



REGIS-TR

EUROPEAN TRADE REPOSITORY

Risk Firms
25 of the
Future

REGIS-TR – the first European Trade Repository for Derivatives

AMEDA - Kuwait

27./28. November 2012

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- 1. Derivatives Regulations – Global approach, regional specificities**
- 2. Overview of the merits of domestic TR solutions**
- 3. What REGIS-TR can offer**



Financial Authorities' needs are applicable globally

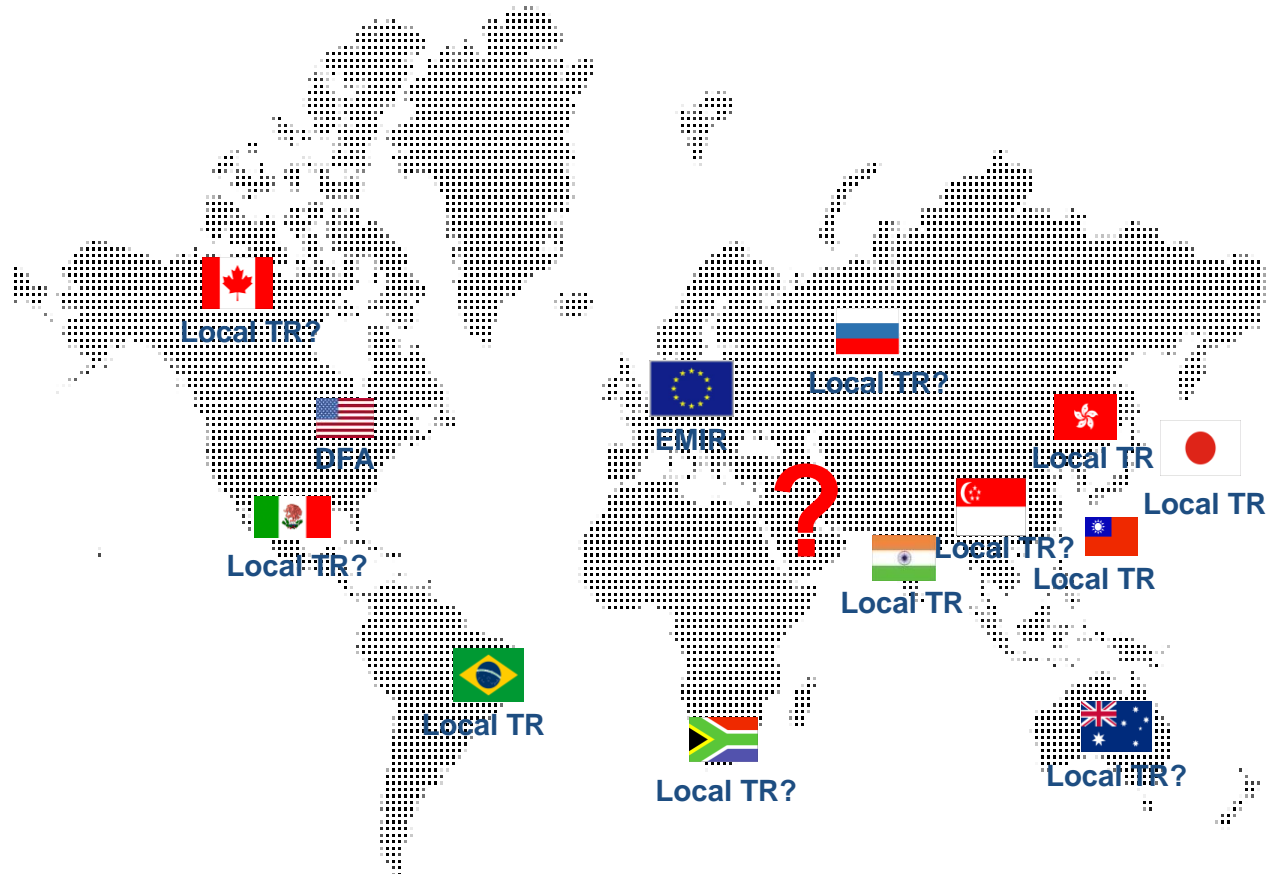
- Assessing systemic risk and financial stability
- Market surveillance and enforcement
- Supervision of market participants
- Conducting of market guiding activities

Reporting on financial transactions to TRs need to be sufficiently broad in its scope to cover Authorities' objectives



Trade Repository Map worldwide – Status Fall 2012

Global Derivative Regulations – aligned and harmonized?





DFA vs EMIR*: High-level comparison of two major regulations

Dodd-Frank Act

OTC derivatives

Real-time reporting

Single-sided reporting

One reporting counterparty

Different sequences of information

November 2012

EMIR

OTC and listed derivatives

Reporting T+1

Double-sided reporting

Optional delegation

Single sequence of information

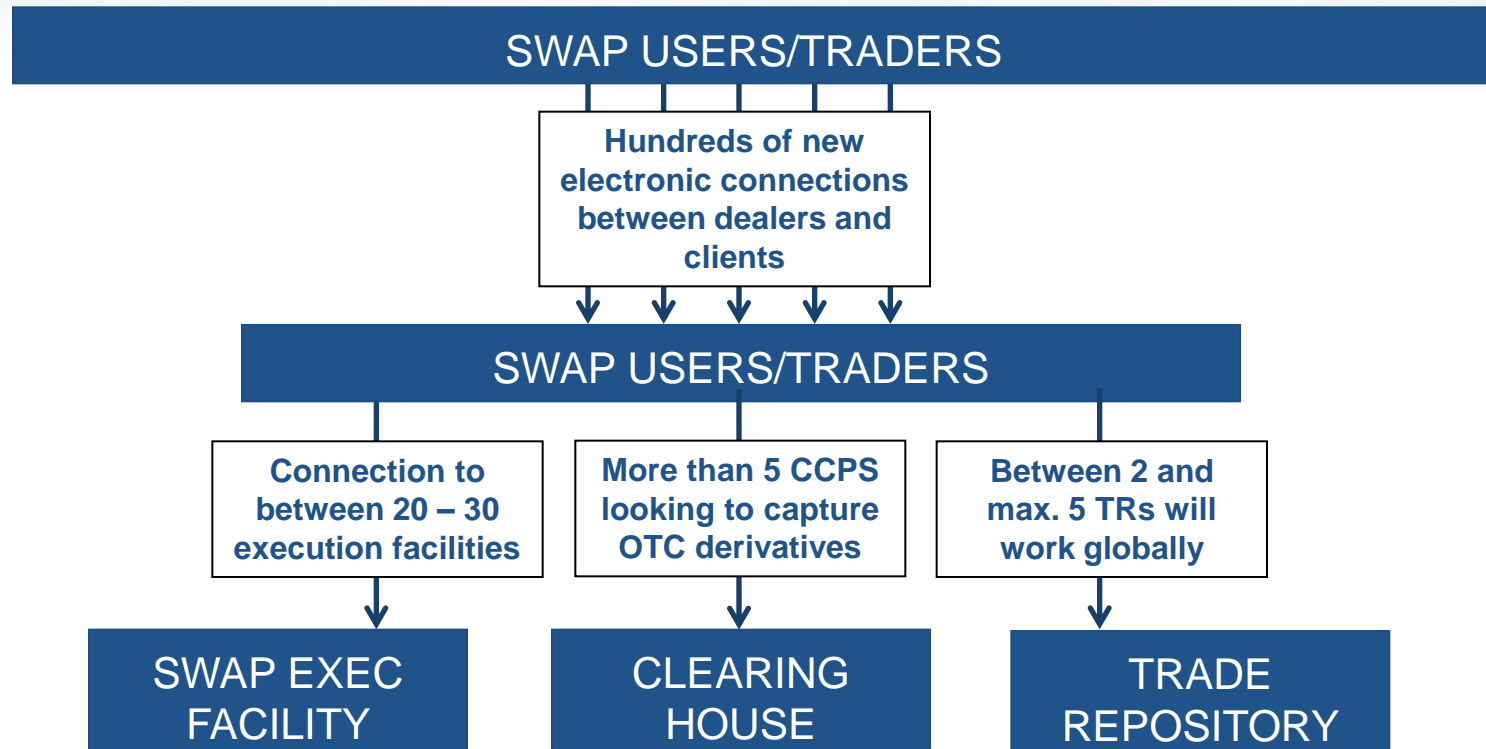
July 2013

Same commitment, different requirements = National specificities need to be respected in any potential set-up

*DFA = Dodd-Frank-Act
EMIR = European Market Infrastructure Regulation



Derivatives regulation drives structural changes in the industry



Results:

- Higher electronification ✓
- Higher standardization ✓
- Increased securitization and risk mitigation ✓
- Greater transparency ✓



Benefits for the stability of the financial system are undisputed



1. Derivatives Regulations – Global approach, regional specificities

2. Overview of the merits of domestic TR solutions

3. What REGIS-TR can offer



Domestic TR discussions taking place around the globe

Domestic TR discussions

- Realistically, there is not going to be a single, global regulatory solution
- Numerous countries are seeing benefits to establishing a domestic or a regional TR solution
- Several G-20 countries actually consider local TR solutions
- Some regulators are developing their own solutions, yet regularly entrust a local market infrastructure (normally the CSD) to play the role of the operator of a TR solution
- Risk of global data fragmentation limited-addressed by international standardization and cooperation amongst regulators/jurisdictions
- Adoption of globally applicable standards (LEI, USI, UPI) are facilitating domestic solutions



The needs of national regulators and the necessary consideration of domestic specificities are regularly driving the decision



Potential areas of concern from a domestic regulator's point of view

Key needs of domestic regulators:

- Explicit **control** over and supervision of the TR, also in respect to future developments
- Establishment of a **forward looking solution** (regulation of further financial instruments traded OTC) under own supervision and prioritization
- Data **confidentiality, security and reliability** and unique data source
- Level-playing field: **no competitive disadvantage** for domestic participants

Key needs of the domestic market participants:

- Need for a **customised solution** reflecting domestic specificities...
- ...but with a **connection to the international market** for OTC derivatives
- **Flexibility** in terms of service offering as well as relationship structure between participant, provider and regulator
- **Acceptable cost of compliance** with domestic regulation



- 1. Derivatives Regulations – Global approach, regional specificities**
- 2. Overview of the merits of domestic TR solutions**
- 3. Who REGIS-TR is and what it can offer**



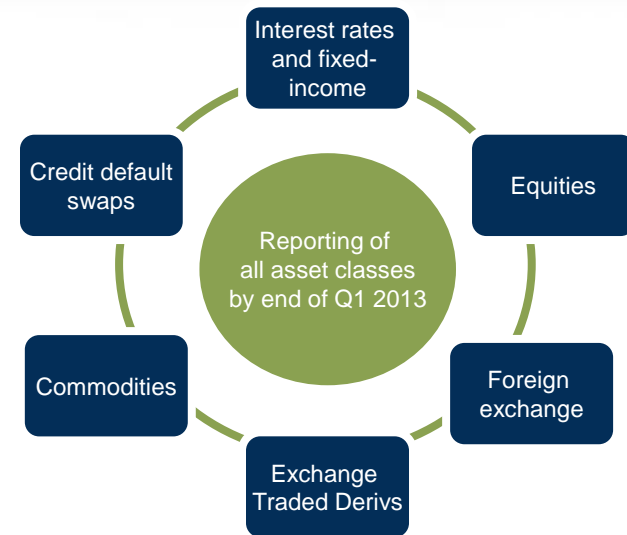
What REGIS-TR can be for the industry

What is REGIS-TR and who is behind REGIS-TR



- A **Trade Repository** offering registration and reporting services for Derivatives out of Luxembourg
- Belonging to well known **European Market Infrastructures** within two exchange infrastructures

What REGIS-TR brings to the industry



- **Registration and reporting** services for Derivatives and holding the customer data exclusively in the EU
- Providing a **one-stop-shop** service, based on a reliable, cost-efficient TR solution for all types of market participants
- Delivering **added-value services well beyond regulatory compliance** – matching, exposure management (leveraging Clearstream's C-max service), third-country domestic solutions...



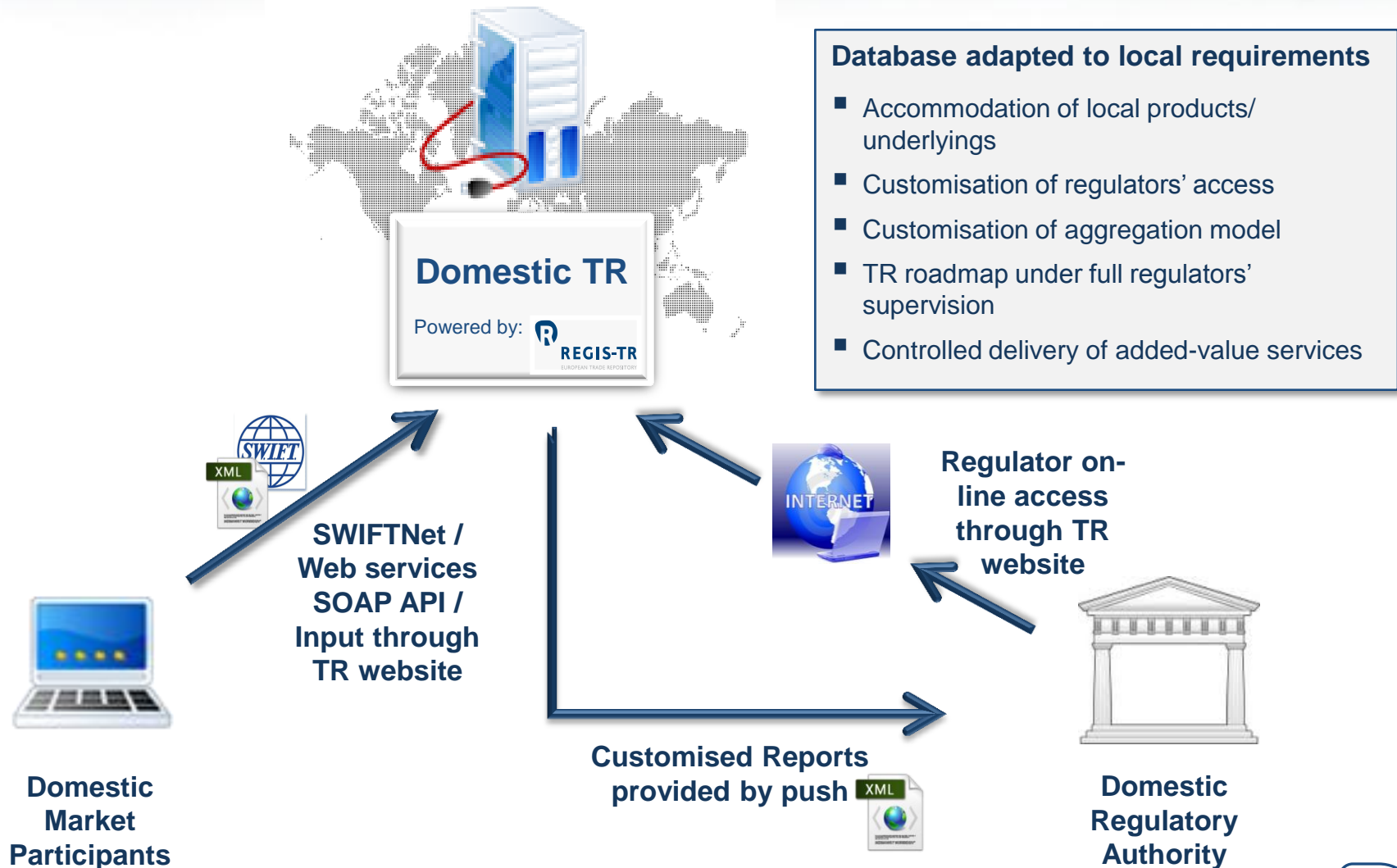
REGIS-TR proposal – high-level overview

Domestic TR offering

- REGIS-TR provides its existing TR software embedded within a reliable and robust hardware infrastructure held domestically
- REGIS-TR is the technical provider only
- All relation to market participants executed by domestic partner – no interaction between REGIS-TR and the market directly
- The domestic provider manages the data contained in the local Trade Repository as well as the interface to customers and regulator(s)
- The “Domestic TR” covers all required asset-classes, reflecting domestic specificities



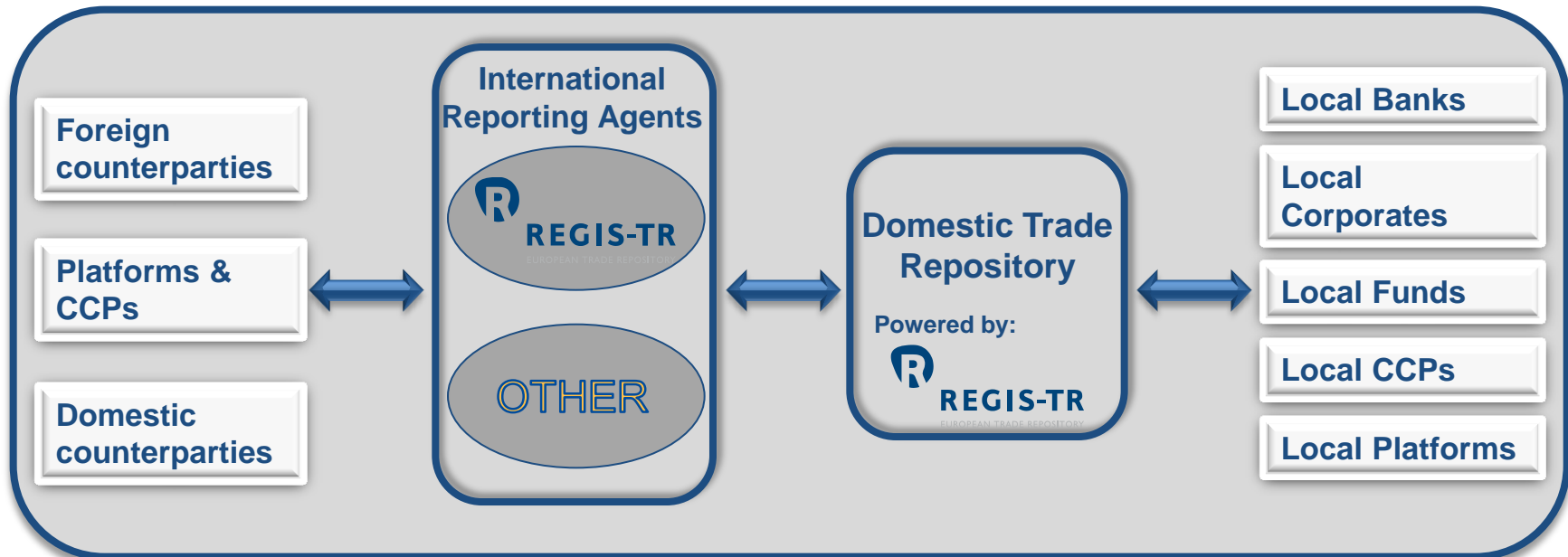
Outsourcing Model: Customised solution run in and for a domestic market





Domestic TR - solution with a firm link into the international landscape

Client onboarding – connectivity depending on individual needs of participants



- TR solution controlled by the respective domestic regulator, managed by a domestic infrastructure
- International entities can connect through global TRs and/or the domestic infrastructure
- Flexible and inexpensive, XML-based, connection to the local TR for (domestically) active participants



Domestic TRs have their own merits and values for the financial industry

Benefits of a domestic TR “powered” by a specialised provider:

- TR infrastructure and database are directly supervised by local authorities and run by local market infrastructure
- Full control over the development, maintenance and enhancement of the TR and its services
- Domestic TR solution fully respecting global standards (LEI, USI, UPI...)
- Data collected in a single TR database located in the respective market
- Data confidentiality, security and data reliability provided by trusted domestic partner
- Flexible communication with and access to TR platform for any type of participant
- Client onboarding process (KYC) ensured and customer relation solely performed by the trusted domestic partner
- Time-to-market and cost-efficient roll-out of a domestic TR solution



All the benefits, addressing stakeholders’ needs, without the drawbacks of an own development



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