

A SUMMARY OF BARCLAYS' RESPONSE TO THE EUROPEAN COMMISSION PUBLIC CONSULTATION ON REGULATION (EU) No 648/2012 ON OTC DERIVATIVES, CENTRAL COUNTERPARTS AND TRADE REPOSITORIES

Barclays submitted a response to this consultation on 13 August 2015

Barclays responded directly to the EC, as well as feeding into and endorsing the responses from the International Swaps and Derivatives Association (ISDA) and the Futures Industry Association, Europe (FIA-Europe).

Some of our key Operational issues raised in the responses were:

- *Trade Reporting*: that the current dual-sided reporting framework has fallen short of its goal of providing regulators with accurate data that will allow them to effectively assess systemic risk. Instead, it is proposed that the adoption of a single-sided reporting regime would significantly reduce the operational complexity of the current framework and the burden for less sophisticated entities to report, which would lead to a vast improvement in the availability of accurate data for regulators
- *Risk Mitigation – Confirmations*: that although FAQs have stated the confirmation rules are not hard deadlines, it remains unclear how firms can consider themselves compliant, and further the requirement to confirm derivatives contracts within two days is a very short period for NFC-clients.

Instead, it is proposed that the confirmation rules for trades facing NFCs be amended to a deadline to despatch confirmations (rather than to reach formal agreement), allowing firms to have policies and procedures in place designed to achieve two-way agreement by T+2.