



## WHAT IS THE REPURCHASE AGREEMENT MARKET?

Generally speaking, a repurchase agreement (repo) transaction is the sale of assets combined with an agreement to repurchase them on a specified future date at a prearranged price. Market participants use repos for many reasons, including financing their portfolios or using cash as collateral to borrow securities. The repo market is a foundational component of the U.S. financial system, providing trillions of dollars of daily funding and facilitating liquidity for U.S. Treasuries and other securities.



## WHAT DATA ARE CURRENTLY REPORTED ON REPO TRANSACTIONS?

The repo market has four distinct segments in the United States. Firms currently report data to regulators on three of the four. Data on the U.S. non-centrally cleared tri-party market is collected under supervisory authority of the Federal Reserve Board of Governors. For the centrally cleared tri-party market and bilateral market, the Fixed Income Clearing Corporation (FICC) serves as the central counterparty. The OFR receives data on both segments.



## WHERE ARE THE DATA GAPS IN THE REPO MARKET?

Unlike other segments of the market, less information is known regarding the non-centrally cleared bilateral segment, estimated to be the largest of the four segments at \$2 trillion in outstanding commitments each day. The non-centrally cleared bilateral repo market segment has no central counterparty or tri-party custodian, and all trades within this segment are agreed to bilaterally and settled on a delivery-versus-payment basis.



## WHAT IS THE OFR PROPOSING IN ITS NOTICE OF PROPOSED RULEMAKING?

The proposed [rule](#) would establish a data collection of non-centrally cleared bilateral transactions in the U.S. repurchase agreement market. This proposed rule is designed to fill a critical data gap in the repo market by collecting data on the non-centrally cleared bilateral repo market, the last segment lacking a transaction-level data source.

## WHICH FIRMS WOULD BE SUBJECT TO THE PROPOSED RULE?

Under the proposed rule, the OFR estimates that approximately 40 institutions would be required to report data. The proposed collection requires certain brokers, dealers, and other financial companies with large exposures to the non-centrally cleared bilateral market to report data each day to the OFR.

This proposed collection would require the submission of transaction information by any covered reporter whose average daily total outstanding commitments to extend guarantees on and borrow cash through non-centrally cleared bilateral repo contracts over all business days during the prior calendar quarter is at least \$10 billion. This materiality threshold is inclusive of both overnight and intraday commitments.



## WHICH DATA IS THE OFR PROPOSING TO COLLECT?

The OFR is proposing that firms submit daily trade and collateral information on all outstanding non-centrally cleared bilateral repurchase agreement transactions. The OFR proposed that covered reporters submit 33 data elements for all transactions, such as haircut, rate, and optionality.



## WHEN ARE COMMENTS DUE?

Comments on the proposed rule are due 60 days following publication of the proposed rule in the Federal Register. The OFR can extend the comment deadline if the Office decides that additional time is needed. Comments identified by [RIN XXXXX] can be submitted [online](#) or by mail to: Office of the Chief Counsel, Office of Financial Research, 717 14th Street NW, Washington, DC 20220.