates and FAQs, to provide clarity and to assist in planning.

Specific Comments

The following Annexure reflects LCH's specific comments to ASIC's proposals in CP334.

Please do not hesitate to contact me if you would like to discuss this submission.

Yours faithfully,



Julian Oliver
Chief Compliance Officer
LCH Limited

Annexure: LCH specific comments to ASIC CP334 proposals.

ASIC Proposal	ASIC Question	LCH Specific Comments
<p>C1: We propose to set out the UTI structure and format in a technical specification and the text of UTI rules for transaction events in the ASIC Rules.</p>	<p>C1Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Agreed.</p>
	<p>C1Q2: Do you consider that the UTI Guidance concerning the impact of the transaction events on the UTI is sufficiently clear or are there uncertainties that we should take into account when drafting the text for the ASIC Rules? In your response, please give detailed reasons for your answer.</p>	<p>LCH welcomes harmonisation with CPMI-IOSCO technical standards and UTI guidance on lifecycle events. LCH also welcomes alignment with EMIR and MiFIR to ensure consistency and reduce cost of implementation for both firms and TRs.</p> <p>Guidance should specify for both trade UTI and position UTI which events result in a new UTI generated and a detailed example of how to report each lifecycle event resulting in a new UTI or cases where it is expected that the UTI remains the same. Additionally, worked examples for transaction and position level reporting as well as clarity on when a new UTI is required would be very useful.</p> <p>LCH is planning to report using this UTI for all transaction reporting obligations where applicable. LCH would like to raise that the use of a UTI which is reported to all major if not all global regions, is only possible if validation rules allow for the re-use of UTIs where the UTI has been terminated in error. ESMA has proposed a workflow to allow the retraction of errors which would allow an incorrect termination to be removed, reviving the UTI. LCH kindly requests that ASIC adopt the same approach. Under the current validation rules, new UTIs are required to be regenerated in the example of a mistake, this would then result in resubmissions globally.</p>
<p>C2: We propose to implement UTI Guidance step 1 (CCP), UTI Guidance step 2 (clearing member) and UTI Guidance step 3 (trading platform) as steps 1, 2 and 3 respectively in the ASIC Rules for UTI generation and reporting.</p>	<p>C2Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>LCH agrees with the proposed allocation of UTI generation responsibility, which provides clarity for CCPs.</p>
	<p>C2Q2: Do you consider that, in addition to uncertainties about the globally common recognition, for UTI rules' purposes, of CCPs, clearing members and trading platforms and the</p>	<p>No comment.</p>

	<p>manner and timing of implementing UTI generation obligations, there are other uncertainties or implementation risks in relation to implementing these steps 1, 2 and 3 as UTI rules within the ASIC Rules? In your response, please give detailed reasons for your answer.</p>	
<p>C3: In principle, we propose to implement the elements of Table 4 as the steps of UTI rules for single-jurisdictional transactions within the ASIC Rules. As these steps are intended to align with the EU rules, our proposal is subject to the final EU rules.</p>	<p>C2Q3: Do you consider that, in addition to considering temporary exemptions for jurisdictional implementation timing differences, there are other steps that ASIC could take or other provisions or exemptions that ASIC could consider to resolve or minimise the uncertainties or implementation risks? In your response, please give detailed reasons for your answer.</p>	<p>LCH supports the temporary exemption from the requirement to report a UTI generated by a CCP that is not subject to UTI generation obligations in its home jurisdiction. LCH otherwise has no comment.</p>
	<p>C3Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>C3Q2: Do you consider that either option 1 or option 2 or both should not be adopted in the ASIC Rules? In your response please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>C3Q3: Noting that the proposal would not include the step of a UTI generator determination by agreement between the counterparties under option 2, do you consider that this form of UTI generator determination should be a step in the UTI rules within the ASIC Rules? In your response please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>C3Q4: Noting that the proposal focuses on aligning with the final EU rules, do you consider there are other specific jurisdictions where aligning with UTI rules should be of greater focus? In your response please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>C3Q5: Do you consider there are combinations of types of counterparties to a single-jurisdictional transaction where the UTI generator may not be determinable or would determine the UTI generator as a type of counterparty that is not your preferred UTI generator outcome? In your response please give detailed reasons for your answer.</p>	<p>Not applicable.</p>

	C3Q6: Do you have any other comments about the proposal?	Not applicable.
C4: We are not making a formal proposal in relation to a UTI cross-jurisdictional test at this time but we seek your feedback as set out below.	C4Q1: Do you consider that the approach outlined in paragraphs 103–107 would assist in clarifying the determination of a UTI generator? In your response, please give detailed reasons for your answer.	Not applicable.
	C4Q2: Do you consider that the capacity in which a counterparty is acting should include any status information that would overarchingly impact on a UTI generator determination? In your response, please give detailed reasons for your answer.	Not applicable.
	C4Q3: Do you consider there are significant impediments for you in obtaining such capacity information from your counterparties or conveying such capacity information to them? In your response, please give detailed reasons for your answer.	Not applicable.
	C4Q4: Do you consider there are particular transaction circumstances (such as counterparty domicile/branch location/status combinations) where the approach outlined in paragraphs 103–107 would not assist in clarifying how to determine a UTI generator? In your response, please give detailed reasons for your answer.	Not applicable.
	C4Q5: Do you have any other comments about the approach outlined in paragraphs 103–107?	Not applicable.
C5: We are not making a formal proposal in relation to a method for determining the jurisdiction with the sooner deadline for reporting at this time but we seek your feedback as set out below.	C5Q1: Do you consider there is uncertainty in how the UTI Guidance's 'sooner deadline for reporting' test is interpreted? In your response, please give detailed reasons for your answer.	Not applicable.
	C5Q2: Do you consider we have correctly identified the possible interpretations? In your response, please give detailed reasons for your answer.	Not applicable.
	C5Q3: Do you have a preferred single interpretation? In your response, please give detailed reasons for your answer.	Not applicable.
	C5Q4: Do you have any other comments about this issue?	Not applicable.
C6: In principle, we propose that the UTI generator rules for a cross-jurisdictional transaction are the same rules as for a single-jurisdictional transaction.	C6Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.	Not applicable.

	<p>C6Q2: Do you agree that the above rules will provide the same UTI generator outcome in a transaction between an Australian entity and an EU financial counterparty, whether under the ASIC Rules or the ESMA proposals for EU rules? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>C6Q3: Do you agree that there can be the outcome (described in paragraph 134) that an EU non-financial counterparty is the UTI generator in a transaction with an Australian reporting entity but not in a transaction with an EU financial counterparty? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>C6Q4: Do you consider there are other particular transaction circumstances (such as counterparty domicile/branch location/status/jurisdictional combinations) where there may be similar differences in a UTI generator outcome? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>C6Q5: Do you have any other comments about the proposal?</p>	<p>Not applicable.</p>
<p>C7: We are not making a formal proposal for 'special purpose' rules as discussed at paragraphs 135–139 at this time but we seek your feedback as set out below.</p>	<p>C7Q1: Do you consider there is merit in considering a 'special purpose' rule that would, in effect, deem the CFTC to be the sooner jurisdiction in all such cross-jurisdictional transactions? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>C7Q2: Do you consider there are particular transaction circumstances (such as counterparty domicile/branch location/status/jurisdictional combinations) where there may be unintended complexities or conflicts with other jurisdictions' rules under this approach? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>C7Q3: Do you consider there may be other cross-jurisdictional situations which may also merit a 'special purpose' UTI rule? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>C7Q4: Do you have any other comments about this issue?</p>	<p>Not applicable.</p>

<p>C8: In principle, we propose to provide for an ultimate determinant as per the UTI Guidance.</p>	<p>C8Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
<p>C9: We intend to propose that the ASIC Rules require that ASIC reporting entities, when acting as a UTI generator, generate a UTI and provide it to their counterparty with an obligation of timeliness.</p>	<p>C9Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Agreed.</p>
	<p>C9Q2: Do you consider that an obligation of timeliness should refer to a fixed deadline (e.g. T+1, 12:00 a.m. Sydney) or as an amount of time after transaction execution (e.g. 12 hours) or as another timeliness reference? In your response, please give detailed reasons for your answer.</p>	<p>Generally, a set time is preferable to a variable time based on the market close. The reason is that a set time is easier to create controls in order to prevent or detect a compliance breach of any new specific timing rules on CCP UTI dissemination.</p> <p>LCH welcomes the reference to a fixed deadline and LCH proposes by midnight on T+1 or a minimum of 24hrs. This is based on the existing primary process of providing UTI to counterparts via our End of Day reporting. Although intraday reporting and APIs are available, LCH does not mandate the use. Mandating use of these would increase cost and burden for our membership. LCH also kindly requests that a time is published in UTC.</p>
	<p>C9Q3: Do you consider there should be different obligations of timeliness for single-jurisdictional transactions and cross-jurisdictional transactions? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
<p>C10: We may propose in the second round of consultation that the ASIC Rules include requirements on reporting entities to report their own UTI when they do not receive the UTI from the other UTI generator and to re-report using that second UTI when it is received.</p>	<p>C10Q1: Do you agree that we should propose such requirements? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>C10Q2: What are the kinds of requirements that you consider we should take into account when drafting such a proposal? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
<p>E1: We propose to include in the ASIC Rules the data elements related to dates and timestamps set out in Table 7.</p>	<p>E1Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Agreed.</p>
	<p>E1Q2: In relation to 'effective date', do you consider that: (a) there is a need to clarify the meaning of 'effective date';</p>	<p>LCH welcomes a definition for 'effective date' that adopts the CDE definition.</p>

	<p>(b) there are particular types of transactions for which determining 'effective date' is problematic; or (c) in the absence of a determinable 'effective date', 'execution timestamp' should be reported instead? In your response, please give detailed reasons for your answer.</p>	<p>LCH would like to take this opportunity to bring to ASIC's attention the fact that the reporting of execution timestamp at position level proves challenging for the industry. Firms usually compress several trade level reports with individual execution timestamps into a single position for in-house post trade risk reduction strategies. Although there may be prerequisites for reporting at position level, firms often face challenges to agree on how to report at position level prior to doing so with direct impact on matching rates. Finally, a tolerance of one-hour for the reconciliation of this field would prevent the detection of reporting issues due to seasonal time changes. UnaVista recommends a tolerance of below one hour. LCH believes clarification is required on execution timestamp for cleared trades (trade reporting) as being the clearing timestamp, currently there is space for interpretation leading to breaks.</p>
	<p>E1Q3: Do you agree that 'event timestamp' should be a timestamp data element and not a date data element? In your response, please give detailed reasons for your answer.</p>	<p>Further clarification required on whether CCPs will need to give detail of 'event type' and if so which type.</p> <p>Although not strongly against this proposal, LCH does foresee issues. Historically timestamps are not shared or agreed from party to party, which would probably lead to deviation and confusion in the market. For example, trade date, effective date, termination date, expiry date and novation date.</p>
	<p>E1Q4: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 7? In your response, please give detailed reasons for your answer.</p>	<p>Subject to clarification on 'event types' no further concerns at this time.</p>
<p>E2: We propose to include in the ASIC Rules the data elements related to counterparties and beneficiaries set out in Table 8.</p>	<p>E2Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Agreed.</p>
	<p>E2Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 8? In your response, please give detailed reasons for your answer.</p>	<p>Country of Counterparty 2, if the private individual is a non-domicile, how can this be reported? Nature of Counterparty 2, solution for this would need to be agreed with the data repositories, but if ESMA have a different list to ASIC, then LCH foresees an issue with the current approach of reporting one record to</p>

		be used for both obligations. If a solution cannot be found, this would lead to further duplicative reporting and additional cost and burden. LCH seeks clarification on Broker ID and Agent. In both instances, reference is made in relation to Party 1. Under submissions made by LCH, LCH will be Party 1, but there may be brokers or agents related to Party 2, would these be omitted?
	E2Q3: In relation to 'reporting entity', do you consider that this should be reported in all circumstances or only reported where it is a different entity to 'counterparty 1 (reporting counterparty)?	LCH agrees it is duplication in most scenarios but there is little burden on reporting this field and would recommend an approach which best harmonises with other regulations.
E3: We propose to include in the ASIC Rules the data elements for 'direction' that make the same elections as proposed by ESMA—that is, the data elements 'Direction 1', 'Direction 2 —Leg 1' and 'Direction 2—Leg 2': see Table 10.	E3Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.	Agreed.
	E3Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 10? In your response, please give detailed reasons for your answer.	Further clarifications, including an extensive list of instruments, would be helpful to understand impact to our products.
E4: We propose to include in the ASIC Rules the data elements related to clearing, trading, confirmation and settlement set out in Table 11.	E4Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.	Agreed.
	E4Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 11? In your response, please give detailed reasons for your answer.	LCH does not see an issue with the proposal.
E5: We propose to include in the ASIC Rules the data elements related to regular payments set out in Table 12.	E5Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.	Agreed.
	E5Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements in Table 12? In your response, please give detailed reasons for your answer.	LCH does not see particular difficulties related to the proposal for reporting the data elements related to the regular payments.
E6: We are considering a proposal, in the second round of consultation, to include in the ASIC Rules the data elements related to the floating rate reset frequency set out in Table 13.	E6Q1: Do you agree that we should consider a proposal, in the second round of consultation, to include these data elements in the ASIC Rules? In your response, please give detailed reasons for your answer.	Agreed.
	E6Q2: For transactions where the frequency of resets of the floating rate differ from the frequency	LCH's initial observation is that the scenario is rare to non-existent but this may be different post LIBOR transition to RFR.

	<p>of the reference rate itself, please provide feedback about:</p> <p>(a) the incidence of these types of transactions in your own dealings; and</p> <p>(b) whether other data elements—for example, payment frequency—could be relied on, in all cases or in most cases or in few cases, to infer the 'floating rate reset frequency (period/period multiplier)'.</p>	
	<p>E6Q3: Do you consider that you will have particular interpretation or implementation issues with the data elements in Table 13? In your response, please give detailed reasons for your answer.</p>	<p>Not at this time, but this will be investigated in more detail during the second round.</p>
<p>E7: We propose to include in the ASIC Rules the data elements related to valuation set out in Table 14.</p>	<p>E7Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Agreed.</p>
	<p>E7Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements in Table 14? In your response, please give detailed reasons for your answer.</p>	<p>Further confirmation of acceptable sources and methods.</p>
<p>E8: We propose to include in the ASIC Rules the data elements related to collateral and margins set out in Table 15.</p>	<p>E8Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Agreed.</p>
	<p>E8Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 15? In your response, please give detailed reasons for your answer.</p>	<p>No comment.</p>
<p>E9: We do not propose to include in the ASIC Rules the data elements related to counterparty rating triggers set out in Table 16.</p>	<p>E9Q1: Do you agree with this proposal? If not, please give detailed reasons for your answer.</p>	<p>If included, it would be unclear whether a CCP's risk management process counts as "counterparty rating trigger indicator" or how this would work in practice with the threshold trigger. Hence further clarity would be needed.</p>
<p>E10: We propose to include in the ASIC Rules the data elements related to prices set out in Table 18.</p>	<p>E10Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Agreed.</p>
	<p>E10Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements in Table 18? In your response, please give detailed reasons for your answer.</p>	<p>Not at this time.</p>
<p>E11: We are considering proposing, in the second round of consultation, to include in the ASIC Rules</p>	<p>E11Q1: Do you agree that we should consider a proposal, in the second round of consultation, to</p>	<p>Agreed.</p>

the data elements related to prices set out in Table 19.	include these data elements in the ASIC Rules? In your response, please give detailed reasons for your answer.	
	E11Q2: For transactions involving 'price schedules' or 'strike price schedules', please provide feedback about: (a) the incidence of such types of transactions in your own dealings; and (b) whether you prefer to provide this information in your initial transaction report as a 'schedule' rather than reporting the changes according to the 'schedule' in subsequent transaction reports.	Swaps with a schedule of fixed rate, notional or spread is a common occurrence. LCH currently reports amendments once a schedule is effective. LCH is happy to accommodate a change in method but LCH kindly requests the reporting method be kept in line with the EMIR requirements to avoid duplication.
	E11Q3: For transactions where 'first exercise date' would be reported as a value that is not otherwise reported in another data element, please provide feedback about the incidence of such types of transactions in your own dealings and any other feedback.	LCH kindly requests clarification and examples.
	E11Q4: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 19? In your response, please give detailed reasons for your answer.	Other than 'first exercise date', not at this time.
E12: We propose to include in the ASIC Rules the data elements related to notional amounts and quantities set out in Table 20.	E12Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.	Agreed.
	E12Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 20? In your response, please give detailed reasons for your answer.	LCH would welcome further clarification regarding the reporting of 'total notional quantity'.
	E12Q3: Do you consider that the identification of which currency data elements are the call option/put option data elements in a foreign exchange option could, or should, be simplified by, for example, only specifying the call currency? In your response, please give detailed reasons for your answer.	As the currency of Put and Call can be different for FX on one single transaction, LCH recommends both fields remain.
E13: We are considering proposing, in the second round of consultation, to include in the ASIC Rules the data elements related to notional quantities set out in Table 21.	E13Q1: Do you agree that we should consider a proposal, in the second round of consultation, to include these data elements in the ASIC Rules? In	Agreed. LCH believes the upfront approach, based on a repeatable section of fields in the context of a single

	<p>your response, please give detailed reasons for your answer.</p>	<p>report, to be preferable, as it would reduce information redundancies and consequently foster the quality of reporting.</p> <p>LCH currently reports notional schedules changes as modifications so there would be a cost in changing.</p>
	<p>E13Q2: For transactions involving 'notional quantity schedules', please provide feedback about: (a) the incidence of such types of transactions in your own dealings; and (b) if the relationship between quantity, price and notional can be relied on to infer a 'notional quantity schedule' from a 'notional amount schedule; and (c) whether you prefer to provide this information in your initial transaction report as a 'schedule' rather than reporting the changes according to the 'schedule' in subsequent transaction reports.</p>	<p>Swaps with a schedule of fixed rate, notional or spread is a common occurrence. LCH currently reports amendments once a schedule is effective. LCH is happy to accommodate a change in method but LCH kindly requests the reporting method be kept in line with the EMIR requirements to avoid duplication.</p>
	<p>E13Q3: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 21? In your response, please give detailed reasons for your answer.</p>	<p>No comment.</p>
<p>E14: We propose to include in the ASIC Rules the data elements related to CDS index transactions set out in Table 22.</p>	<p>E14Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>E14Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 22? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
<p>E15: We propose to include in the ASIC Rules the data elements related to other payments set out in Table 23.</p>	<p>E15Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Agreed.</p>
	<p>E15Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 23? In your response, please give detailed reasons for your answer.</p>	<p>LCH seeks clarification and examples of how more than one other payment type may be reported.</p>

<p>E16: We propose to include in the ASIC Rules the data elements related to packages and links set out in Table 24.</p>	<p>E16Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Agreed.</p>
	<p>E16Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 24? In your response, please give detailed reasons for your answer.</p>	<p>Inclusion of 'prior UTI' functionality would have cost implications for CCPs as new functionality would need to be developed and implemented to include in reporting.</p> <p>With regards to 'prior UTI' and 'event identifier', LCH kindly requests clarification of events which would require these IDs to be populated.</p>
<p>E17: We propose to include in the ASIC Rules the data elements related to custom baskets set out in Table 25.</p>	<p>E17Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>E17Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 25? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
<p>E18: We are considering proposing, in the second round of consultation, to include in the ASIC Rules the data elements related to custom baskets set out in Table 26.</p>	<p>E18Q1: Do you agree that we should consider a proposal, in the second round of consultation, to include these data elements in the ASIC Rules? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
	<p>E18Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 26? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
<p>E19: We propose to include in the ASIC Rules the non-CDE data elements set out in Table 27.</p>	<p>E19Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Agreed.</p>
	<p>E19Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 27? In your response, please give detailed reasons for your answer.</p>	<p>LCH is supportive of reporting UPI once it is available. No further comment on other attributes.</p>

<p>E20: We are considering proposing, in the second round of consultation, to include in the ASIC Rules the other non-CDE data elements set out in Table 28.</p>	<p>E20Q1: Do you agree that we should consider a proposal, in the second round of consultation, to include these data elements in the ASIC Rules? In your response, please give detailed reasons for your answer.</p>	Agreed.
	<p>E20Q2: Do you consider that you will have particular interpretation or implementation issues with the data elements set out in Table 28? In your response, please give detailed reasons for your answer.</p>	No comment.
<p>E21: We propose to develop and prescribe technical specifications to the ASIC Rules as a writing that is applied under the ASIC Rules as in force or existing from time to time.</p>	<p>E21Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	Agreed.
	<p>E21Q2: Do you suggest that we should model the form of a technical specification on one or more existing technical specification related to transaction reporting? In your response, please give detailed reasons for your answer.</p>	<p>ASIC should be aware that moving to a new reporting format would mean firms taking on costs and operational risk. Additionally, LCH believes that regulators should ensure consistency across reporting regimes to avoid unnecessary compliance and IT costs.</p> <p>LCH kindly requests that ASIC closely align with the EMIR RTS/ITS as both are dual sided. In order to avoid unnecessary cost LCH would like to continue with the existing model of one submission to fulfil both EMIR and ASIC obligations.</p>
<p>F1: We propose to amend the ASIC Rules to: (a) require that entity identifiers must be valid and duly renewed LEIs (other than for entities that are natural persons not acting in a business capacity); and (b) require that transactions that have been reported with entity identifiers that are not valid and duly renewed LEIs have their transaction information updated to include a valid and duly renewed LEI.</p>	<p>F1Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	Agreed.
	<p>F1Q2: Do you consider that you will have particular interpretation or implementation issues with the proposed LEI requirements? In your response, please give detailed reasons for your answer.</p>	<p>How will this work in practice? Clarity is required around who is obligated to update the LEI and within what timeframe.</p> <p>LCH has concerns that if a counterparty's LEI became lapsed due to a missed renewal date or similar level issue, LCH will not be able to fulfil its reporting obligations and will have little power to renew the LEI itself. Further, LCH does not think that</p>

		if the LEI was renewed by the counterparty, that an update would be reflected in a timely manner to allow LCH to resubmit within the required timelines.
<p>F2: We propose to repeal section 6 'Exemption 2 (Entity Information)' and section 6B 'Exemption 2B (Joint Counterparties)' of ASIC Corporations (Derivative Transaction Reporting Exemption) Instrument 2015/844 in relation to reporting entities other than reporting entities that are foreign subsidiaries of Australian reporting entities.</p>	<p>F2Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	Not applicable.
	<p>F2Q2: Do you consider that you will have particular interpretation or implementation issues with the proposed LEI requirements? In your response, please give detailed reasons for your answer.</p>	Not applicable.
<p>G1: We propose to amend the ASIC Rules to: (a) exclude from meaning of a reportable transaction a transaction for spot settlement, with specific rules text to be proposed in the second round of consultation; (b) exclude from the meaning of an OTC derivative those derivatives that fall within a generic definition of an exchange-traded derivative, with specific rules text to be proposed in the second round of consultation.</p>	<p>G1Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	Agreed.
	<p>G1Q2: Do you consider that the Singapore and Hong Kong definitions for a spot contract are an appropriate basis for an equivalent definition in the ASIC Rules? Are there other definitions that you consider we should also take into account? In your response, please give detailed reasons for your answer.</p>	No comment.
	<p>G1Q3: Do you consider that the existing generic definition in the exemption is an appropriate basis for an equivalent definition in the ASIC Rules? Are there other definitions that you consider we should also take into account? In your response, please give detailed reasons for your answer.</p>	No comment.
	<p>G1Q4: Do you consider that the design of this exclusion should include 'avoidance of doubt' references to certain classes of financial markets, a requirement to notify ASIC of financial markets that a reporting entity considers trades exchange-trade derivatives and/or a form of 'disallowance' determination that empowers ASIC to determine that certain derivatives are not exchange-traded derivatives? In your response, please give detailed reasons for your answer.</p>	No comment.

<p>G2: We propose to amend the ASIC Rules to: (a) ensure that transactions with Australian retail clients are reportable transactions with specific rules text to be proposed in the second round of consultation; and (b) to clarify the scope of reporting for foreign subsidiaries of Australian entities with specific rules text to be proposed in the second round of consultation.</p>	<p>G2Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.</p>	<p>Not applicable.</p>
<p>H1: In this first consultation we seek to gather information about the scope and practices of reporting entities undertaking alternative reporting in order to better inform any future proposals we may make in relation to alternative reporting in the second round of consultation.</p>	<p>H1Q1: We request that reporting entities that are current users of alternative reporting identify themselves to us and engage in discussion with us about their alternative reporting practices. In particular: (a) to which ASIC prescribed repository do you report? (b) how do you 'designate' the reporting as information that has been reported under the ASIC Rules?</p>	<p>LCH currently identify all parties with an LEI, unless the counterparty is an individual.</p>
<p>H2: In principle, we consider the most effective approach to addressing our concerns in relation to delegated reporting is to amend the ASIC Rules to remove the 'safe harbour' provisions and revert to reporting entities having responsibilities for reporting as otherwise set out in the ASIC Rules.</p>	<p>H2Q1: In this first consultation we seek to gather information about the practices of reporting entities in overseeing their delegates in order to better inform any future proposals we may make in relation to delegated reporting in the second round of consultation. In particular: (a) What are the specific processes and practices that you rely on to determine if the delegate is complying with the terms of the delegation agreement and to ensure that complete, accurate and current reporting is being carried out on your behalf?</p>	<p>Not applicable.</p>
<p>I1: We propose to clarify in the ASIC Rules that the deadline for reporting for the purposes of the UTI rules within the ASIC Rules is a singular time referring to Sydney time.</p>	<p>I1Q1: Do you agree with our proposal to clarify the deadline for reporting for the purposes of the UTI rules within the ASIC Rules? In your response, please give detailed reasons for your answer.</p>	<p>Agreed.</p>
	<p>I1Q2: Do you consider there should be a single deadline for reporting that is applicable to both the UTI rules and the actual reporting obligation? In your response, please give detailed reasons for your answers.</p>	<p>LCH believes that UTC time suits better for the purpose of reporting. Local time reporting would add elements of complexity (especially for cross-border trades), possibly leading to inconsistencies between reports and consequent reconciliation failures.</p>

		Moreover, it would not foster the quality of the report.
	I1Q3: Do you consider that such a singular time should be expressed as a precise time such as 11.59 pm or as the end of the day? In your response, please give detailed reasons for your answers.	LCH's preference is for a singular time and should be expressed as a precise time such as 11.59, as this would lead to less ambiguity.
I2: We are considering a proposal in the second round of consultation to amend the ASIC Rules to require lifecycle reporting for all reportable transactions.	I2Q1: Do you agree that we should propose such requirements? In your response, please give detailed reasons for your answer.	Agreed.
	I2Q2: Do you consider that you will have particular interpretation or implementation issues with 'lifecycle reporting' for all reportable transactions? In your response, please give detailed reasons for your answer.	LCH kindly seeks clarification and examples of each lifecycle expected to be reported.
I3: We propose to repeal or amend the relevant outdated provisions of the ASIC Rules	I3Q1: Do you agree with this proposal? In your response, please give detailed reasons for your answer.	Agreed.