

## Trade Reporting in Russia

Version September 3, 2013

### **1) Introduction**

As part of the efforts to comply with a November 5, 2013 go-live date the below issues with the current Trade Repository Infrastructures have been discussed in the ISDA Russian reporting compliance working group and the Russian FpML working group. The groups agreed with the issues and the proposed way forward.

This guidance document might evolve over time to provide further guidance on the implementation of the reporting requirements.

### **2) Issues and recommendations**

#### 2.a) Enabling the logic to facilitate the matching of 2 FX FWDs with a single FX Swap message.

Market participants who submit their reports to the Russia SDRs are also submitting to repositories in other jurisdictions. For those participants reporting to other jurisdictions, an FX Swap can be reported as 2 FXFWD trades linked together by a common reference. Given that other repositories went live before the Russian SDRs the option of treating and reporting two trades separately has become market standard reflecting long standing market practice.

In order to ensure smooth functioning & matching of submissions at the Russian Trade Repositories, Trade Repositories should enable matching of submissions of 2 FX Forward trades with a single FX Swap message when all relevant trade details are the same.

Recommended way of implementing: Adopt the `linkId` field available in all FpML messages for linking two related forward trades that are part of the same swap. The presence of the `linkId` field in a submitted message will indicate to a Trade Repository that the submission represent one leg of an FX Swap. The usage of the `linkId` field to link 2 related Forward trades is consistent with the original purpose of the creation of the `linkId` in FpML.

#### 2.b) FpML `masterAgreementId` field .

In order to be able to link Master Agreements to individual trades, we recommend the use of the `MasterAgreementId` field in FpML. The `MasterAgreementId` field, included in the new version of FpML 5-6 (See 5-6 Last Call Working Draft), was introduced in FpML to facilitate the Russian reporting requirements.

As the Russian SDRs are currently working on FpML version 5.4, we recommend adding the `MasterAgreementId` to their extensions. This will enable a smooth transition when upgrading to future FpML versions.

2.c) Matching of trades reported in bulk with single reported trades

Currently the FFMS regulations allow for short dated trades, with a Settlement date < 4 business days, to be reported at the end of a quarter. While some counterparts would prefer to report short dated trades on a trade by trade basis, others will prefer to report in bulk, end of quarter basis. Enabling matching functionality on the different methods of submission will facilitate smooth matching and registration of trades at the repositories and benefit all market participants including the repositories. The industry is keen to work with the Trade Repositories in order to develop a solution. Absent a technical solution that allows both ways of reporting or a change in the regulation, there is a risk of significant delays in matching and registration of trades at the repositories, which in turn will negatively impact the effectiveness of the repositories.

2.d) The reporting of the status of the obligation of a transaction.

The SDRs currently provide a standalone message to report the status of the obligation of a transaction. In addition the SDRs should allow reporting of the obligation status as part of the regular trade submission message by utilizing the existing trade `category` field. FpML agreed to repurpose the `category` field and to maintain the “obligation status” value list (as part of FpML coding scheme) to accommodate the Russian reporting. Including reporting of the obligation status as part of the regular trade submission message should simplify the implementation for market participants.