



Frankfurt am Main,
30 May 2017

BVI's response to the ANNA-DSB Fee Model Consultation Paper 2

BVI¹ appreciates very much that the ANNA DSB makes the ISINs available for the full range of OTC derivative instruments ahead of MiFID II/MiFIR. Our response can be made public.

General Remarks

We support in general the approach suggested, in particular the license and fee free use of the data associated with an ISIN. The ANNA DSB will help our members

- to fulfill regulatory requirements,
- to streamline the straight through processing across all asset classes,
- to reduce the number of errors in interfacing with the various partners and
- therefore to allow to offer a competitive product.

We strongly agree with the approach that Registered Users (e.g. buy-side firms) will not be required to pay a fee. Such a proposal will increase the attractiveness to use the ANNA/DSB engine especially for market participants with a limited number/volume of OTC derivative contracts.

From a buy-side point of view the pre-trade availability of a globally agreed and standardized set of reference data attached to an identifier such as the ISIN which in turn enables (in a first phase) automation of regulatory reporting as well as (in a second phase) trading, clearing, settlement and collateral management would be a huge step forward for the (OTC) derivative markets. **We urge ANNA to expand - based on the recommendations of ISO SG2 - the ANNA DSB database as soon as possible to necessary trading, clearing, settlement and collateral management reference data.**

In this way concerns within the industry that the ANNA DSB may not fit for purpose globally could be addressed best. ANNA DSB is too expensive in the long run if it is limited to enabling only automation of EU regulatory reporting. It is most important for our members move to automation based on standardization to have a widely – ideally globally -accepted international identifier and associated reference data without any usage restrictions because of intellectual property rights as is the case with other identifiers in this area, such as the Markit RED code.

The openness of the system is key for its success. We recommend to increase the ability and support for entities which are mainly consumer of the Masterfile and creating ISINs in an indirect manner.

Specific Remarks

**Q1: Do you agree that 4 years is an appropriate time frame to amortize the start-up costs?
Please provide any relevant evidence to support your answer.**

¹ BVI represents the interests of the German investment fund and asset management industry. Its 99 members manage assets of EUR 2.9 trillion in UCITS, AIFs and discretionary mandates. As such, BVI is committed to promoting a level playing field for all investors. BVI members manage, directly or indirectly, the investments for 50 million private clients in over 21 million households. BVI's ID number in the EU Transparency Register is 96816064173-47. For more information, please visit www.bvi.de/en.



Q2: Do you agree with the proposal to create a contingency fund of €750K to cover unplanned costs during the initial few years of operation? If not, please suggest alternative approaches to financial risk management in a cost-recovery construct

We have no comments.

Q3: Do you agree with the proposal to simplify the fee model by eliminating the differentiation between users requiring access to a single asset class vs multiple asset classes? Please provide details and any relevant evidence to support your answer.

We agree with the concept to align the fee model structure for users to have access to all multiple asset classes. Registered users (e.g. buy-side firms) with a limited number/ volume of OTC derivative contracts should have access to all multiple asset classes as they may have to use ISINs for all product classes depending on the investment strategy of the relevant UCITS/AIF.

In the context of the proposed fee model structure (p. 10) we think that Registered users (e.g. buy-side firms) with a web access should have the possibility to create a maximum of 50 ISIN at no charge during the calendar year. Such an approach will incentive market participants with a limited number/volume of OTC derivative contracts to use the ANNA DSB engine.

Q4: Do you agree with the proposal to provide the full database archive to Registered Users (at no charge), in addition to the paid user categories? Please provide details and any relevant evidence to support your answer.

We strongly agree with the proposal to provide Registered users (e.g. buy-side firms) with the full database archive at no charge. Registered users with a web access need the full database archive enabling them to search for ISINs codes which are used in the regulatory reporting or for investment purposes.

Q5: Do you agree with using 3 as the ratio of fees between Power Users and Standard Users? If not, please provide details and any relevant evidence to support your suggested ratio.

Yes, we agree to use 3 as the ratio of fees between Power users and Standard users.

Q6: Are there any specific challenges you will face meeting the contract execution and payment deadlines stipulated above? Please provide details.

We have no comments.

Q7: Do you agree with the principle of using excess revenue to reduce the subsequent year's fees? If not, please explain your reasoning and provide industry examples to support your view.

We agree with the principle of using excess revenue to reduce the subsequent year's fees.