

Reply form for the [DRAFT] Consultation Paper On draft Implementing Technical Standards on main indices and recognised exchanges under the Capital Requirements Regulation





Date: 29 September 2014



## **Responding to this paper**

The European Securities and Markets Authority (ESMA) invites responses to the specific questions listed in the Consultation on draft Implementing Technical Standards on main indices and recognised exchanges under the Capital Requirements Regulation, published on the ESMA website (<u>here</u>).

### Instructions

Please note that, in order to facilitate the analysis of the number of responses expected, you are requested to use this file to send your response to ESMA so as to allow us to process it properly. Therefore, please follow the instructions described below:

- i. use this form and send your responses in Word format;
- ii. do not remove the tags of type < ESMA\_CRR\_ITS\_QUESTION\_1> i.e. the response to one question has to be framed by the 2 tags corresponding to the question; and
- iii. if you do not have a response to a question, do not delete it and leave the text "TYPE YOUR TEXT HERE" between the tags.

Responses are most helpful:

- i. if they respond to the question stated;
- ii. contain a clear rationale, including on any related costs and benefits; and
- iii. describe any alternatives that ESMA should consider

To help you navigate this document more easily, bookmarks are available in "Navigation Pane" for Word 2010 and in "Document Map" for Word 2007.

### Responses must reach us by 1 November 2014.

All contributions should be submitted online at <u>www.esma.europa.eu</u> under the heading 'Your input/Consultations'.

## **Publication of responses**

All contributions received will be published following the end of the consultation period, unless otherwise requested. Please clearly indicate by ticking the appropriate checkbox in the website submission form if you do not wish your contribution to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. Note also that a confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make is reviewable by ESMA's Board of Appeal and the European Ombudsman.

## Data protection

Information on data protection can be found at <u>www.esma.europa.eu</u> under the heading 'Disclaimer'.



## Q1: Do you agree with the criteria proposed for an absolute test? If not what criteria would you propose?

#### <ESMA\_CRR\_ITS\_QUESTION\_1>

We start by outlining some key general concerns which form the backdrop to our responses below.

Overall, AFME and its members have strong reservations on the limited nature of the proposed lists of both main indices and recognised exchanges. In our view these limited lists would:

- reduce significantly the volume of eligible collateral that market participants currently use;
- impact market liquidity for securities that became ineligible;
- create an unlevel playing field problem, as the US in particular recognizes a wider range of securities; and
- produce the possibly unintended consequence that, while a stock that only just meets the absolute criteria in a developed market would be eligible collateral, a far more liquid stock in an emerging market might not.

With regards to main indices, we believe that by focusing on 'blue chip' equities. ESMA is in effect imposing new restrictions on the eligibility of liquid collateral, which it is not mandated to do by the CRR. The term 'main index' was used pre-CRR without limitation to 'blue chip' companies, so we would argue that ESMA is making a policy decision in Level 2 which goes beyond the Level 1 mandate. The industry already considers carefully the quality and liquidity of equity collateral it receives from counterparts, and it is this quality and liquidity of a given stock which is key. We believe that the criteria proposed should be applied to further indices which meet those criteria, so as to include the stocks making up those broad, diversified and liquid indices as eligible collateral. In this context, we note that the additional "sufficiently liquid" test in Art 194(3)(b) permits a broader range of more focused Main Indices (for example, at least one per country), as the liquidity test will automatically exclude those stocks which would constitute poor collateral.

Turning now to the criteria for the Absolute Approach, these are: 90% of constituents must meet have a free float of  $\bigcirc$ 500m or if the information is missing, there needs to be  $\bigcirc$ 1000m of market capitalisation. On that basis it seems that other non-EEA indices should have been included, although we recognise that ESMA took the approach of selecting two catch-all indices namely "STOXX Europe 600" and "MSCI World". However we do not think these provide sufficient coverage of other markets, for example, some of the largest MSCI and Vanguard emerging indices are not looked at, which results in omitting some fairly large market cap stocks. It was also not clear in the consultation paper why ESMA has limited the list to only one index per country (except Japan and US).

Indeed, AFME members have undertaken analysis of global indices under the Absolute Approach which suggests that additional indices will pass the criteria. Please see Q5 for our presentation of this analysis. <ESMA\_CRR\_ITS\_QUESTION\_1>

## Q2: Do you agree with the criteria proposed for a relative test? If not what criteria would you propose?

#### <ESMA\_CRR\_ITS\_QUESTION\_2>

There is value in the adoption a relative approach in addition to an absolute approach to ensure that a significant proportion of liquid securities of each major market are selected. The relative approach seems however to have been applied to EEA markets only. It can be argued that this approach should be applied to major global markets, including all G20 countries. In the absence of a proper coverage of non-EEA markets, European banks may face a competitive disadvantage versus their non-EEA counterparts when dealing in markets where no Index has been selected (e.g. China and Russia).

Also, the key distinction between 'main index' and 'non main index' should be on liquidity. Banks already have to haircut the collateral value to take account of volatility. We recognise that there will be potentially wide variations in liquidity between the constituents of an index, but there should at least be a broadly



comparable threshold across markets. For example, if an equity is treated as 'main index' in, say, the Czech Republic, equities in the UK with similar levels of liquidity (ADT) should not be ruled out, simply because there are larger / more liquid stocks in the UK market. 'Mid cap' indices such as the FTSE250 in the UK and the Russell 2000 in the US are highly liquid in their own right. <ESMA\_CRR\_ITS\_QUESTION\_2>

## Q3: Do you believe that there are convertible bond indices that should be specified as main indices? If so please provide details and evidence in support.

### <ESMA\_CRR\_ITS\_QUESTION\_3>

Convertible bonds are in essence less risky than equity position, as there is downside protection. Therefore the additional benefit in terms of stability in value could justify more flexible requirements when it comes to liquidity. Also measuring liquidity by taking free float or capitalisation can be questioned when it comes to Convertible Bonds. Although convertible bond indices are sparse, and therefore may appear less liquid, they generally convert into liquid equity underlying. Therefore their apparent lack of liquidity using some measures may be misleading.

Against this background, we would urge ESMA to review the Joint Committee's Draft RTS on riskmitigation techniques for OTC-derivative contracts. Chapter 3 Article 1 of the Draft RTS stipulates criteria for eligibility of collateral for initial and variation margin. Here it refers to Article 197 (8)(a) of the CRR (which is the mandate of this consultation) in terms of eligibility of equities and convertible bonds. The relevant provisions are copied below for ease of reference. These provisions seem to observe the point we have made above by linking eligibility of convertible bonds to the liquidity of the underlying equity. We would recommend that ESMA take a similar approach in its Draft ITS, otherwise industry ends up with a two-tier framework for eligible collateral. We believe there is justifiable room for reinterpretation of Article 197(1) (f), such that this recommendation can be achieved.

(*p*) convertible bonds provided that they can be converted only into equities which are included in a main index as referred to in point (*a*) of Article 197 (8) of Regulation (EU) No 575/2013;

# (q) equities included in a main index in accordance with Article 197(8)(a) of Regulation (EU) 575/2013;

In general, we would recommend consistency is ensured between:

- Eligible collateral for non-cleared OTC derivatives, mentioned above;
- Eligible collateral to be posted to qualifying CCPs (some CCPs accept equities, e.g. EUREX, as collateral which in turn will be accepted by Clearing Members from their clients); and
- Eligible collateral in other jurisdictions where relevant local regulations are deemed equivalent.

Finally, there are a number of indices covering convertibles, for example the Thomson Reuters series (see <u>http://thomsonreuters.com/convertible-indices/</u>), previously known as the UBS Convertible Indices. These differ somewhat from most cash equity indices in that pricing, composition, and other relevant information is not all freely available; some has to be paid for. However, these are some of the "main" indices covering convertibles, and there does not appear to be any requirement in the CRR which would prevent their use for defining the more liquid securities in that sector. We would therefore recommend that a selection of the main indices which do exist be adopted. The table below illustrates a listing of a major European index, the "Europe Hedged" index. A number of similar indices exist, ranging from global through regional to sectoral and country level.



### Thomson Reuters Global Convertible Indices Europe Hedged (USD) Index Constituent List

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2507       XS110872988       BUWOG(Immofunar)       15.0       11-5ep-19       TESP-19       FE       PE												
1100         SX095304691         Buzzi Uncern         1.38         17-Jul-19         EUR         18397101530767 Orpea         3.88         01-Jan-16         EUR           19000         SK09530821 Cake (La Caka)         0.00         1-Jan-19         EUR         132827817221 Pargesa (BNP)         0.25         21-Sep-15         EUR           19003         FR0011600352 Cap Gemini         0.00         0.1-Jan-19         EUR         32885906761741 Pargesa (BNP)         0.25         27-Sep-16         EUR           19035         FR001156706 Casin (Gral) (Gral)         0.00         0.01-I8         EUR         22791942271911 Pargesa (BNP)         0.25         27-Sep-16         EUR           12470         DECOM/TAB/DAT         4.00         27-Map, 16         EUR         2191931031337317 Pargesan         2.5         29-Map, 16         EUR           14475         X5002713696         Datale (MAPA)         0.0         67-De-19         EUR         24351046777351         Decom         0.8         19-Map -19         USD           14475         DECOM/TROXD Dutatione Voltenen         0.8         0.6-Sep-19         EUR         242851046777351         Decom         0.0         De-Mar -18         USD           14473         DECOM/TROXD Dutatiobe Voltenen         0.8         0.												
28800         XS098539021 Caba (La Caba)         1.0         25-hon-17         EUR         32818/8271212 Pargesa (B/P)         1.7         01-lan-20         EUR           18999         FR0011567398 Casino(Railye)         1.00         02-Oct-18         EUR         32818/82716118718416Ph)         0.25         27-Sep-16         EUR           18989         FR0011567398 Casino(Railye)         1.00         02-Oct-18         EUR         32818/827161187123714         Casino Casino(Railye)         0.25         27-Sep-16         EUR           18985         FR0011567684 Colinimm         2.00         2.0-Jun-18         EUR         12911897536141 PreuijsChem)         0.25         2.9-Avv-16         EUR           2304         XS082102112         Derwert London         2.75         15-Jul-18         GBP         2.193180133337 Prysmin         1.25         0.4-Jul-18         ULR           14745         DE00A1YCRX2         Devalue Wohnen         0.50         2.2-Avv-18         EUR         2.9830 (4637791         0.08         1.9-Mar.21         ULR           14745         DE00A1YCRX2         Devalue Wohnen         0.50         2.2-Avv-18         EUR         2.9830 (46377910         0.00         HA-94         ULR         1.9936 (46377910         0.00         HA-94         ULR         <					11-Sep-17							
1903       FR001160032 Cap Gemini       0.00       01-Jan-19       EUR       32885 50637714 Pargesa (BMP)       0.25       21-Sep-15       EUR         18989       FR001155768 CasG (Ralye)       1.00       2-O-C120       0-C-C120       0-C-C												
1989s         FR0011967308 (CasimolRallye)         100         02-Oct-20         02-Oct-20         EUR         22754825980878114 ParagiosajNP)         0.25         27.5%p-16         EUR           1986s         FR0011357664 (CG)         1.2         01-Jan-19         EUR         12751647010773226 Peugeot         4.40         01-Jan-16         EUR           2147         SX052313861 Calmine(Ashar)         4.00         27.44%p-16         EUR         2191199733237 Peymina         1.2.5         27.4Ju-18         USD           2304         XS0524102112 Derwert London         1.1.3         24.Ju-19         GBP         2190330133337 Peymina         1.2.5         08.4Ma-19         USD           14438         DE000A1760XD Routsche Post         0.60         06-De-19         EUR         42853 0464772551 Clagen         0.81 94Ma-19         USD           14743         DE000A170KDR Deutsche Wohnen         0.55 02-Xv-18         EUR         42853 0464772551 Clagen         0.81 94Ma-19         USD           14745         DE000A1170H7 Deutsche Wohnen         0.00         0-De-16         EUR         23900 069392922 2allo 6701929222 2allo 6701929222 2allo 6719         EUR           19005         FR001147044 Euroze0(Credit)         0.00         0-De-16         EUR         23940400331904 Samp0(Soldium)         0.00												
1988         FR001135764 CG         1.25         01-Jan-19         EUR         2275 M48287811 Petropaionsk         4.00         19-Feb-15         USD           25740         BEGS4719662 Coliminamo         2.00         2.00         2.01-H18         EUR         2275 M48278811 Petropaionsk         4.00         19-Feb-15         USD           12414         X5062133861 Daimler(Aabar)         4.00         2.7May-16         EUR         2238 M40021877 Pem OI(Fin)         0.25         0.27./14         USD           2360         X50954745351 Dervent London         1.13         2.4-Jul-19         GBP         2238 M4021877 Pem OI(Fin)         0.28         19-Mar-19         USD           14745         DE000A1YCK02 Deutsche Wohnen         0.80         0.22-Nov-20         22-Nov-16         EUR         24853 046477351 Olagen         0.88         19-Mar-21         USD           14745         DE000A1YCK02 Deutsche Wohnen         0.80         0.22-Nov-16         EUR         228810 603970 Sacy Valiehermoso         0.83         19-Mar-21         USD           14745         DE000A1YCK02 Deutsche Wohnen         0.80         0.22-Nov-16         EUR         22830467705416         Sental-16         EUR           14745         DE000A1YCK04 EvanificAlista         Sental-16         EUR         227340					02-Oct-18							
25740         BE6254176062         Cold John-16         EUR         19767710773226 Peugent         4.45         Ot Jan-16         EUR           21417         SS05210921         Demonstration (Abar)         4.00         Z7-Mah-16         EUR         2191199753411         Peint (Schem)         2.52         SN0-vo-16         EUR           2304         SS052102112         Derwent London         1.73         Z-Jul-19         GBP         219033032337         Pryminan         1.25         0.84m-18         EUR           14468         DE000A11CWDR2         Detscher Vorthen         0.80         0.8-Der-19         EUR         42851046477251 Giagen         0.88         194Mar-19         USD           14770         DE000A12UDH7 Deutsche Wohnen         0.80         68-Sep-10         EUR         42851046477251 Giagen         0.80         94-Sep-18         EUR           19005         FR00111641034         Eurace/(Gardin)         0.00         68-Der-16         EUR         32690306339700         3.63         0.14,pr-19         EUR           19005         FR001114104104         Eurace/(Gardin)         0.00         4-Der-18         EUR         336014078111         0.00         4-Der 10.00         21920108329802         5.00         3.00         1.00         4-Der 10.00 <td></td> <td></td> <td></td> <td></td> <td>02 000 10</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>					02 000 10							
2314       X50628102112       Derwent London       2.75       15-Jui-16       GBP       2348/849021077       Premi Ol(Fin)       2.50       2.7-Jui-18       USD         2360       X50624745351       Derwent London       11.3       2.4-Jui-19       GBP       21903033327       Premi Ol(Fin)       2.50       2.7-Jui-18       EUR         14496       DE000A17R0/MS Deutsche Wohnen       0.60       0.6-De-19       EUR       42852/046477235       Clagen       0.88       19-Mar-19       USD         14740       DE000A12UDH7 Deutsche Wohnen       0.80       0.8-Sep-21       0.8-Sep-19       EUR       42852/046477351       Glagen       0.80       0.8-May-19       EUR         19005       FR0011641034       Eurazeo(Credit)       0.00       6-De-16       EUR       2578/0400574880       SAS AB       8.8       0.4-Ar-19       SER         19005       FR0011641034       Eurazeo(Credit)       0.00       3-De-18       EUR       149500574480       SAS AB       8.8       8.8       8.8       0.4-Ar-19       SER       14950       SAG8/0712918       1.00       2-Sep-17       USD         19004       FR0011620344       Francine Regions       3.80       0.4-Jan-19       EUR       14950 000007758800586710       1	25740	BE6254178062 Cofinimmo	2.00	20-Jun-18		EUR			4.45	01-Jan-16		EUR
2360       X30854745351       Derwent London       1.13       24-Jul-19       GBP       21903/90132337       Prysmin       1.25       08-Mar-18       EUR         14669       DE000A1YCK02 Deutsche Wohnen       0.50       02-Nov-20       22-Nov-18       EUR       42865 (046477253 Cologen       0.38       19-Mar-19       USD         1470       DE000A1YCR02 Deutsche Wohnen       0.50       02-Nov-20       22-Nov-18       EUR       42865 (046477253 Cologen       0.08       19-Mar-21       USD         14743       DE000A1YCR02 Deutsche Wohnen       0.50       08-Sep-21       0E       21920 (069899232 Saflo Group       1.25       22-May-19       EUR         14744       DE000A11TGA164 Evonk(Rachie)       0.00       12-De-18       EUR       34569106794880 SA5 AB       3.63       01-Apr-19       SEK         14744       DE000A11TGA164 Evonk(Rachie)       0.00       21-De-18       EUR       14353 0A10WA17 Siemens Basket Unit       1.05       1-6-Aug-17       USD         18795       FK001132011 Fonciera Regions       3.34       01-Apr-19       EUR       14353 0A10WA17 Siemens Basket Unit       1.05       1-6-Aug-17       USD         25717       X50114273 Fersenius       0.00       24-Sep-19       EUR       212/06935537 Sia Sanea Saps			4.00									
14680       DE000A1RCVMS Deutsche Wohnen       0.60       06-Dec.19       EUR       42852 (046477281 Glagen       0.81       19-Mar-19       USD         14743       DE000A17CRD2 Deutsche Wohnen       0.68       02-Roy-20       22-Nov-18       EUR       29803 063399700 Sacy Vallehermoso       4.00       08-May-19       EUR         14043       X570715605 Dialog Semiconductor       1.00       10-2-Apr-17       USD       21200 06999222 Sallo Group       1.25       22-May-19       EUR         19005       FR001164104 Eurazen(Credit)       0.00       02-Apr-17       EUR       27394 (040531904 Sampo(Solidium)       0.00       04-Sep-18       EUR         19705       FR0011631036 Eurazen(Credit)       0.00       31-Dec-18       EUR       14850 10/11/UA7 10/11/Simess Basket III       1.00       24-Sep-17       2-Sep-17       USD         19705       FR001163114       Franceina       3.01       1-Jan-18       EUR       14633 0/10/W1 5imens Basket III       1.01       1-Au-19       USD         19706       FR001163114       Franceina Sajos       0.40       1-Jan-19       EUR       14633 0/10/W1 5imens Basket III       1.61       1-Au-19       USD         19706       FR0011631344       Franceina Sajos       0.43       0.44-Sep-19       EUR												
14743       DE000A1YCR02 Deutsche Wohnen       0.50       0.2×Nov-20       22×Nov-18       EUR       248031064297581 Claigen       0.88       19-Mar-21       USD         14700       DE000A12DDH7 Deutsche Wohnen       0.80       68-Sep-19       USD       218201063399700 Sacyt Valhermoso       4.00       0.84-May-19       EUR         14643       XS0757015606 Dialog Semiconductor       1.00       0.2-Apr-17       USD       218201069399242 Safito Group       1.00       0.4-Sep-18       EUR         14744       DE000A1HTGVE Veronik(RAG)       0.00       0.3-Dec 16       EUR       3366910574880 SA-SA       3.63       0.1-Apr-19       Z-Sep-17       24-Sep-17       24-Sep-15       USD         14745       DE000A1HTGVE Veronik(RAG)       0.00       31-Dec 15       EUR       3364010A/AT Seines Basket Unit       1.00       2-Sep-17       24-Sep-15       USD         19040       FR0011321365       Faurecia       3.30       0-Jan-17       EUR       144530A1G0W/A1 Siemens Basket Unit       1.56       16-Aug-19       USD         19040       FR001150311       Forcier Regions       0.38       0-Jan-16       EUR       22780514464755       Sant Clarbon       3.03       1.0-Lan-16       EUR         25728       BE033989900 Forintis CASHES Perp												
14770       DE000A12UDH7 Deutsche Wohnen       0.88       08-Sep-21       08-Sep-19       EUR       29803 063399700 Saöry Vallehermoso       4.00       08-May-19       EUR         19005       FR011641034 Eurazed(Credit)       0.00       02-Sep-16       EUR       27384 (40631944) Sampo(Solidium)       0.00       04-Sep-18       EUR         14744       DE000A110GV1 Evonik(RAG)       0.00       03-Dec-16       EUR       38405 83475161 Severstal(Holdgrove)       1.00       24-Sep-17       24-Sep-17       USD         18775       FR011321363 Faurecia       3.25       01-Jan-18       EUR       144371 00A0228L6 SGL Carbon       3.03       03-Jun-16       EUR         18954       FR01105112834 Fornecire Regions       0.38       01-Apr-19       EUR       144639 3h(G0W/C1 Siemens Basket Unit       1.05       16-Aug-17       USD         25717       X5011629344 Foncire Regions       0.38       01-Apr-19       EUR       144639 3h(G0W/C1 Siemens Basket Unit       1.05       16-Aug-17       USD         25717       X50114540474 Fortis FRESH Perp       2.08       Perpetual       EUR       23271056514567 Stan Chart(Tema)       0.00       24-Oc-14       SGD         14755       DE000A17201F6 GAGFAH       1.50       2-May-19       EUR       23271056514567 Stan Chart(Te					22 Nov 19							
14443       XS0757015606       Dialog Semiconductor       1.00       04-2np-17       USD       21292/069899222 Safilo Group       1.25       22-May-19       EUR         19005       FR0011161103       Eurazao(Credit)       0.00       06-De-r6       EUR       35669/005704880       SAS AB       3.63       01-Apr-19       SEK         1474       DE000A11TGV15       Frontik [AAG)       0.0       31-De-r18       EUR       35669/005704880       SAS AB       3.63       01-Apr-19       EUR         29756       XSM57772913       Faurecia       3.23       01-Jan-17       EUR       1465330/A1MuAr SGL Carbon       2.75       25-Jan-18       EUR         29756       XSM57772913       Fonciers Regions       3.34       01-Jan-17       EUR       1465330/A1MuAr SGL Carbon       2.75       25-Jan-18       EUR         19004       FR0011050111       Fonciers Regions       0.80       01-Apr-19       EUR       146333/A1G/WC7 Simens Basket Unit       1.68       16-Aug-17       USD         19004       FR0011502144       Fonciers Regions       0.24       Perpetual       EUR       2327/BS1/A4567       Stan Carbon       0.03       -04-14       SGD         26717       XSD147444074       Fortis FRESH Perp       1.56												
19005       FR0011641034       Eurazeo(Credit)       0.00       06-Dec-16       EUR       27394/040531904       Sampo(Soldium)       0.00       04-Sep-18       EUR         14744       DE000A11T004 Viennik(GAnci)       0.00       31-Dec-18       EUR       336691005794808 SA8 AB       6.30       30-Jun-16       EUR         1879       FR001105111       Foncire Regions       3.25       01-Jan-17       EUR       1465310A1ML4A7 SGL Carbon       3.25       30-Jun-16       EUR         1895       FR001105111       Foncire Regions       3.40       01-Jan-17       EUR       146833A1G0WA1 Siemens Basket Unit       1.06       16-Aug-17       USD         25717       X501712913       FCC       6.50       30-Oct-20       EUR       146833A1G0WA7 Siemens Basket Unit       1.06       16-Aug-17       USD         25728       E6093398900       Fontis CASHES Perp       2.08       Perpetual       EUR       219011877820422 Snam(EN)       0.63       13-Jan-16       EUR         14755       DE000A172016       Fresenius       0.00       2-4-Sep-19       EUR       21923108956307 STMicroelectronics       1.00       0-2-Oct-14       USD         14755       DE000A172016       K68054020       G6740101057680 Subesa 7 Sim       0.00 <t< td=""><td></td><td></td><td></td><td></td><td>00 000 10</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>					00 000 10							
14764       DE000A110GV1 Evonk(FAG)       0.00       31-Dec-18       EUR       34063824475161       Severstal(Holdgrove)       1.00       24-Sep-17       24-Sep-15       USD         18979       FR0011321363       Faurecia       3.25       01-Jan-18       EUR       1437100A022BL6       SGL Carbon       3.50       30-Jun-16       EUR         18954       FR0011050111       Fonciere Regions       3.34       01-Jan-17       EUR       146383/A1GW/A1 Siemens Basket Unit       1.05       16-Aug-17       USD         25728       BE093389800       Foncirer Regions       0.88       01-Ap-19       EUR       146383/A1GW/A1 Siemens Basket Unit       1.05       16-Aug-17       USD         25717       X5014748047       Froncirer Regions       0.88       01-Ap-19       EUR       21901877820422       Snam(EN)       0.63       18-Jan-16       EUR         14755       DE000A1YC316 Fresenius       0.00       24-Sep-19       EUR       21923083956307       STMicroelectronics       0.00       0.3-Jul-21       USD         14765       DE000A1ZD18 GAGFAH       1.50       24-Sep-17       2-Sep-15       EUR       33784/010657988       Subsea 7 SA       1.00       0-Sep-19       12-Sep-16       USD         14763       DE000A												
18979       FR0011321963 Faurecia       3.25       01-Jan-18       EUR       14371 00A0228L6 SGL Carbon       3.50       30-Jun-16       EUR         29766       X5067172913 FCC       6.50       30-Oct-20       EUR       146380A1G0WA1 Siemens Basket Unit       1.05       16-Aug-17       USD         19004       FR0011629344 Fonciere Regions       0.88       01-Apr-19       EUR       146380A1G0WA1 Siemens Basket Unit       1.05       16-Aug-17       USD         25728       BE033898900 Fortis CASHES Prep       0.88       01-Apr-19       EUR       219011977820422 Snam(ENI)       0.63       18-Jan-16       EUR         25717       X5014748074 Fortis FRESH Perp       1.56       Perpetual       EUR       2192108395307 STMicroelectronics       0.00       02-40-14       SGD         14755       DE000A13R491 Fresenius       Modical       1.13       31-Jan-20       EUR       21924083956307 STMicroelectronics       0.00       03-Jul-19       USD         38122       X50806994200 Galp (Parpublica)       5.25       30-Nov-15       EUR       36784010657368 Subsea 7 (Siem)       1.00       05-Oct-14       USD         38124       X50806994200 Galp (Parpublica)       5.25       28-Sep-17       28-Sep-15       EUR       36784010657368 Subsea 7 (Siem)       1.0							35669)00579488	0 SAS AB				
29756       XS0457172913       FCC       6.50       30-Oct-20       EUR       146531041ML4A7 SGL Carbon       2.75       25-Jan-18       EUR         18954       FR0011050111       Fonciere Regions       0.34       01-Jan-17       EUR       146331041ML4A7 SGL Carbon       2.75       25-Jan-18       EUR         25728       EE093389900       Fortis FRSE1Perp       2.08       Perpetual       EUR       219011877820422       Sname Spasket Unit       1.65       16-Aug-19       USD         25717       XS014748047       Fresenius Medical       1.05       Perpetual       EUR       219210877820422       Sname Spas       1.01       11-Jun-19       EUR         14775       DE000A172JD18       GAGFAH       1.50       20-May-19       EUR       219241083957024       STMicroelectronics       1.00       0.3-Jul-1       USD         38122       PTEROM0005 Galp (Parpublica)       0.52       28-Sep-15       EUR       3674401057965 Subsea7 A       1.00       0.5-Oct-17       USD         38122       SX0837410214 Calp/Amorim       3.80       3-Jun-18       EUR       3274910180774166 Subsea 7 Sian       1.00       0.2-Oct-17       USD         38124       XS08039410214 Galp/Amorim       3.80       3-Jun-16       EUR <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>24-Sep-15</td><td></td></t<>											24-Sep-15	
18954       FR0011050111       FR0011629344       Fr0011621693       Fr0011621693       Fr0011												
19004       FR0011629344       Foncise Regions       0.88       01-Apr-19       EUR       146393A1G0WC7 Siemens Basket Unit       1.65       16-Aug-19       USD         25728       BE0933899800       Fontis CASHES' Perp       2.08       Perpetual       EUR       219018/77820422       Snam(EN)       0.63       18-Jan-16       EUR         25717       XS0147484074       Fontis FRESH Perp       1.68       Perpetual       EUR       32121076000153       Sones Sgps       1.63       11-Jun-19       EUR         14775       DE000A17X41       Fresenius Medical       1.03       21-Jan-20       EUR       212210839560307 STMicroelectronics       1.00       0.3-Jul-19       USD         38124       XS086094200 Gaip (EN)       0.25       20-May-19       EUR       367851010661168 Subsea 7 (Siem)       1.00       12-Sep-19       USD         38122       YPETROM0005 Gaip (Parpublica)       5.25       25-Sep-17       28-Sep-17       28-Sep-15       EUR       367851010661168 Subsea 7 (Siem)       1.00       12-Sep-16       USD         38125       XS082234353       GDF Suez(Sot) UNIT       1.00       12-Sep-16       EUR       3279127342232 Swiss Life Hdg       0.00       2-De-20       CHF         18990       XS082234535 Gecian       R												
25728         BE093389800 Fortis CASHËS' Perp         2.08         Perpetual         EUR         219011877820422 Snam(EN)         0.63         18-Jan-16         EUR           25717         XS0147484074 Fortis 'FRESH' Perp         1.56         Perpetual         EUR         381271076006153         Sonae Sgs         1.63         11-Jun-19         EUR           14775         DE000A132M41         Fresenius         0.00         24-Sep-19         EUR         232716951446675         Stan Char(Tema)         0.00         24-Oct-14         SCD           14775         DE000A12D18         GAGFAH         1.50         20-May-19         EUR         21923033956307         STMicroelectronics         0.00         0.3-Jul-19         USD           38124         XS086094200         Galp (ENI)         0.25         30-Nov-15         EUR         367841010657968         Subsea 7 (Siem)         1.00         12-Sep-19         12-Sep-16         USD           38124         XS086094200         Galp (Marpin)         3.83         0.3-Un-18         0.3De-16         EUR         307851010061168         Subsea 7 Siem 1.00         0.00         27-Feb-20         EUR           18907         XS08227656241         GDF Suez(Sof) UNIT         1.00         19-Sep-16         USD         3247912711163864 <td></td>												
2571         XS0147484074         Fortis FRESH Perp         1.56         Perpetual         EUR         38127 076005153         Sonas Sgrs         1.63         11-Jun-19         EUR           14755         DE000A11YC376         Fresenius         0.00         24-Sep-19         EUR         2327/895144567         Stan Chart(Terma)         0.00         24-Oct-14         SGD           14775         DE000A12X1018         GAGFAH         1.50         20-May-19         EUR         21921(83957624         STMicroelectronics         1.00         0.3-Jul-21         USD           38124         XS0806094200         Gaip (EN)         0.25         20-Nov-15         EUR         36785010661168         Subsea 7         N.00         0.5-Oct-17         USD           38125         XS08037410214         Galp (Amorim)         3.38         03-Jun-18         0.3-Dec-16         EUR         36785010661168         Subsea 7         N.00         0.00         27-Ebe-20         EUR           1890         XS082243453         GDF Suez(Sof) UNIT         1.00         19-Sep-16         EUR         32491108774156         Suis Prime Site         1.88         20-Jan-15         CHF           1897         FR0100861753         Gecina         2.13         01-Jan-16         EUR												
14775       DE000A1ZJN8 401 Fresenius Medical       1.13       31-Jan-20       EUR       21923 (033956307 STMicroelectronics       0.00       0.3-Jul-19       USD         14763       DE000A1ZJN8 GAGFAH       1.50       20-May-19       EUR       21924 (033956307 STMicroelectronics       1.00       0.3-Jul-21       USD         38124       XS0860994200 Galp (EN)       0.25       20-May-19       EUR       36785 010661168 Subsea 7 (Siem)       1.00       0.5-Ge-17       USD         38125       XS08037410214 Galp(Amorin)       3.38       0.3-Un-18 03-De-16       EUR       36785 010661168 Subsea 7 SA       1.00       0.00       0.2-De-20       CHF         18990       XS0882243453 GDF Suzc(GBL)       1.25       07-Feb-17       07-Feb-16       EUR       329791227342232 Swiss Pirme Site       1.88       20-Jan-15       CHF         18970       FX0010861573 Gecina       2.13       01-Jan-16       EUR       32879131196237 Swiss Pirme Site       1.88       20-Jan-15       CHF         3844       XS093164895 Geleon Rich(MIV)       3.38       02-Apr-19       USD       18924010962704 Technip       0.50       01-Jan-16       EUR         36794       NO010701055 Golden Ocean       3.07       30-Jan-19       USD       273921761797868 TelaSonera(Solid)       0												
14763       DE000A12JD18 GAGFAH       1.50       20-May-19       EUR       21924/03395724 STMicroelectronics       1.00       0.3-Jul-21       USD         38124       XS0860994200 Gaip (EN)       0.25       30-Nov-15       EUR       36785/010661168 Subsea 7 (Siem)       1.00       12-Sep-16       USD         38122       PTPETROM0005 Gaip (Parpublica)       5.25       28-Sep-17       28-Sep-17       EUR       36785/010661168 Subsea 7 (Siem)       1.00       0.5-Oct-17       USD         38125       XS0837410214 Gaip(Amorim)       3.38       0.3-Jun-18       0.3-Dec-16       EUR       39791227342232 Swiss Life Hdg       0.00       0.2-Dec-20       CHF         18909       XS082234353 GGF Suez(GBL)       1.25       0.7-Feb-17       0.7-Feb-16       EUR       32979122734223 Swiss Prime Site       1.88       20-Jan-15       CHF         1897       FR0010881573 Gecina       2.13       0.1-Jan-16       EUR       32849110962704 Technip       0.50       0.1-Jan-16       EUR         32448       XS0475310386 Glechon Rich(MNV)       3.38       0.2-Apr-19       EUR       18922/010962704 Technip       0.50       0.1-Jan-16       EUR         32448       XS0475310386 Glechon Cean       3.07       30-Jan-19       USD       23827161797868 TeliaSonera(Solid)<	14755	DE000A1YC3T6 Fresenius	0.00	24-Sep-19			2327)69514456	7 Stan Chart(Tema)	0.00	24-Oct-14		
38124       XS086094200 Galp (ENI)       0.25       30-Nor-15       EUR       367841010657686 Subsea 7 (Siem)       1.00       12-Sep-19       12-Sep-16       USD         38122       YTPETROM0005 Galp (Parpublica)       5.25       28-Sep-17												
38122       PTPETROM0005 Gaip (Parpublica)       5.25       28-Sep-15       EUR       36785/010661168 Subsea 7 SA       1.00       05-Oci-17       USD         38125       XS0937410214 Galp(Amorim)       3.38       03-Jun-18       03-Dec-16       EUR       190111011766120 Suez Environ       0.00       27-Feb-20       EUR         18990       XS0882243453 GDF Suez(SdL)       1.25       07-Feb-17       07-Feb-16       EUR       329791227342232 Swiss Life Hdg       0.00       02-Dec-20       CHF         18977       FK0010861573 Gecina       2.13       01-Jun-16       EUR       32878131196237 Swiss Prime Site       1.88       20-Jan-15       CHF         38141       XS0993164895 Gecion Rich(MNV)       3.38       02-Apn-19       USD       237891211916237437       0.50       01-Jan-16       EUR         38744       XS093164895 Gecion Rich(MNV)       3.38       02-Apn-19       USD       27392176179768       160       0.50       21-Jan-16       EUR         34744       XS093164895 Gecion Rich(MNV)       3.38       02-Apn-19       USD       27392176179768       16105000er3(Solid)       0.50       29-Sep-15       EUR         34744       XS0045485068 Gelcon City Prop       1.50       24-Feb-19       USD       2739217617977688 TellaSonera(Solid)												
38125       XS0937410214 Galp(Amorim)       3.38       03-Jun-18       03-Dec-16       EUR         18909       XS0882243453       GDF Suez(GBL)       1.25       07-Feb-17       07-Feb-16       USD         18977       XS0882243453       GDF Suez(GSL)       1.25       07-Feb-17       07-Feb-16       USD       329791227342232       Swiss Life Hdg       0.00       02-Dec-20       CHF         18977       XS0882243453       GDF Suez(GSL)       1.25       07-Feb-16       USD       3249108774165       Swiss Prime Site       1.88       20-Jan-15       CHF         18977       KS08731036       Gencore       5.00       31-Dec-14       USD       18972101116364       Technip       0.50       01-Jan-16       EUR         38412       XS09731036       Gencore       5.00       31-Dec-14       USD       18972101116364       Technip       0.50       01-Jan-17       EUR         36794       NO0010701055       Golden Ocean       3.07       3.0-Jan-19       USD       273921761797868       TellaSonera(Solid)       0.50       2-5e-5       EUR         36794       NO0010701055       Golden Ocean       3.07       3.0-Jan-18       EUR       1445710TUAG158       TUI       2.75       2-4Mar-16 <td< td=""><td></td><td></td><td></td><td></td><td>20 Con 45</td><td></td><td></td><td></td><td></td><td></td><td>12-Sep-16</td><td></td></td<>					20 Con 45						12-Sep-16	
18990       XS0882234453 GDF Suez(GbL)       1.25       07-Feb-16       EUR       32979122734222 Swiss Life Hdg       0.00       02-Dec-20       CHF         18977       XS08827556241 GDF Suez(Sof) UNIT       1.00       19-Sep-16       USD       32449108774156 Swiss Prime Site       1.88       20-Jan-15       CHF         18797       FR0010881573 Gecina       2.13       01-Jan-16       EUR       3284911031962704 Technip       0.50       01-Jan-16       EUR         38412       XS0993164895 Gedeon Rich(MNV)       3.38       02-Apr-19       EUR       18924010962704 Technip       0.50       01-Jan-16       EUR         36794       NO0010701055 Golden Ocean       3.07       30-Jan-19       USD       273921761797868 TeliaSonera(Solid)       0.50       29-Sep-15       EUR         36794       NO0010701055 Golden Ocean       3.07       30-Jan-19       USD       233781448654040 TMK       5.25       11-Feb-15       USD         2742       EE6258355120 Grad City Prop       1.50       24-Feb-19       EUR       33378144654040 TMK       5.25       11-Feb-15       USD         2375       XS0069485068 Gt Portinal Estates       1.00       10-Sep-18       EUR       1487017UAG158 TUI       2.75       2.4Mar16       EUR         238105708												
18977       X50827556241       GDF Suez[S0] UNIT       1.00       19-Sep-16       USD       32449108774156       Sviss Prime Šite       1.8       20-Jan-15       CHF         18797       FR0010881573       Gacina       2.13       01-Jan-16       EUR       325871131196237       Swiss Prime Šite       1.8       20-Jan-16       EUR         32449100481573       Gacina       2.13       01-Jan-16       EUR       32587131196237       Swiss Prime Šite       1.8       20-Jan-16       EUR         32448       XS0935164985       Gedeon Rich(MNV)       3.8       02-Apr-19       EUR       189224010962704       Technip       0.50       01-Jan-16       EUR         32448       XS0475310396       Golden Ocean       3.07       30-Jan-19       USD       2332761779888       FilaSonera(Solid)       0.50       95-Sep-15       EUR         14753       XS1036325527       Grad Tubert       0.38       09-Oct-18       EUR       333781484654040       TMK       5.25       11-Feb-15       USD         2361       XS0969485068       Git Portland Estates       1.00       10-Sep-18       GBP       22891503743949       UI Travel       4.90       27-Apr-17       27-Oct-15       GBP         29795       XS09651866136												
1879       FR001081573 Gecina       2.13       01-Jan-16       EUR       32587131196237 Swiss Prime Site       1.8       21-Jun-16       CHF         38412       XS0993164895 Gedeon Rich(MNV)       3.38       02-Apr-19       EUR       18924/010962704 Technip       0.50       01-Jan-16       EUR         38474       XS0475310396 Gencore       5.00       31-Dec-14       USD       18922/01163864 Technip       0.25       01-Jan-17       EUR         36794       NO001071055 Golden Ocean       3.07       30-Jan-19       USD       27392761797868 TellaSonera(Solid)       0.50       29-Sep-15       EUR         36794       NO0010701055 Golden Ocean       3.07       30-Jan-19       EUR       3837844864040 TMK       5.26       11-Feb-15       USD         25742       BE6258355120 Grp Brux Lambert       0.38       09-Oct-18       EUR       14457 10TUAG158 TUI       2.75       24-Mar-16       EUR         2367       XS00859485080 Gi Portinal Estates       1.00       10-Sep-18       GBP       22891503743949 TUI Travel       4.90       2.75       2.4-Mar-16       EUR         2975       XS00859485080 Eberdrola(ACS)       1.63       2.7-Mar-19       2.70-Ct-16       EUR       189800113231330 Unibail       0.70       0.1-Jan-18       EUR					0. 100 10							
38412         XS0093164895 Gedeon Rich(MNV)         3.8         02-Apr-19         EUR           32448         XS0093164895 Gedeon Rich(MNV)         3.8         02-Apr-19         EUR           32448         XS0093164895 Gedeon Rich(MNV)         3.8         02-Apr-19         USD         18972/011163864 Technip         0.5         01-Jan-16         EUR           32448         XS0093164895 Gedeon Rich(MNV)         3.0         an-19         USD         27392/76179768 TelaSonera(Solid)         0.50         01-Jan-16         EUR           36794         NO0010701055 Golden Ocean         3.07         3.0-Jan-19         USD         27392/76179768 TelaSonera(Solid)         0.50         29-Sep-15         EUR           25742         EEG28355120 Gr Brux Lambert         0.38         09-Oct-18         EUR         343781484654040 TMK         5.25         11-Feb-15         USD           25742         EEG28355120 Gr Brux Lambert         0.38         09-Oct-18         EUR         1485710TLAGF185 TUI         2.75         2.4Mar-16         EUR           29802         XS1046590805 Iberdrola(ACS)         2.63         2.2-Oct-18         2.2-Oct-18         18900111221303 Unibail         0.75         0.1-Jan-18         EUR           35672         XS10650805 Iberdrola(ACS)         1.63         <												
36794       NO001071055 Golden Ocean       3.07       30-Jan-19       USD       27392/761797888 TellaSonera(Solid)       0.50       29-Sep-15       EUR         14753       X51036325527 Grand City Prop       1.50       24-Feb-19       EUR       383781484654040 TMK       5.25       11-Feb-15       USD         25742       BE62583355120 Grp Brux Lambert       0.30       09-Oct-18       EUR       1445710TUAG158 TUI       2.75       24-Mar-16       EUR         2361       X50069485068 G1 Portland Estates       1.00       10-Sep-18       GBP       22891503743949 TUI Travel       4.90       27-Apr-17       27-Oct-15       GEP         29759       X50069485068 G1 Portland Estates       1.00       10-Sep-18       EUR       18800011313130 Unibail       0.70       01-Jan-18       EUR         29802       X51046590805 Iberdrola(ACS)       1.63       27-Mar-19       27-Mar-17       EUR       19019/011521673 Unibail       0.00       01-Jul-21       01-Jul-19       EUR         35672       X51067081692 ICA Gruppen(Ind)       0.00       15-May-19       15-May-18       SEK       22569434722087 Vedanta Resources       5.50       13-Jul-16       USD         2976       X50081892 ICA Gruppen(Ind)       0.00       15-May-18       8EK       225664373561731		XS0993164895 Gedeon Rich(MNV)	3.38	02-Apr-19			18924)01096270	4 Technip				
14753       X51036325627       Grand City Prop       1.50       24-Feb-19       EUR       38378 J484654040 TMK       5.25       11-Feb-15       USD         25742       EF6258355120 Grp Brux Lambert       0.38       09-Oct-18       EUR       14457 10TLAG(165 TUI       2.75       24-Mar-16       EUR         2361       X50969485068 Gi Portland Estates       1.00       10-Sep-18       GBP       22891503743949 TUI Travel       4.90       27-Apr-17       27-Oct-15       GBP         29795       X50951366136 Iberdroia(ACS)       2.63       22-Oct-18       22-Oct-16       EUR       18980011321330 Unibail       0.75       01-Jan-18       EUR         29802       X51067081692 ICA Gruppen(Ind)       0.00       15-Mar-19       27-Mar-17       EUR       1991011521673 Unibail       0.00       01-Jul-12       01-Jul-1       UJul-1       EUR         35672       X51067081692 ICA Gruppen(Ind)       0.00       15-Mar-18       EUR       1275 101014731 Vinci/Antmis)       4.25       01-Jun-15       EUR         29796       X50851383747 Indra Sitemas       1.75       17-Oct-18       EUR       296681550664192 Wereldhave       2.88       18-Nov-15       EUR         295656       X50579438663 Industrivarden       1.88       27-Fo-17       EUR												
2574         BE6258355120 Grp Brux Lambert         0.38         09-Oct-18         EUR         1445710TUAG168 TUI         2.75         2.4 Mar-16         EUR           2361         XS0969485068 Gt Portland Estates         1.00         10-Sep-18         GBP         22891503743949 TUI Travel         4.90         27-Apr-17         27-Oct-15         GBP           29795         XS0969485068 Gt Portland Estates         1.00         10-Sep-18         GBP         22891503743949 TUI Travel         4.90         27-Apr-17         27-Oct-15         GBP           29795         XS0961366136 lberdrolqACS)         1.63         22-Oct-18         22-Oct-16         EUR         13991011521673 Unibail         0.75         01-Jul-19         EUR           29805         XS1046508005 lberdrolqACS)         1.63         27-Mar-19         27-Mar-19         EUR         190191011521673 Unibail         0.00         01-Jul-19         EUR           35672         XS1067081692 ICA Gruppen(Ind)         0.00         15-Mar-19         8-Mar-16         EUR         187751010614731 Vinci(Artemis)         4.25         01-Jan-15         EUR           14454         XS095252870 ImmofinanzBuwog         4.25         0-Mar-18         8-Mar-16         EUR         187751010614731 Vinci(Artemis)         4.25         01-Jan-15         EUR </td <td></td>												
2361         XS0069485068 Gi Portland Estates         1.00         10-Sep-18         GBP         22891503743949 TUI Travel         4.90         27-Apr-17         27-Oct-15         GBP           29795         XS0069485068 Gi Portland Estates         1.00         10-Sep-18         EUR         18980011321330 Unibail         0.75         01-Jan-18         EUR           29802         XS1046590805 Iberdroilq/ACS)         1.63         27-Mar-19         27-Mar-17         EUR         19191011521673 Unibail         0.00         0.1-Jul-12         01-Jul-12         01-Jul-12         01-Jul-13         0.00         10-Jul-12         01-Jul-14         USD           35672         XS1067081692 ICA Gruppen(Ind)         0.00         15-Mar-19         27-Mar-17         EUR         19191011521673 Unibail         0.00         0.1-Jul-12         01-Jul-14         USD           1454         XS08525282870 Immofinanz/Burogo         4.25         01-Mar-16         EUR         1875/0101814731 Vinci/Anternis)         4.25         01-Jan-15         EUR           29766         XS0851386631 ndustrivarden         1.88         27-De-17         EUR         296691550664192 Wereldhave         2.88         18-Nov-15         EUR           35656         XS0579438663 Industrivarden         1.88         27-Fo-17         EUR												
29795         XS0951366136 (berdrola/ACS)         2.63         22-Oct-16         EUR         18980/011321330 (lnibail         0.75         0.1-Jan-18         EUR           29802         XS1046590805 (berdrola/ACS)         1.63         27-Mar-19         27-Mar-17         EUR         19019/011321330 (lnibail         0.00         0.1-Jul-21         01-Jul-19         EUR           29802         XS1046590805 (berdrola/ACS)         1.63         27-Mar-19         27-Mar-17         EUR         19019/011521673 (lnibail         0.00         0.1-Jul-21         01-Jul-19         EUR           25672         XS1067081682 (ICA Gruppen(Ind)         0.00         15-Mar-18         82K         22566143722087 Vedanta Resources         5.50         13-Jul-16         EUR           29796         XS0893383747 Indra Sistemas         1.75         17-Oct-18         EUR         296861550864192 Wereldhave         2.88         18-Nov-15         EUR           3656         XS0579438663 Industrivarden         1.88         27-Feb-17         EUR         296991069846381 Wereldhave         2.88         18-Nov-15         EUR           18950         FR0011018902 Ingenico         2.75         01-Jan-17         EUR         296991069846381 Wereldhave         1.00         22-May-19         EUR											27-Oct-15	
29802         XS10465080805         Iberdination         0.00         01-Jul-21					22-Oct-16						27-001-13	
35672         XS1067081692 ICA Gruppen(Ind)         0.00         15-May-19         15-May-18         SEK         2256/434722087 Vedanta Resources         5.50         13-Jul-16         USD           14454         XS0592528870 Immofinanz/Buwog         4.25         08-Mar-18         EUR         187751010814731 Vinci(Artemis)         4.25         01-Jan-15         EUR           29796         XS0891383747 Indra Sistemas         1.75         17-Oct-18         EUR         29668/550864192 Wereldhave         2.88         18-Nov-15         EUR           35666         XS0579438663 Industrivarden         1.88         27-Feb-17         EUR         29699/069846381 Wereldhave         2.00         22-May-19         EUR           18950         FR0011018902 Ingenico         2.75         01-Jan-17         EUR         29699/069846381 Wereldhave         1.00         22-May-19         EUR											01-Jul-19	
29796         XS008183747         Indre Sistemas         1.75         17-Oct-18         EUR         296861550864192         Vereidhave         2.88         18-Nov-15         EUR           35656         XS079438663         Industrivarden         1.88         27-Feb-17         EUR         296991069846381         Uereidhave         1.00         22-May-19         EUR           1850         FR0011018902         10,70         c.75         01-Jan-17         EUR         296991069846381         Wereldhave         1.00         22-May-19         EUR			0.00	15-May-19	15-May-18	SEK			5.50	13-Jul-16		USD
35656         XS0579438663 Industrivarden         1.88         27-Feb-17         EUR         296991069846381 Wereldhave         1.00         22-May-19         EUR           18950         FR0011018902 Ingenico         2.75         01-Jan-17         EUR              EUR                EUR                EUR                EUR                EUR                EUR                EUR                        EUR					08-Mar-16							
18950 FR0011018902 Ingenico 2.75 01-Jan-17 EUR												
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		-				EUR						

<ESMA\_CRR\_ITS\_QUESTION\_3>

#### Do you believe that for equities the list should include both those that meet the abso-Q4: lute test and those that meet the relative test? If not which test do you think should be used?

<ESMA\_CRR\_ITS\_QUESTION\_4>

We recommend a combined approach which includes indices which fulfil either the relative or absolute approach.

<ESMA\_CRR\_ITS\_QUESTION\_4>

Q5:Do you agree with the list of indices in the Annex? If you believe there should be additions please provide details, say what criteria they meet, and provide evidence in support.

<ESMA\_CRR\_ITS\_QUESTION\_5>



Since ESMA has been required to provide a list of indices rather than, for example to set guidelines for institutions to determine for themselves which indices are main-indices, we believe that:

- The list of indices should be as wide ranging as possible. Limiting the list to one index per country bears the risk of having some equities excluded for belonging to the 'wrong' index.
- The criteria should be applied to all known indices. In particular, the relative approach should not be limited to the EEA indices (*please see below analysis of indices that meet the ESMA criteria and yet are not included in the proposed list*).
- There needs to be a regular review process to accommodate structural changes of existing indices or new indices, which should allow industry participants to propose indices as qualifying main indices when it can be demonstrated that they meet the relevant criteria
- Also, to avoid an uneven playing field we suggest that non-EEA regulation determination of main-indices should be considered as valid for the purpose of the CRR if the local non-EEA country regulation is deemed as equivalent. It will avoid putting European institutions at a disadvantage compared to non-EEA peers.

We are concerned that the universe of equity collateral which EEA banks are allowed to accept would be materially reduced if the current draft list of "main indices" were to be adopted. Market-wide information is not available as no impact study has been performed, but we estimate that the reduction could affect a substantial proportion of currently used collateral; this would clearly place EEA banks at a major competitive disadvantage as other jurisdictions are adopting more flexible approaches.

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We recognise that of course collateral taken needs to be of acceptable quality and liquid. However liquidity in the equity markets is widespread and good liquidity extends well beyond the very top "blue chip" shares in each venue. We have applied the criteria proposed by ESMA to a wide range of additional indices, and have found that many of them meet the same criteria. So for example:

- indices meeting (on our analysis) the "absolute" criteria <sup>1</sup>designed to identify pools of stock which are themselves inherently liquid include the FTSE World, MSCI Emerging Markets, Dow Jones US, CNX 100, as well as a range of regional, sector or country indices; and
- those meeting the "relative" criteria<sup>2</sup> designed to identify indices closely representing the larger stocks in a specific market or venue include MSCI North America IMI, Russell 3000, MSCI Pacific IMI, MSCI Kokunai IMI, 1500Hang Seng Comp 1, and others

We recognise that ESMA have already looked at a number of indices, and have for example removed some which would have been entirely covered by others on the list. We also understand that maintaining a very long list of indices would be operationally burdensome. And finally, that the "absolute" and "relative" criteria are intended to identify two broad groups of stock relevant to this exercise for different reasons, rather than to be used as blanket benchmarks independent of the index to which they are being applied.

However the analysis suggests that the significant gap between the currently proposed range of eligible stocks and that viewed as acceptable by the industry can be closed materially by adding a relatively low number of additional "main indices", and that this can be done (with one possible special case, discussed further below) while working within the liquidity criteria proposed by ESMA in the consultation paper. In other words, the requirements set out for the liquidity of the stocks being taken as collateral would not be

 $<sup>^{1}</sup>$  An index would qualify if at least 90% of its constituent stocks have (a) a free float greater than €500m, or (b) market capitalisation of more than €1bn

<sup>&</sup>lt;sup>2</sup> The index must (a) include less than 50% of companies trading on a venue, and have 90% of its stocks with daily turnover above  $\pounds$ 100,000; AND (b) meet at least two of : (i) index capitalisation > 40% market capitalisation, (ii) index turnover > 40% market turnover, (iii) the index underlies an exchange-traded derivative



compromised, but the fact that liquidity exists more broadly than the proposed list of indices suggests would be recognised.

There are many different combinations of additional indices which could be proposed; we lay out here three approaches which we believe would each substantially address the mismatch, but which differ in terms of the type and size of indices involved, and the exact degree of coverage they provide. But each, we believe would close a substantial part (but by no means all) of the "eligibility gap"

1) First, we suggest a grouping of further 30 indices, chosen to cover as much as possible of the stock we believe is missed by the initial list, but seeking to limit reliance on very wide indices. Nearly all the global and regional indices we do propose meet the absolute criteria, while the country-level indices meet the relative requirements. Clearly avoiding the very widest indices implies a greater number of comparatively narrower ones will be required to cover additional regional, sector or country-level indices and/or to plug specific gaps, which may be an administrative overhead; this trade-off would be for ESMA to consider.

Note one exception on the criteria; we have included the NYSE ARCA CHINA INDEX as it includes a meaningful population of stock not included in other Chinese indices, and fails the absolute criteria by just one stock out of a relatively focused total number of 26.

## Suggested additional indices: option 1

Index Type	Cusip	Name	Test passed
World/sector	PQ10XQ1KTV01	FTSE DEVELOPED INDEX	ABSOLUTE
World/sector	ZAF160713401	FTSE RAFI EMERGING MARKETS	ABSOLUTE
Regional	SP18RMRHQ0DD	MSCI Pacific IMI USD Gross	RELATIVE
World/sector	ZAF178S5D904	MSCI EM 50	ABSOLUTE
Regional	PQ10AHRKLK00	STOXX ASIA/PACIFIC 600	ABSOLUTE
Regional	PQ10XWT3T401	AC EUROPE & MIDDLE EAST-302200	ABSOLUTE
Regional	PQ10XQ1KXM01	FTSE EUROPE INDEX	ABSOLUTE
Regional	SP18F7PAA0CS	S&P LATIN AMERICA 40 TR EUR	ABSOLUTE
Regional	ZAF15R5YHM00	MSCI NORTH AMERICA IMI TOTAL RETURN INDEX	RELATIVE
Country	PS20TGB4FB0C	RUSSELL 3000	RELATIVE
Country	ZAF138NSFP0U	RUSSELL NOMURA TOTAL MARKET	RELATIVE
Country	ZAF128B20401	MSCI KOKUNAI IMI 1500 INDEX	вотн
Country	PQ10YW5YNN01	HANG SENG COMP I	RELATIVE
Country	PQ1107YFMM00	NYSE ARCA CHINA INDEX	FAILS ABSOLUTE ON ONE STOCK
Country	ZAF10WD52L01	SMI EXPANDED TR	вотн
Country	PQ10V3WMCV07	RUSSIAN TRADED INDEX USD (RTX USD)	ABSOLUTE
Country	PS20TGB4H12J	BOVESPA	ABSOLUTE
Country	PQ10A93R0B00	MSCI US IMI	RELATIVE
Country	PS20TGB4GH1S	MSCI-PHILIPPINES	RELATIVE
Country	PS20TGB4H12Q	S&P/TSX INDEX	RELATIVE
Country	PQ10Y8B5QD01	MSCI INDONES F	RELATIVE
Country	PQ10TK4RXY01	JAKARTA SE LIQUIDITY 45 INDEX	RELATIVE
Country	PQ10XFSF8301	S&P/ASX 300 MICEX	RELATIVE
Country	PQ10VR6Q2S00	RTS1 INDEX	RELATIVE
Country	GDJ11198GP01	MSCI TAIWAN	RELATIVE
Country	PQ10Y8B5ST01	MSCI INDIA	RELATIVE
Country	ZAF1810X8F01	MSCI SOUTH AFRICA INDEX - EUR - NET	RELATIVE
Country	PQ10ZC6K8G01	Johannesburg INDUSTRIAL 25	RELATIVE
Country	PQ10V3WMCV07	RUSSIAN TRADED INDEX USD (RTX USD)	ABSOLUTE

2) An alternative, designed to reduce the number of indices to be managed by introducing some of the broader World indices, and seeking to choose those meeting the absolute criteria, could be as follows:

#### Suggested additional indices: option 2



Index Type	Cusip	Name	Test passed
World	PQ10TH1TP502	FTSE WORLD INDEX - WORLDS	ABSOLUTE
World	PQ30ZY7PSL00	MSCI ACWI	ABSOLUTE
World/Sector	PO10ZCYK9300	MSCI EMERGING MARKETS INDEX	ABSOLUTE
Regional	SP18RMRHQ0DD	MSCI Pacific IMI USD Gross	RELATIVE
World/Sector	ZAF178S5D904	MSCI EM 50	ABSOLUTE
Country	PS20TGB4FB0C	RUSSELL 3000	RELATIVE
Country	ZAF128B20401	MSCI KOKUNAI IMI 1500 INDEX	BOTH
Country	PQ10YW5YNN01	HANG SENG COMP I	RELATIVE
Country	PQ1107YFMM00	NYSE ARCA CHINA INDEX	FAILS ABSOLUTE ON ONE STOCK
Country	ZAF10WD52L01	SMI EXPANDED TR	BOTH
Country	PS20TGB4FA0W	ISE National-030	RELATIVE
Country	ZAF11SXTW401	CNX 100	ABSOLUTE

3) The third option, seeking to minimise the number of indices used, would be based on a relatively small set of additional broad indices designed to address the majority of the mismatch and using the Dow Jones World Index as its starting point.

### Suggested additional indices: option 3

	Cusip	Name	Test passed
World	PQ10VQSPVC01	DJ WORLD STOCK	NEITHER
Regional	SP18RMRHQ0DD	MSCI Pacific IMI USD Gross	RELATIVE
World/Sector	ZAF178S5D904	MSCI EM 50	ABSOLUTE
Country	PS20TGB4FB0C	RUSSELL 3000	RELATIVE
Country	ZAF128B20401	MSCI KOKUNAI IMI 1500 INDEX	BOTH
Country	PQ10YW5YNN01	HANG SENG COMP I	RELATIVE
Country	PQ1107YFMM00	NYSE ARCA CHINA INDEX	FAILS ABSOLUTE ON ONE STOCK
Country	ZAF10WD52L01	SMI EXPANDED TR	вотн

This approach minimises the number of indices to maintain, and provides good coverage of collateral used; however the Dow Jones World does not strictly meet the liquidity criteria. However, we would suggest this is something of a special case: it fails the relative criteria as its capitalisation is less than 40% of the market and we have not found a listed derivative on it. However its turnover well exceeds 40% of the market at 65%; the number of companies it covers is only about 20% of the total and 93% of these companies have daily turnover of more than €100,000. So in fact the index seems to be a very good example of one representing a relatively small number of the most actively traded stocks in the sector it represents. The low percentage of total market capitalisation reflects the denominator of the equation; in this case we are comparing an index to the entire global stock market. We believe therefore that the DJ World index fits the intent of the criteria and should be included.

Otherwise, as outlined above, the other indices listed have been chosen as, on our analysis, they meet the liquidity criteria proposed by ESMA and thus should be equally acceptable as a mechanism for defining which individual stocks are acceptable. A summary of how the indices compare to the criteria is set out in Appendices 1 and 2 (Note: This is industry's analysis based on best efforts and data which we have extracted from various sources, but we would expect that ESMA or other authorities would verify it for themselves before relying on it ).

There do remain overlaps both between the indices listed above and between them and those already proposed by ESMA; however, each index proposed above still adds to the total pool of acceptable collateral. The exact impact of adding or removing a given index will depend on the portfolio to which the analysis is being applied, but we estimate that alternatives 1-3 above would substantially address the collateral shortfall which would result from application of the original proposed list.

Please note that we have not yet looked at overlap between the indices originally proposed and those listed here; it may well be that further efficiencies can be found as the work progresses. <ESMA\_CRR\_ITS\_QUESTION\_5>



## Q6: Do you agree with ESMA's approach on how to specify recognised exchanges? Please give reasons for your answer

### <ESMA\_CRR\_ITS\_QUESTION\_6>

The approach outlined in the Draft ITS is consistent with the criteria stipulated under the CRR definition of 'Recognised Exchange' in Article 4(72). We recognise that ESMA may be constrained by the definition of "regulated market" in Article 4(92) of CRR which references the definition in point (14) of Article 4 of MiFID (Directive 2004/39/EC). However, we understand that this has lead to the European Commission instructing ESMA to exclude non-EEA exchanges which we strongly object to. MiFID and CRR have different objectives, and we believe that this should be considered in the approach to specify recognised exchanges.

<ESMA\_CRR\_ITS\_QUESTION\_6>

### Q7: Do you agree with the concrete list of recognised exchanges as proposed?

### <ESMA\_CRR\_ITS\_QUESTION\_7>

We have strong objections to the exclusion of non-EEA exchanges. We understand that the European Commission has taken an interpretation of CRR Article 197(8) to mean that a concrete list of recognised exchanges must be delivered in the Draft ITS. We also understand that recognition of non-EEA exchanges is dependent on equivalence assessments, which are currently outstanding; such a concrete list cannot by definition include non-EEA exchanges at this time. When the necessary equivalence assessments are complete, to the extent that non-EEA exchanges are then recognised and meet the criteria of the Draft ITS, it would require multiple legislative processes to amend the ITS on an ongoing basis. To avoid this unhelpful scenario, we would recommend that ESMA future-proofs this ITS by including a provision that allows the list to be amended in the future by ESMA as and when exchanges meet, or otherwise, the relevant criteria.

Finally, since the adoption of the ITS will lead to non-EEA / non-main index equities being regarded as ineligible as collateral, we suggest the adoption of a grandfathering period whereby all currently eligible collateral will remain so for a period of time. The grandfathering period should be long enough to allow for all equivalence assessment to be completed. <ESMA CRR ITS QUESTION 7>