

20 December 2019

Council of Financial Regulators
FMI Regulatory Reforms Consultation Submissions
FMI Section, Payments Policy Department
Reserve Bank of Australia
GPO Box 3947
Sydney, NSW 2001
Australia

Re: Submission on Financial Market Infrastructure Regulatory Reforms

Dear Madam, Sir,

The Depository Trust and Clearing Corporation¹ (DTCC) welcomes the opportunity to provide preliminary views on the Consultation Paper on Financial Market Infrastructure Regulatory Reforms.

We recognize the effort of the Council of Financial Regulators' ("CFR") to improve Australia's statutory framework for financial market infrastructures ("FMI"), and the intention to bring further clarity and legal certainty to the Australian regulatory regime. In addition to continuing to enhance the regulatory framework in Australia, the Consultation demonstrates the continued commitment of the CFR to their responsibilities as authorities under the CPMI-IOSCO Principles for financial market infrastructures ("PFMI"), and thus to the stability of the global financial markets.

The introduction of objective tests for assessing the domestic connection and materiality of overseas clearing and settlement facilities as described in section 2.4, under the heading "Overseas entities – requirement to be licensed" will doubtless result in greater certainty for overseas operators. In addition, we welcome the CFR's other provisions in the Consultation Paper which help the Australian regulators comply with Responsibility E of the PFMI.

¹ The Depository Trust and Clearing Corporation ("DTCC") is a major post-trade market infrastructure provider for the global financial services industry. From operating facilities, data centers and offices in 15 countries, DTCC, through its subsidiaries, automates, centralizes and standardizes the processing of financial transactions, mitigating risk, increasing transparency and driving efficiency for thousands of broker/dealers, custodian banks and asset managers. Industry owned and governed, the firm simplifies the complexities of clearing, settlement, asset servicing, data management, data reporting and information services across asset classes, bringing increased security and soundness to financial markets.

However, given the importance of the topic, we believe additional time is necessary to allow for the careful consideration various aspects of the consultation paper that could impact clearance and settlement activities overseas, particularly with respect to cross border supervisory initiatives, crisis management, and resolution. Accordingly, we are writing to indicate our intent to provide more detailed comments on this consultation with this purview as soon as reasonably practicable.

Please do not hesitate to contact us if you are interested in discussing or have questions in relation to the foregoing or any other related matters. Please feel free to contact me at awdouglas@dtcc.com, Brandon Becker, Managing Director and DTCC's Deputy General Counsel at bbecker@dtcc.com, or Mr. Jean-Remi Lopez, Director of Government Relations APAC at jrlopez@dtcc.com.

Yours sincerely,

Andrew Douglas

Managing Director, Government Relations