

## Summary of comments to Guidelines and the JFSA’s view on them

[Provisional Translation]

The English version of the comments and response have been translated from the original Japanese documents and are for reference purposes only.

If there are any discrepancies as a result of the translation, the original Japanese version will prevail.

No	classification	Applicable part	Comments	Responses
1	General	–	<p>We welcome the JFSA’s proposal regarding reporting requirements as we asked to the JFSA to publish the draft in a timely manner in the previous comment letter.</p> <p>We understand that the publication of “Definition and Interpretation of the matters to be reported” and “How to determine the generation of Unique Transaction Identifier (UTI)” would encourage market participants to build out and test their systems to conform to the final changes.</p> <p>Also, we expect publication of English version of guidelines promote understanding across foreign regulators and global financial institutions and facilitate preparation for cross-border transaction reporting.</p> <p>We request the finalization of guidelines as soon as possible for the Trade Repository (TR) to consider the technical specification promptly.</p>	Thank you for your opinion.
2	General	–	<p>We would like to express our gratitude for the detailed guidelines on the enhanced retention and reporting requirements for “Cabinet Office Order Partially Amending the Cabinet Office Order on Regulation of Over-the-Counter Transactions of Derivatives, etc.” published in April 2022.</p> <p>In addition, we appreciate your consideration of limiting the financial institutions’ burden by excluding Delta and UPI from the scope of reporting as of April 1, 2024.</p> <p>With the draft guidelines for the “Definition and Interpretation of the matters to be reported” and “How to determine the generation of Unique Transaction Identifier (UTI)” being released, we anticipate that the guidelines will be finalized promptly based on the comments received so that the each financial institution will be able to commence their system enhancements, establish practices, and discuss any related matters with their counterparties.</p>	

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3	General	-	<p>Recently, the European Parliament announced that the EMIR REFIT's technical standards have been approved by the European Parliament and are scheduled to take effect starting April 29, 2024.</p> <p>Our understanding is that the implementation of the UK FCA will take place after that. If the achievement of appropriate global aggregation is the ultimate goal among financial regulators, we believe it would be advantageous to first assess the changes in the reporting obligations, trade repositories, verification platforms, clearing organizations, and service vendors in the United States and Europe, where the volume of transactions and the number of reports are by far the largest, and then to implement it in Japan after fully addressing any issues identified in the process.</p> <p>On the other hand, if the reporting commencement date is delayed (or in a situation where it is likely to be delayed), it may place an additional burden for firms with reporting obligations when planning for their system development, improvement, and process changes. Could FSA confirm that, with the exception of unavoidable circumstances such as major market events, disasters, and/or major changes in the regulatory environment, the commencement date for the reporting will not be delayed as a result of any possible delays with other jurisdictions?</p>	We are not considering any changes to the effective date of these Guidelines (April 1, 2024).
4	General	-	<p>On October 7th, it was decided that the EMIR Refit reporting requirement will be delayed to commence from April 29, 2024 (other jurisdictions as result may also delay their commencement). Will the timing of Japan's transaction reporting revision also be postponed?</p>	
5	General	-	<p>Given April 2024 start date overlaps with other jurisdictions, it is difficult for Financial Institutions with global business operations to respond to changes in multiple jurisdictions at the same time. If possible, we would like to request to set the start date sometime after October 2024 and to spread the timing across the APAC jurisdictions.</p>	

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6	General	-	<p>ROC discussions on the "Revised CDE Technical Guidance – version3 " are ongoing and the deadline for industry comments to be submitted to ROC is September 28th, 2022.</p> <p>Do you plan to monitor the results of ROC's work on revising the CDE technical guidance and bring field definitions in line with the latest CDE definitions when they are finalized?</p>	<p>These Guidelines have been prepared based on CDE Technical Guidance v3.0, which is currently under public consultation by the ROC (Regulatory Oversight Committee : an international governance body for LEI, UTI, UPI, and CDE). Depending on the result of the CDE consultation, we will make any necessary changes to the "Definition and Interpretation of the matters to be reported".</p>
7	General	-	<p>While the TRs will be expected to consider technical issues, we ask the JFSA for a continuous support as appropriate, such as providing feedback on the international regulatory discussion.</p> <p>We also request that the JFSA clarify the procedure to be taken if guidelines need to be revised in the future, in accordance to updates on its source documents. For example, ROC recently published consultation on the draft CDE technical guidance (version 3), which probably have an impact on the Japanese reporting requirement going forward. However, we do not encourage any delay in finalizing of reporting rules due to reflecting recent updates on CDE technical guidance.</p>	
8	General	-	<p>If new data elements are to be added or allowable values are to be revised, we request FSA to inform the industry associations as soon as possible and solicit for any opinions through public consultations.</p> <p>Reason: New additions for data elements or changes of allowable values may require system enhancements etc., which would require sufficient development period.</p>	<p>Depending on the outcome of any international discussions, we will make any necessary changes to the "Definition and Interpretation of the matters to be reported" accordingly.</p>
9	General	-	<p>We welcome the JFSA's proposal to remove UPI and delta from required items under new regulation, taking account into operational burden on financial institutions.</p> <p>If the JFSA has the intention to add new items going forward, including future endorsement of UPI and delta as the reporting requirement, or revise validation rules, we request that the JFSA to announce such revision in advance at early stage through public consultation or communication with industry bodies to allow adequate time for financial institutions' system development to conform with those revisions. In addition, we would appreciate the JFSA to consolidate the timing to revise multiple items as much as possible for practical purposes.</p>	

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10	General	-	<p>There are several data elements which requires submission of unadjusted date as per "Definition and Interpretation of the matters to be reported".</p> <p>Currently, the Financial Institutions' TR reporting databases carry the adjusted date but not the unadjusted date and therefore, is it possible that the reporting of the adjusted date to be permitted?</p> <p>We would like to ask this in order to minimize the effort required to improve the system in response to the new TR reporting requirements.</p>	<p>ROC's CDE Technical Guidance and other jurisdictions require the unadjusted date to be reported. From the perspective of global harmonization, please report the date as stated in the confirmation pursuant to the instruction in our Guidelines. Depending on the outcome of any international discussions, we will make any necessary changes to the "Definition and Interpretation of the matters to be reported" accordingly.</p>
11	General	-	<p>When considering the holiday dates, we are expected to submit the unadjusted date as opposed to the adjusted date. However the system enhancement burden required to meet the expectation is high and therefore, we would like the reporting of adjusted date to be permitted.</p>	
12	General	-	<p>Currently our system only carries the adjusted date for OTC derivatives transactions, hence we would like the reporting of adjusted date to be permitted.</p>	
13	General	-	<p>While the guidelines clarified the treatment on most of transactions, financial institutions may still encounter a situation going forward where they cannot obtain appropriate data which strictly correspond to definitions, when entering into transaction of complexed products or new financial products which are not covered in the guidelines, since these products may have to different characteristics, risk management, and booking methods.</p> <p>Given the above, we would like to request the JFSA to approve flexible decision by reporting entities on detail to be reported.</p>	

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14	General	-	<p>We ask the JFSA to clarify the treatment for reporting entities which will switch from direct weekly reporting to JFSA to reporting to the TR on April 1 2024. For those reporting entities, we would like to confirm that while transactions executed from March 18 to 22 2024 are to be reported to JFSA directly, transactions executed from March 25 to 29 2024 are to be reported to the TR only.</p>	<p>We will accept direct reporting to JFSA until March 31, 2024. Starting April 1, 2024, all reportings should be made to the TR. For all transactions executed between March 25, 2024 and March 29, 2024 which are expected to be reported on or after April 1, 2024, the deadline for reporting to the TR is April 3, 2024.</p>
15	General	-	<p>Is our understanding correct to say, that for the newly introduced data element items as part of the global harmonization (i.e. Package Identifier, Prior UTI, etc.), which were not required prior to the revision of the regulation, will not be required to be reported in the update report given the Financial Institutions may not necessarily hold such data for past transactions?</p> <p>When we confirmed with FSA in the past, the basic policy understanding was that if the Financial Institutions do not carry the newly introduced data element datas for past transactions, they may leave the items blank when submitting their reports. We would like to confirm if our understanding is correct.</p> <p>In addition, we understand that for other jurisdictions (i.e. ASIC, MAS, etc.), the consideration is being made where all pre-existing transactions to be re-reported in the new format will be omitted from populating the newly introduced data elements, as per the industry requests.</p> <p>With respect to the "[Treatment of Existing Transactions] maturing before re-reporting", please confirm if our understanding is correct to say, that the re-reporting of pre-existing transactions are required for those transactions which are expected to mature post the 180 days (post September 30, 2024)?</p>	<p>Based on your opinion, we have revised the Guidelines [Treatment of Existing Transactions].</p> <p>Within these Guidelines (page 2, ① (Note 1)), we added that "With respect to data elements reporting matters, if you do not hold the relevant transaction information, you may leave this field blank."</p> <p>For transaction information that has already been provided or reported before the effective date, please provide the transaction information to the TR within 180 days from the effective date (September 27, 2024).</p> <p>With respect to the Package Identifier, if there is no information on whether it is a package transaction or not at the time of renewal (including cases where it cannot be determined), please assume as a non-package transaction.</p> <p>If it is difficult to assign a Prior UTI, please report it using the provisional transaction identification number.</p> <p>If you are unsure, please contact us as necessary.</p>
16	General	-	<p>Treatment of Existing Transactions: We support the proposal to resubmit live trades.</p> <p>Definition of "Counterparty 2": For Japan, we currently report against the client in all cases irrespective of the clearing model (Agency vs Principle). We would appreciate if you could confirm that this approach remains unchanged.</p> <p>Alpha trades: The draft guidelines suggest the existing requirement on derivatives clearing organizations (DCOs) to report an alpha trade is being removed. This has also been verbally confirmed before, but it would be beneficial for this to be explicitly confirmed in writing. We would also like to confirm if there is an obligation on CCPs to report the exit/termination of the alpha trade.</p>	<p>Thank you for your opinion.</p> <p>Although the purpose of your question is not clear, there will be no change in the definition of "Counterparty 2". As for whether CCPs are required to report alpha transactions, the decisions should be made on a case-by-case basis per the actual circumstances.</p> <p>If you are unsure, please contact us accordingly.</p>

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17	Attachment 1	-	<p>It is our understanding that the reporting items required by this revision will be provided to the TR in XML format compliant with ISO20022, and the XML schema for each item will be approved and registered in accordance with ISO20022.</p> <p>However, some of the reporting items shown in Attachment 1 "Definition and Interpretation of the matters to be reported" have not yet been applied for, approved, or registered under ISO20022 (e.g., Day Count Convention (other than interest rates), Payment Frequency Period, Package Indicator, etc.).</p> <p>Could you please outline the schedule when the XML schema for these items will be applied for, approved, and registered with ISO20022?</p>	Not determined at this time.
18	Attachment 1	Basic view of the table	<p>Guidelines describe that "Enter "Leg1, Leg2" if reporting is required for Leg1 and Leg2 respectively" in Basic view of the table. We would like to confirm in case a transaction where there is Leg 1 data only, reporting is required only for that Leg 1 data.</p>	That would be correct.
19	Attachment 1	Basic view of the table	<p>"Basic view of the table" in Attachment 1 states that "Enter "Leg1, Leg2" if reporting is required for Leg1 and Leg2 respectively." Is our understanding correct to say, that it is up to the reporting party to decide which party is to become Leg1?</p>	That would be correct.
20	Attachment 1	Items 1 to 3	<ul style="list-style-type: none"> <li>• Date time zone (Effective date (1), Expiration date (2), Early termination date (3)): We note that the dates are specified as UTC. We request that the UTC element be dropped to avoid confusion that a conversion is required from local time zone to UTC as the date elements are bilaterally agreed values and not subject to a time zone. These comments do not apply to values reported as timestamps such as 'Reporting timestamp'.</li> </ul>	ROC's CDE Technical Guidance and other jurisdictions require the time zone for dates and times to be reported in UTC. From a global harmonization perspective, please report the dates and times pursuant to the instruction in our Guidelines.

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21	Attachment 1	Items 3, 15, 18, 19	<p>#3. Early termination date: We do not have an issue if this is reportable but would like to highlight that although this is a CDE field, this is an Event date and therefore is not part of the CFTC specification.</p> <p>#15. Cleared and the impact 'Cleared' has on 'Central counterparty' (16) and 'Clearing member' (17) fields: Our comment relates to the 'Allowable values for each data element' and 'Remarks' column, where it specifies 'Y= yes, centrally cleared, for beta and gamma transactions. If Yes, it is to be reported by the central counterparty. However, if the financial institution conducts a transaction with a clearing organization prescribed in Financial Services Agency Notification No. 105, the financial institution must report the transaction information as a bilateral transaction, even if it is a clearing transaction.' We request this to be simplified to allow 'Y' /yes to be reported for all Cleared beta and gamma transactions. This in turn allows for Central counterparty and Clearing member fields to always be populated for the cleared beta and gamma trades reported by a CCP.</p> <p>#18. Platform identifier: Under CFTC rules this field is not reportable for cleared trades. We request the Financial Services Agency of Japan ("FSA") align with the CFTC.</p> <p>#19. Confirmed: We do not have an issue if this is reportable, but we would like to highlight that although this is a CDE field, this is not part of the CFTC specification.</p>	<p>Thank you for your opinion. The JFSA selected fields to be reported based on the CDE Technical Guidance provided by ROC and the data elements implemented by other jurisdictions. For item 18, the reporting is not required for the cleared transaction (Beta and Gamma transaction).</p>

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22	Attachment 1	Items 7, 8	<p>Require a current LEI in reporting all the key parties involved in an OTC derivative transaction.</p> <p>We support the FSA to require a current LEI as the main entity identifier in OTC derivative transaction reporting for the entities involved in a transaction. That will include the reporting entities, counterparty 1, counterparty 2, SDR's submitter, clearing member, other payment payer and receiver and the underlying reference entity. The industry needs a globally accepted entity identifier to reduce counterparty risks, operational risks, and to save costs in managing entity data.</p>	<p>Considering the burden on non-financial institutions the burden associated with obtaining an LEI, reporting of LEI for Counterparty 2 is currently optional. However, we anticipate to make LEI reporting mandatory as necessary, as LEI registration further advanced going forward.</p>
23	Attachment 1	Items 7, 8	<p>Require LEI as the main entity identifier in reporting the parties involved but not necessarily a renewed LEI.</p> <p>We note that the LEI Renewal is not mentioned in the consultation paper. Since the annual renewal ensures the legal entity data is up-to-date and accurate, we would recommend that the FSA reconsiders this aspect of their LEI requirements and require at least the reporting party to have a renewed LEI so you can keep the most up-to-date entity data in the database.</p>	
24	Attachment 1	Item 8	<p>With the LEI requirement applied for the counterparty 2, tentative LEI can be used. We appreciate the FSA's flexibility in allowing counterparty 2 to use a tentative LEI if their LEI is not available yet. We suggest that FSA can consider adding deadline for counterparty 2 to obtain their LEI (if they are eligible for the LEI). This will give the benefit of providing consistency globally via an internationally adopted ID to identify all the key parties involved in the transaction. Also, we will suggest the authority to follow up if the entity does not meet that deadline.</p>	



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25	Attachment 1	Item 8	<p>There are multiple patterns possible for assigning the tentative LEI which makes it difficult to automate the process. Could the logic be simplified?</p> <p>For example, is it possible to standardize the assignment logic so that it only requires the transaction party LEI + unique alphanumeric characters (i.e. control numbers assigned by the financial institution, etc.)?</p>	
26	Attachment 1	Item 8	<p>Under the remarks column it states the following.            "If LEI cannot be obtained, a tentative LEI is permitted.</p> <p>[In the case of financial institutions]            Tentative LEI = Party LEI + Counterparty BIC Code            [In the case of corporations and individuals]            Tentative LEI = Trading Party LEI + Unique Alphanumeric Code (Control number assigned by the financial institution, etc.)</p> <p>Tentative LEI must have a unique alphanumeric string to ensure the party can be uniquely identified."</p> <p>In the case for a financial institution, if the counterparty's LEI cannot be obtained and the counterparty's BIC code cannot be obtained, is it possible to use the unique alphanumeric code set by the parties to the transaction?</p>	<p>Based on your opinion, we have revised the remarks section to show as an example instead. Please report any unique alphanumeric characters internally managed by each financial institution to identify the counterparties involved.</p>
27	Attachment 1	Item 18	<p>In the case where a transaction is not executed on a trading facility, a significant system enhancement would be required in order to identify whether the product is listed or not. Therefore, is it possible to uniformly use a code such as XXXX for transactions not executed on a trading facility?</p>	<p>ROC's CDE Technical Guidance and other jurisdictions require reporting on whether the product is listed or not. From global harmonization perspective, please report pursuant to the instruction in our Guidelines.</p> <p>We believe that the decisions should be made on a case-by-case basis per the market practice. If you are unsure, please contact us accordingly.</p>
28	Attachment 1	Item 19	<p>There are cases for FX Options and NDFs where the transactions details are only sent via SWIFT. Should these be "electronic" or "non-electronic"?</p>	<p>If all legal terms and conditions of the transactions are documented, agreed (confirmed) and confirmed electronically, please report as ECNF = electronic.</p>

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29	Attachment 1	Item 20	In cases where a CDS credit-event is recognized after the original transaction is completed and settled, is it acceptable to leave the Scheduled Termination Date as it is?	Please report the Scheduled Termination Date.
30	Attachment 1	Item 23	#23.Original swap UTI: We requests the FSA align with the CFTC and add a value of 'NOTAVAILABLE' in scenarios where the UTI of the alpha trade is not provided at the time of clearing. This is to allow CCPs to report cleared trades where the UTI of the alpha is not known or there was not an obligation to report the alpha. Without this change, valid cleared trades would likely be rejected by DTCC preventing us from meeting its obligations.	If it is difficult to assign a UTI for alpha transactions, please report it using a provisional transaction identification number.
31	Attachment 1	Item 23	In the case of clearing transactions, is it possible to combine the prior UTI and the Original Swap UTI into a single item because they have the same value?	Please report Original Swap UTI and Prior UTI separately as pursuant to the instruction in our Guidelines.
32	Attachment 1	Item 26	#26.Prior UTI: We would appreciate if the FSA could confirm its expectation that the same value would be provided in 'Prior UTI' and 'Original swap UTI' for cleared beta gamma trades.	That would be correct.

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33	Attachment 1	Item 34	What type of reporting should be used for cases where adjustments are incurred due to changes in terms during the period?	If any changes have been made from the initial reporting, please report a modification (MODIFY).
34	Attachment 1	Item 39	We would like to confirm the definition of valuation amount. The first sentence is asking to report the current value of the outstanding contract without applying any valuation adjustments. However, the second sentence says the valuation amount is expressed as the exit cost and we believe that the actual valuation amount used when exiting would take CVA etc. into consideration.	We made some revisions in response to your comments.
35	Attachment 1	Item 44	Is our understanding correct to say, that "per portfolio" means if two CSAs are executed with one counterparty, it is to be reported as two portfolios?	This item indicates whether or not the collateral has been calculated for each portfolio. Please report accordingly to how the portfolio is managed.
36	Attachment 1	Item 45	In case of a situation where the execution date of the collateral transaction differs from the date of the original transaction, we would like to seek for clarification whether it is acceptable for reporting entities to count reporting deadline for collateral information from the date of margin call. We would like to clarify how the date-related items of the collateral information are to be reported.	The balance of collateral posted and collected as collateral shall be reported within three (3) business days from the date on which the balance of collateral is determined, regardless of whether or not a margin call is made.

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37	Attachment 1	Items 45, 46, 48, 49, 57, 59	Is our understanding correct to say, that transactions cleared by JSOC or LCH are reported by the CCP?	
38	Attachment 1	Items 45, 46, 48, 49, 57, 59	<p>We noted that the requirements on collateral and margin data fields are not currently harmonized globally. CFTC’s final rules (CFTC, Final Rule: Swap Data Recordkeeping and Reporting Requirements, 85 Fed. Reg. 75,503 (Nov. 25, 2020)) governing Part 45 swap data reporting do consider consultation comments on margin and collateral reporting and in consequence allow CCPs to continue reporting collateral and margin data pursuant to Part 39 of CFTC Regulations. Canadian regulators proposed amendments according to which CCPs might have to report collateral and margin data along the lines of the Critical Data Elements (CDE) of the CPMI-IOSCO working group and CFTC Part 45, giving rise to a non-harmonized element in the North-American regulations – consultation period however only closed recently on October 7, 2022. Furthermore, under EMIR Eurex Clearing report collateral and margin data according to again different field definitions (e.g. no differentiation between pre/post hair-cut).</p> <p>From a CCP perspective the different approaches to collateral and margin data reporting do imply certain analysis, implementation and maintenance costs. In this light and in order to get a better understanding of the global developments, we would like to enquire if the collateral and margin fields in the proposed “Definition and Interpretation of the matters to be reported” are supposed to be reported by CCPs to the JFSA before the international harmonization is completed.</p>	<p>Based on the international agreement at the G20 Summit in 2009 where “All over-the-counter derivatives contracts should be reported to TRs”, Japan has adopted a framework in which all transaction data are aggregated by the TR and then reported to the JFSA. All transactions including the collateral and margin data that are cleared through CCP (excluding the transactions executed with a clearing organization prescribed in FSA Notification No. 105.) shall be reported by the CCP to the TR, and all transactions including the collateral and margin data that are not cleared by CCP (including the transactions executed with a clearing organization prescribed in FSA Notification No. 105.) shall be reported by the financial institutions to the TR. TR will then be required to consolidate all the information received and report it to the JFSA.</p>
39	Attachment 1	Items 45–60	In the case of bond collateral, is our understanding correct to say, that the initial margin or variation margin posted/collected should be reported based on the market price of bonds?	That would be correct. It is necessary to report both the pre-haircut and post-haircut amount.

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40	Attachment 1	Items 62, 63	If the initial margin collateral and variation margin collateral are managed by one portfolio, is it acceptable to report the code of such portfolio in #62 and #63?	That would be correct.
41	Attachment 1	Items 68-70	Is our understanding correct to say, that the reporting would be required for types of derivatives where the price is held by a reference asset such as equity or commodity, and the price fluctuation range is determined by a certain rule at the time of execution (unlike total return swap transactions)?	That would be correct.
42	Attachment 1	Items 68-70, 78-80	<p>Price schedules may not always be available in internal systems, and there may be challenges in sourcing this information.</p> <p>More broadly, members generally agree that since the execution of such transactions is rare, each of the parties in the transaction reporting arrangements would need to ensure that their data handling arrangements accommodate these data elements, even if they are not applicable. Hence, suggestion would be to remove price schedule fields.</p> <p>For the fields of below  68 – Price schedules – Unadjusted effective date of the price  69 – Price schedules – Unadjusted end date of the price  70 – Price schedules – Price in effect between the unadjusted effective date and unadjusted end date inclusive  78 – Strike price schedules – Unadjusted effective date of the strike price  79 – Strike price schedules – Unadjusted end date of the strike price  80 – Strike price schedules – Strike price in effect between the unadjusted effective date and unadjusted end date inclusive.</p>	The JFSA selected fields to be reported based on CDE Technical Guidance provided by ROC and the data elements implemented by other jurisdictions.
43	Attachment 1	Item 71	Is our understanding correct to say, that for transactions with fixed payment amounts should be converted into annual interest rates?	That would be correct.

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44	Attachment 1	Items 78-80	With respect to the strike price schedules, if multiple dates and prices are fixed at the time of commencement of the transaction, please confirm whether multiple dates, etc. should be reported when reporting the new trade, or whether it is sufficient to report the corresponding data at the time when the event occurs.	Please report the multiple dates, etc. which were determined at the time of execution when reporting the new trade.
45	Attachment 1	Item 85	For currency options, the same figure as #75 will be reported. Is it still necessary to report it again?	That would be correct.
46	Attachment 1	Item 93	In what specific cases and how should "quantity unit of measure" be reported?	Please report based on ISO 20022 : Unit Of Measure Code codeset. As commodities are not subject to reporting in Japan, unit of measure is applied only to equity.
47	Attachment 1	Items 94-96	In the case of transactions with amortization, is it expected that we report the entire amortization schedule?	That would be correct.

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48	Attachment 1	Items 94-96	For notional amount schedule, should we report multiple dates and amounts together?	That would be correct. Please report all multiple dates and amounts that have been determined at the time of execution.
49	Attachment 1	Item 97	In what specific cases and how should "total notional quantity" be reported?	Please report the total notional amount of the underlying assets during the transaction period (for example, the total number of shares in stock options). As commodities are not subject to reporting in Japan, this item only applies to equity.
50	Attachment 1	Items 98-100	For notional quantity schedule, should we report multiple dates and amounts together?	That would be correct. Please report all multiple dates and amounts that have been determined at the time of execution.
51	Attachment 1	Items 98-100	Is our understanding correct to say, that the reporting would be required for types of derivatives where the price is held by a reference asset such as equity or commodity, and the price fluctuation range is determined by a certain rule at the time of execution (unlike total return swap transactions)?	That would be correct.

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52	Attachment 1	Items 98-100	<p>The volume of these transaction types is low. Further, it is possible to rely on the relationship between quantity, price and notional to infer a notional quantity schedule from a notional amount schedule as well so recommendation would be to exclude quantity schedule fields.</p> <p>For the fields of below            98 – Notional quantity schedules – Unadjusted date on which the associated notional quantity becomes effective            99 – Notional quantity schedules – Unadjusted end date of the notional quantity            100 – Notional quantity schedules – Notional quantity which becomes effective on the associated unadjusted effective date.</p>	The JFSA selected fields to be reported based on CDE Technical Guidance provided by ROC and the data elements implemented by other jurisdictions.
53	Attachment 1	Item 102	<p>#102.Event type:            Although we recognises the available values match that of the CFTC specification, many post clearing events are not easily captured by the proposed Event types.            When the event such as portfolio transfers (which is where a client transfers a trade from one clearing member to another) occurs, we plan to report CLRG.            We propose an additional value of PTCL to be used for post clearing events which are not compression or allocations as this would then segregate those trades generated from a clearing novation vs a post clearing event.</p>	The JFSA selected fields to be reported based on CDE Technical Guidance provided by ROC and the data elements implemented by other jurisdictions. There are no plans to add PTCL as it is not listed in other jurisdictions.
54	Attachment 1	Item 106	<p>For transactions holding both voluntary calls and triggers, should we report #106 with multiple values in one transaction?</p>	Please report as OTHR.



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55	Attachment 1	Item 107	<p>UPI: The draft guidelines note that UPI is excluded from the reporting matters as of April 1, 2024 and that the timing of implementation will be determined in light of future international discussions. We welcome this decision to align with other regulations. We request that although this field will not be mandatory at go-live, that this field is still optional for us to report without obligation, if we hold this information. This may reduce future development once the field is mandatory.</p> <p>UTI: We agree with the proposal on UTI as the GCP is at the top, which aligns with other global regulations.</p>	Depending on the outcome of international discussions going forward, we anticipate to implement the reporting of UPI, but it is not prohibited to report UPI information on a voluntarily basis from April 1, 2024.
56	Attachment 1	Item 107	<p>We welcome the opportunity to provide feedback to the FSA on the Guidelines for Creating, Recordkeeping and Reporting of Transaction Information specified in Article 4(1) of the Cabinet Office Order on the Regulation of Over-the-Counter Derivatives Transactions etc.</p> <p>We note the comment on page 2 that the UPI is excluded from 'the reporting matters as of April 1, 2024.'</p> <p>We are interested to know why the FSA is excluding UPI at this point, as our understanding is that the UPI will be available at that time, as it will be being used in reporting in other jurisdictions by then.</p>	
57	Attachment 1	Item 108	Should interest rate swaps be reported as cash or physical?	Please report in accordance with the details described in the transaction confirmation. If both parties receive and pay, it shall be "Physical".
58	Attachment 1	Item 112	For the field of 112 – Indicator of the underlying index, the remarks says Use this item if the reference asset is not an ISIN. We need more clarity if the expectation is that reference asset will have ISIN. Industry practice is to report REDID for asset class credit and RIC for Equity.	Items 110 to 113 are related items, however, we have revised items 112 and 113 in response to your comennts.

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59	Attachment 1	Items 112, 115	In the case of interest rate swaps, should the same value be reported?	For interest rate swaps, please leave item 112 blank and report indicator of the floating rate for item 115.
60	Attachment 1	Items 113, 116	In the case of interest rate swaps, should the same value be reported?	For interest rate swaps, please leave item 113 blank and report name of the floating rate for item 116.
61	Attachment 1	Items 127, 128	<p>Firms have very few OTC transactions which qualifies for custom basket, however, to report the required custom basket fields will involve significant changes in multiple internal systems, which will be difficult to be prioritised given the low trading volume involved. Consequently, this will result in inefficiency and intensive manual workaround, should the internal systems not able to accommodate.</p> <p>In addition, the level of details that are required to be reported, as well as the basket constituents and corresponding weight of each constituent may reveal the business strategies of counterparties to transactions involving such thinly traded products.</p> <p>Instead, we propose that the UPI code and associated UPI reference data elements, pertaining to an OTC derivative product based on a custom basket, should only include generic information about the characteristics of such an underlier.</p> <p>Similar concerns from the industry were expressed in the UPI Technical Guidance– which was published by CPMI and IOSCO on 28 September 2017, as technical guidance to regulators. According to the views captured in the UPI Technical Guidance it is unlikely that the custom basket related data elements will be included in Phase 1, but to be taken up at a later stage after the initial implementation of the UPI system.</p> <p>Hence, we would suggest that regulator similarly undertake the reporting of Custom Basket data fields at a much later stage, when industry feedback as captured in the UPI Technical Guidance have been taken into account.</p> <p>For the field of below  127 – Identifier of the baskets constituents  128 – Basket constituent identifier source</p>	The JFSA selected fields to be reported based on CDE Technical Guidance provided by ROC and the data elements implemented by other jurisdictions.

No	classification	Applicable part	Comments	Responses
62	Attachment 1	Item 128	What should be reported for the basket constituent identifier source? For example, "ISIN" or "RIC" etc.?	That would be correct. Please enter "ISIN", "RIC", etc.
63	Attachment 1	Item 130	The JFSA should clarify in the "Definition and Interpretation of Reporting Items" that "EURO" should be populated in # 130 "Option Style" in the course of reporting Cap/Floor transactions.	Comments have been added in response to your comments.
64	Attachment 1	Item 132	With respect to the definition of "a product of a single economic agreement", is our understanding correct to say that this definition will not apply if there are two separate transactions negotiated and only one of the transaction can be voluntarily cancelled before maturity? If this type of transaction, where only one transaction can be cancelled before maturity, be considered as a "products of a single economic contract," then once one of the transaction is cancelled, it can possibly be interpreted that the transaction will no longer be considered as a package transaction hence, the system enhancement and management for creating the new reporting will be difficult. Therefore, it is desirable that these type of transactions, where only one transaction can be cancelled before maturity, does not fall under the category of "products of a single economic agreement."	We believe that the decisions should be made on a case-by-case basis pursuant to the market practices. However, if the product is determined as a "product of a single economic contract," please report it in accordance with the provisions of these Guidelines. If you are unsure, please contact us accordingly.

No	classification	Applicable part	Comments	Responses
65	Attachment 2	-	<p>It is expected that the process of assigning and sharing UTIs will vary by asset class and by counterparty, and it is unclear as to what kind of changes and actions may be required as a result with our overseas counterparties.</p> <p>In order to take "agreement between the parties" as a possible way to determine who will be generating and sharing the UTI along with other possible methods, a higher cost and resource burden is expected when defining the system enhancement requirements. We believe it is desirable to introduce regulations after a certain level of market practice has been formed, therefore, we request to postpone the start of UTI reporting from April 1, 2024.</p> <p>When considering "agreement between the parties" as a way to determine who will be generating and sharing the UTI, we believe that it is essential to work with both domestic and overseas counterparties entering into the relevant transactions.</p> <p>It is expected that a considerable amount of time and effort will be required to obtain the agreement. We believe that it would be effective for FSA to request the industry associations to prepare a draft agreement that can be used between the parties and to coordinate with overseas industry associations so that the agreement can proceed smoothly.</p> <p>We also believe that it is desirable to build an electronic platform that is uniform on a global scale in order to limit any building costs, operational risks, and operational time constraints that may incur when transferring the information from paper confirmation or from different matching systems used for confirmation.</p>	<p>We are not considering any changes to the effective date of these Guidelines (April 1, 2024). We will continue monitoring other jurisdictions' UTI implementation timing and if necessary, we may consider other options.</p>
66	Attachment 2	-	<p>By allowing bilateral agreement, we believe there will be some flexibility in operation when we find it difficult to follow the technical guidance for UTI generation.</p> <p>However, in order to ensure flexibility in operation, ASIC and MAS seems to be in consideration of amending the CPMI-IOSCO technical guidance.</p> <p>We hope that all jurisdictions can coordinate and provide consistent guidance in order to achieve the final goal of global harmonization.</p>	<p>Thank you for your opinion.</p>

No	classification	Applicable part	Comments	Responses
67	Attachment 2	-	Is our understanding correct to say that transactions executed using the trading platforms are subject to UTI generation, but transactions that do not involve such platforms (ie. voice broking over the phone) are not subject to UTI generation?	Please follow the instructions in this Guideline and if necessary, an agreement should be made between the parties.
68	Attachment 2	-	As per our previous communication with FSA regarding UTI generation, we understood that for interest rate derivative transactions executed by voice through electronic trading platform operators, are considered as not executed on trading platforms. Hence, our understanding is that the electronic trading platform operator is not the UTI generator for transactions executed by voice. Since this point was not stated in the "How to determine the generation of Unique Transaction Identifier (UTI) ", we would like to confirm if our understanding is correct.	
69	Attachment 2	3 (1)	Market participants have been asking other jurisdictions to have the ISDA Tie-breaker logic incorporated at the end of the flow step in the Technical Guidance. To be in line with these requests, we would like to request for JFSA to consider explicitly incorporating the ISDA Tie-breaker logic as one of the methods, in order to clarify that this method is acceptable.  We would also like to confirm that assignment based on ISDA Tie-breaker logic is acceptable, even if it is not explicitly included in your Guidelines.	The flow in the Technical Guidance is provided as a reference only, hence if necessary, an agreement should be made between the parties.
70	Attachment 2	3 (1)	"3(1) (ii) Otherwise, including cases where it is practically difficult to follow (i), the parties determine the UTI generation responsibility based on bilateral agreement."  Are there any specific requirements on storage of how the responsibility was bilaterally agreed? For example, is an email agreement or an oral agreement over a recorded phone be sufficient? Or do you need a more formal agreement document?	There are no specific requirements.

No	classification	Applicable part	Comments	Responses
71	Attachment 2	3 (1) 4 (1)	<p>"3(1) (ii) (...) If the Trading Platform or the Confirmation Platform is unable to generate UTI due to system trouble or other temporary reasons, the Reporting Party needs to report a provisional UTI and then replace it with a genuine UTI."</p> <p>If a provisional UTI is replaced by a genuine UTI after the reporting deadline to FSA :</p> <p>1. Is submission of a genuine UTI considered a delay in reporting? 2. How should a genuine UTI be submitted? Should we modify the existing transaction or should we cancel and resubmit the transaction?</p> <p>"4(1)* (...) However, on the assumption that UTI should be shared in time for reporting as much as possible, if it takes some time to share the UTI, reporting of provisional UTI assigned by the receiving counterparty is permitted."</p> <p>Please explain whether it is necessary to cancel the provisional UTI and re-report as a new transaction, or we need to modify the provisional UTI to a genuine UTI and re-report.</p>	If replacement is necessary, please replace it without delay. When replacing an existing transaction, please cancel the existing transaction and re-report it as a new transaction.
72	Attachment 2	3 (2) (footnote 2)	<p>"In case where the transaction is cleared through CCPs designated by the JFSA Notification No.105 of 2011, " Designation of Transactions and Loans Designated by the Commissioner of the Financial Services Agency Excluded from Transactions Subject to Financial Instruments Obligation Assumption Service ", a Reporting Entity is required to report the transaction. (The same shall apply hereafter.)"</p> <p>With respect to "foreign financial instruments clearing organization," "subject foreign financial instruments clearing organization," and "designated foreign financial instruments clearing organization" as defined in Article 1 of the JFSA Notification No. 105, is our understanding correct to say that it would be the financial institution's responsibility to report any transactions prescribed in Article 2 of the same Notification?</p>	That would be correct.
73	Attachment 2	3 (3)	<p>The timing of endorsing UTI specified in ISO 23897:2020 (global UTI) may differ in each jurisdiction. For example, if the effective date of new regulation differs between Japan and Europe, UTIs under the current European standards may be generated and shared in cross-border transactions with European financial institutions. In terms of a smooth transition, we would like to seek for the JFSA's clarification whether it is acceptable to report such non-global UTIs during certain period?</p>	Until the global UTI is implemented in the counterparty jurisdiction, it is acceptable to report the UTI, etc. assigned based on the standards applied in the counterparty jurisdiction.
74	Attachment 2	3 (3)	<p>For cross-border transactions where the reporting requirement differs from Japan due to timing difference in implementation of the new transaction reporting regulation, we would like to request for permission in allowing the use of UTI generated by the counterparty, which may not necessarily meet the new UTI rules.</p> <p>Reason: If the timing for implementation of the new transaction reporting regulation is different, the UTI assigned by the counterparties may not necessarily be based on ISO 23897 : 2020. In order to ensure a smooth transition to the new regulation, it is necessary to take the above measures during the transition period.</p>	

No	classification	Applicable part	Comments	Responses
75	Attachment 2	5 (1)	<p>“The determination on whether or not a new UTI is required to be generated for each transaction should be considered in accordance with Technical Guidance. When a transaction is terminated and replaced with one or more other transactions, new UTIs should be used. The basic approach is as follows:</p> <p>(....)</p> <p>(ii) Otherwise, a new UTI should be used. Examples of this include:</p> <p>a. A change to either counterparty. This includes Novation or clearing where either of the counterparty is changed to a CCP.</p> <p>b. Where an OTC derivatives transaction is replaced by one or more other transactions, regardless of whether same or different counterparties are involved. (e.g., Compressions)”</p> <p>For case (ii), taking novation as an example, should the reporting date for “Effective Date” be the date of the initial transaction? Or should we report the effective date of the novation transaction?</p>	<p>If a novation is executed after reporting the effective date of the initial transaction, please report the effective date of the novation transaction in accordance to the “Harmonisation of critical OTC derivatives data elements (other than UTI and UPI) Revised CDE Technical Guidance – version 3. ” published by the ROC.</p>
76	Attachment 2	5 (2)	<p>While there are cases where transaction identification numbers were assigned by the counterparties to the existing transactions, and such transaction identification numbers were prescribed on paper confirmations, etc., we currently do not conduct any registration of the information (i.e. registering the transaction identification) in our internal system.</p> <p>It is difficult and time-consuming to report the transaction identification number of an existing transaction (i.e, it would be necessary to confirm whether or not the transaction identification number is stated on a paper confirmation, and if so, to manually input them in our system).</p> <p>Therefore, we would like FSA to allow re-reporting of the existing transactions by assigning different UTIs which may be different from the transaction identification number originally assigned by the counterparty.</p>	<p>As stated in “5. Other Issues (2) Outstanding Transactions,” if there is an existing relevant transaction identifier which was previously reported to the JFSA or TR, please report the relevant transaction identifier accordingly. If this is difficult, then it is acceptable to report different UTI assigned by each counterparty.</p>

No	classification	Applicable part	Comments	Responses
77	Attachment 2	-	<p>For global UTI, it would need discussion across jurisdictions so rules can be consistently adopted otherwise it will be very challenging for firms to build logic across regimes.</p> <p>UTI Bilateral agreements (at each reporting entity level, down to branch level) to be in place, a process which would be extremely complex and bespoke to agree across a large set of counterparties. Executing an expansive web of bilateral agreements with counterparties would result in huge operational overhead as it requires significant counterparty and client outreach for execution of such agreements, albeit only at the onset. In addition, there will be a need for system development and build to maintain a database of the agreements specifying generating parties, regimes, terms, etc. System changes will also be required to build in the UTI generation logic to factor in bilateral agreements. Also, there are no agreements catering to all regimes across the globe and having bilateral agreements does not align with the overall goal of harmonised framework. This also negates the possibility of using a commonly understood industry methodology (if one was uniformly developed and adopted) which does not require explicit agreement bilaterally.</p>	<p>Regarding UTI, please refer to UTI technical guidance published by the BIS Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) and report based on the ISO23897:2020 (global UTI) numbering method (the first 20 digits shall be the LEI of the UTI generator, and any alphanumeric string up to 32 digits thereafter).</p> <p>Our understanding is that there is no internationally agreed method for applying the alphanumeric characters of up to 32 digits after the LEI.</p>
78	Attachment 2	-	<p>As for the allowance of bilateral agreement for UTI generation, given the adoption of ISDA asset class tie-breaker logic and reverse ASCII sort logic has not yet been discussed further amongst the reporting obligation parties in Japan, we think it would become a heavy workload when trying to reach an agreement between the two parties and to perform any data maintenance. Paper confirmation and emails are expected to be the main methods for sharing the UTI, which considering the T+2 reporting deadline, may cause multiple revisions of the UTIs to occur until all parties obliged to report become more familiar with the operation.</p> <p>A service for sharing transaction identifiers electronically is widely used in SFTR reporting in Europe and due to its efficiency, an expansion of service for EMIR OTC derivatives reporting is under consideration.</p> <p>However, in a situation where the number of parties involved in the transaction may be limited, but multiple combination of counterparties may occur, the sharing and reporting of the UTI process may still become inefficient.</p>	<p>Thank you for your opinion.</p>