



## **Revision protocol of the guidance to report transactions on OTC derivatives (ref CESR/10-661)**

### **1. Introduction**

In July 2010, CESR issued guidance to indicate to investment firms in Europe how to report transactions on OTC derivative instruments. Due to the speedy evolution of the OTC market and the number of other work streams in the European regulatory area, it was felt that CESR needed to define a revision protocol for this guidance to ensure their smooth and efficient revision when necessary.

This document aims to describe the main elements of this protocol as well as the different steps required before publication of a revised version of the guidance.

### **2. Protocol**

This protocol contains three main phases:

- Initiation of the revision of the guidance
- Work stream to update the guidance
- Publication of the updated version of the document

#### Initiation of the revision

At a first step, this should be considered that only CESR members can propose to CESR to update the guidance. Should any investment firm or market participant think that the guidance should be updated, it will approach its regulator who will first consider the proposal and eventually raise it to CESR if considered relevant. The initiation of a revision of the guidance could be for any reason: need to have a specific new category, harmonisation with other legal texts, etc...

The possibility to launch a work stream to revise the guidance will be discussed in the group who is working on transaction reporting aspects. In July 2010, this will be the Joint Group on Transaction Reporting Systems who is reporting to CESR-Pol and the Information Technology Management Group.

#### Work stream to update the document

Once the decision will be made, a drafting group will be set up to draft a new version of the guidance. At this stage, an ad hoc consultative panel composed of 3 to 8 member of the industry will be set up to eventually answer to questions related to the drafting of the revised version and review the guidance. The revised version of the guidance will then be approved by the relevant Standing Committees of CESR as well as CESR Chairs. In order to react quickly to market developments, a public consultation will only be conducted in case an impact assessment would show that massive costs would be borne by market participants as a consequence of the amendments proposed.

#### Publication

Once approved, the document will be published on CESR web site and the previous version of the document will be removed from publication. As for all CESR documents, the reference number of the document will be amended by a letter and each version of the document will have its letter increased one step. For example, the versions' reference numbers will look like 10-661a, 10-661b, 10-661c etc...