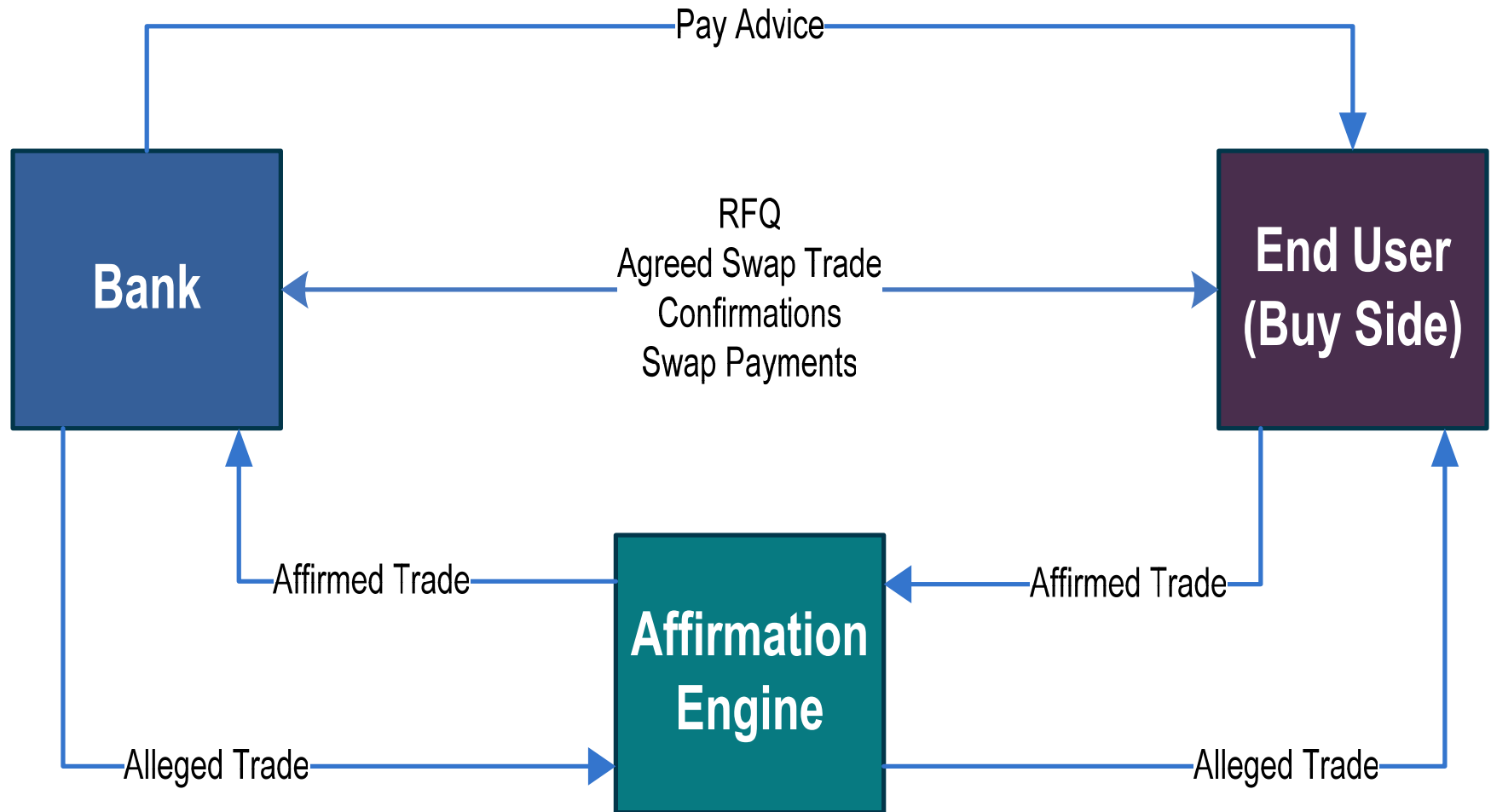


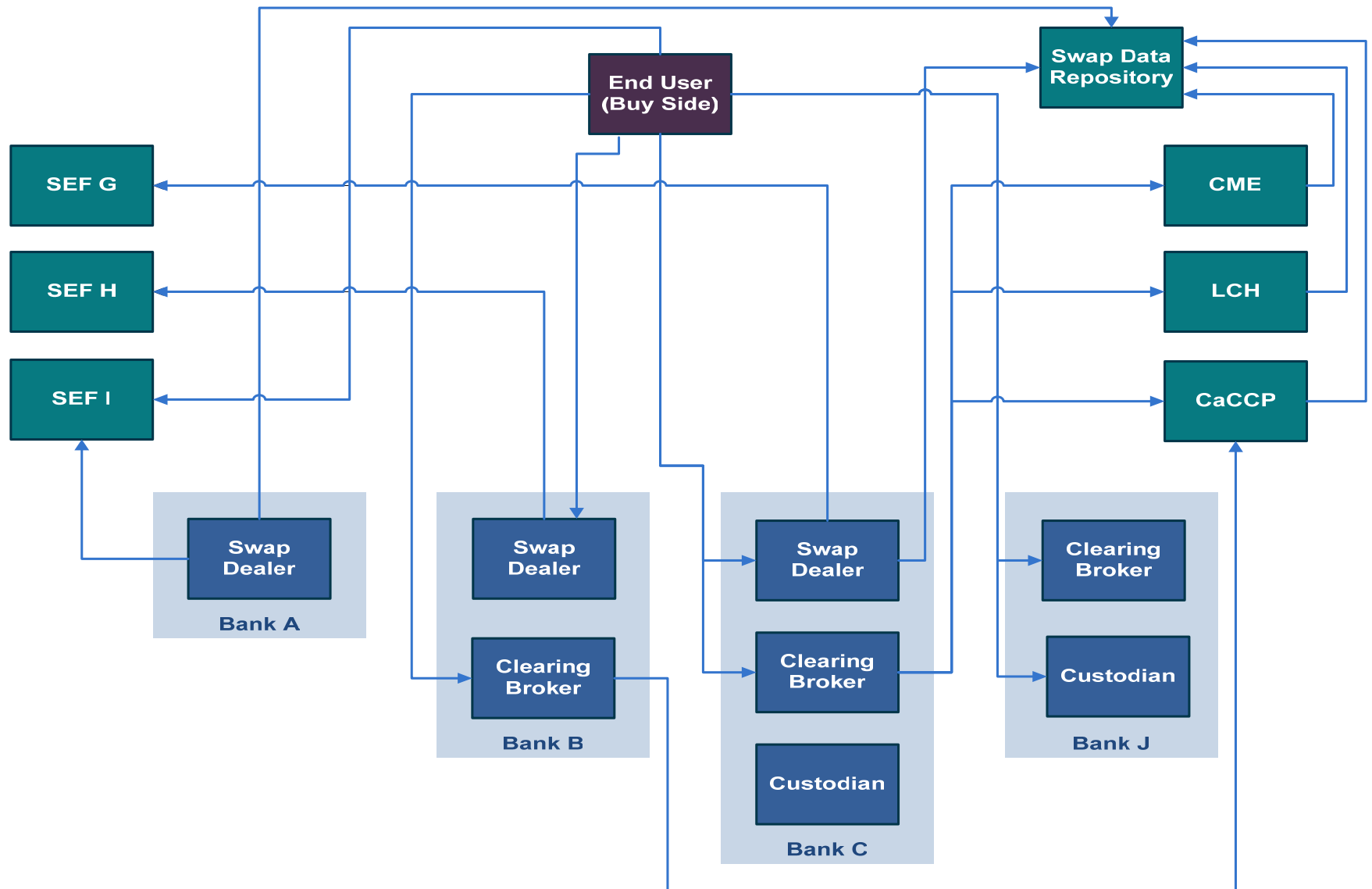
OTC Derivatives Markets: Where are we and what does it mean to Data Management?

- OTC Derivatives Trading
 - Current State of OTC Relationships
 - Future State of OTC Relationships
 - Changing Roles
 - Participant Perspective
- Data Issues
 - LEI
 - UPI
- Trade Repository Issues
- Current Status
- What Next?
- Questions?

OTC Derivatives Trading: Current State



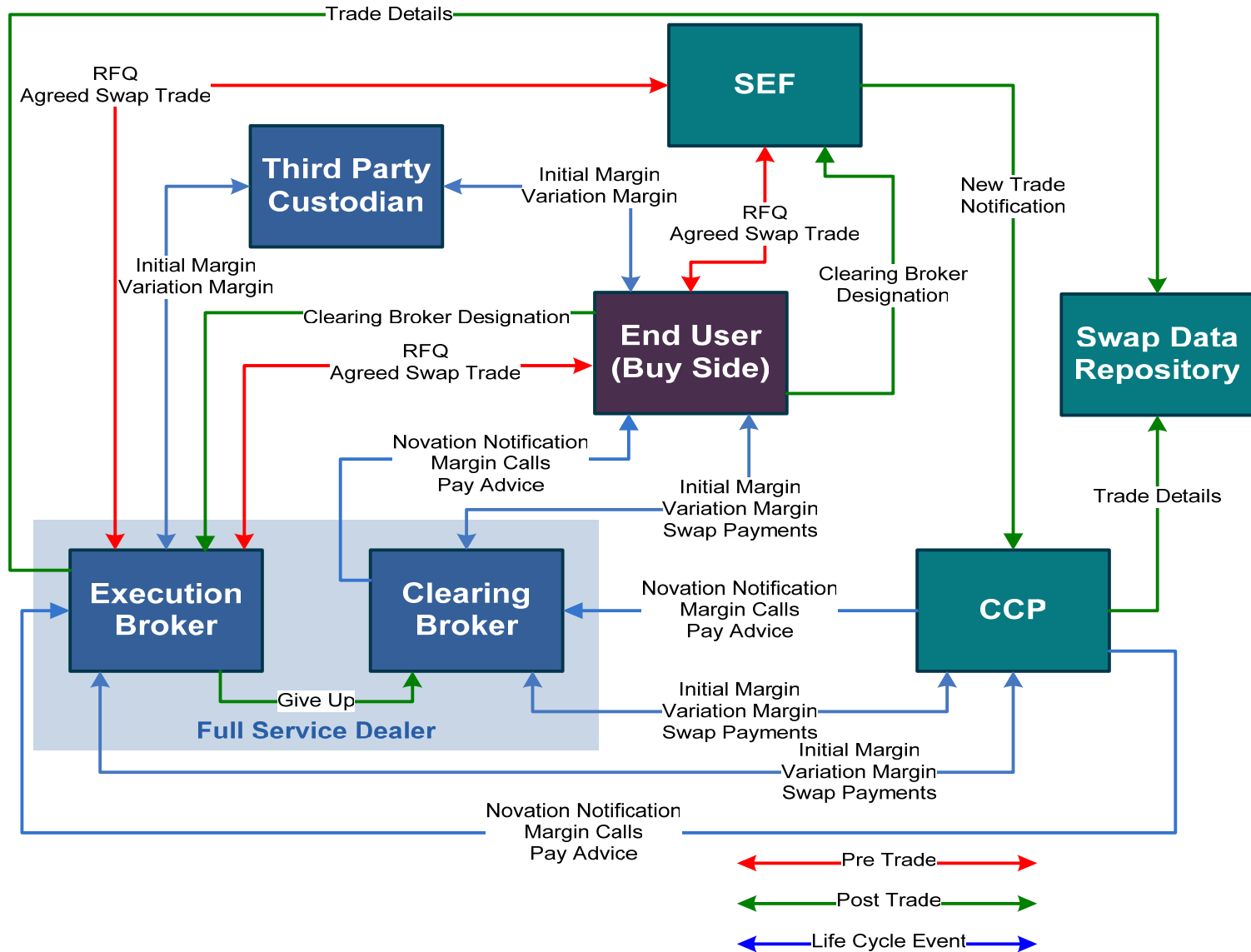
OTC Derivatives Trading: Future State



OTC Derivatives Trading: Changing Roles and Functions

Function	Current	End State
Execution	Bilaterally with Swap Dealer	Some trades will be executed via Swap Execution Facilities Remaining trades will still be negotiated bilaterally with Swap Dealer
Affirmation	Either bilaterally with Swap Dealer or via Affirmation Engine (e.g. MarkitWire)	Either bilaterally with Swap Dealer or via Affirmation Engine (e.g. MarkitWire)
Confirmation	Bilaterally with Swap Dealer	Via Clearing Broker for CCP or Bilaterally with Swap Dealer for non cleared
Settlement	Bilaterally with Swap Dealer	Via Clearing Broker for CCP or Bilaterally with Swap Dealer for non cleared
Collateral Management	Bilaterally with Swap Dealer	Via Clearing Broker for CCP or Third Party Custodian for non cleared
Trade Reporting	N/A	Global Trade Repositories (SDRs)

OTC Derivatives Trading: Participant Perspective



LEI: Legal Entity Identifier

- The International Organization for Standardization, who sets BICs, ISINs, and IBANs, is leading the development effort for a new global LEI standard, in conjunction with GFMA (the Global Financial Management Association)
- The LEI will be assigned to any organized party or structure (i.e. not natural persons)
- 20 (!) characters long with no embedded intelligence
- SWIFT will administer
- In draft form now
- Final round of approvals expected in January 2012

UPI: Universal Product Identifier

- Process—ISDA and FpML working groups advising the UPI Steering Group and Industry Working Group
- Cross Asset Class FpML based
- Definition and Criteria based on April and June 2011 Whitepapers from ISDA
 - 11 Core Principals identified
- Approach and Implementation
 - Algorithm based,
 - No intelligence in the number
 - No central issuing service
- Next steps in the process
 - Product Attribute/Rulebook
 - UPI Generation and Algorithm
 - Workflow and Dissemination
 - Specification
 - Implementation plan
- Critical for Trade Repositories and effective global reporting

Trade Repository Issues

- Regional vs. Global
- Global Standards
- Extraterritoriality/Jurisdiction: To whom to report?
- Confidentiality
- Indemnity
- Block Trades and delays
- Public Dissemination of Data
- Timeliness of Reporting
- What to report
- Continuation data and valuations

Current Status

- Current Status of Trade Repositories and Data Management
 - DTCC
 - ISDA
 - Others?
- What does the future hold here in Canada?
 - The CSA Consultation Paper on Trade Repositories was issued in June with a September response date. 19 responses were filed.
 - 7 more Consultation Papers are due over the next 60 days.
 - G-20 commitment date of November 2012 still operative.

What Next?

- Challenges going forward:
 - More Data
 - More places
 - More real time
 - More complex
 - Consolidation across the enterprise—true “Golden Copy”
- This is only after the trade. Prices, Best Execution, Real Time Reporting, Interoperability, Multiple Modes of Execution and SEFs, Market Fragmentation, and Conflicts Across Jurisdictions are all issues.

Thank You!

- Questions?