

Statement on the feedback received on draft circular

Subject: Unique Transaction Identifier for OTC Derivative Transactions

1. Circular: Scope

Para 2 of the draft circular: It has been decided to implement UTI for all transactions in OTC markets for Rupee interest rate derivatives, forward contracts in Government securities, foreign currency derivatives, foreign currency interest rate derivatives, and credit derivatives.

Feedback: Sought clarity on the scope of UTI rollout, including applicability for derivative transactions undertaken by related parties of market maker.

RBI Comments: Not considered as it is already covered. The scope of the directions extends to transactions in OTC derivative markets undertaken in terms of the governing directions as set out in para 2 of the directions and para 2 of the Annex to the directions.

2. Circular: Timeline for implementation

Para 3 of the draft circular: The instructions shall come into effect from April 01, 2026.

Feedback: Request received to provide a sufficient period to implement requirements after issuance of the reporting formats and operating guidelines.

RBI Comments: Accepted. The timeline for implementation of UTI is revised to January 01, 2027, providing sufficient time to market participants to build necessary technical capabilities. This has been indicated in para 3 of the directions.

3. Annex: UTI for outstanding trades

Annex Para 2.1 of the draft circular: UTI shall be mandatorily generated / reported for all transactions in OTC derivatives market undertaken in terms of the Governing Directions.

Feedback: Clarity sought on whether UTI is applicable to OTC derivative trades that are outstanding on the date that the directions come into effect.

RBI Comments: Accepted. The directions shall be applicable to OTC derivative transactions entered into on or after the date the directions come into

effect. This has been clarified in para 3 of the directions and para 2 of the Annex to the directions.

4. Annex: UTI Generating entity

Annex Para 3.2 of the draft circular: UTI generating entity shall be determined as per the waterfall in Table 1 with the responsibility of UTI generation assigned to the next entity in the waterfall in case the identified UTI generating entity is unable or unwilling to generate the UTI.

Feedback: Suggested to mandate ETPs to generate UTI. One entity sought clarity on whether UTI can be generated by a vendor.

RBI Comments: Not Accepted. The directions prescribe a waterfall setting out the order and the entities able / willing to generate UTI are expected to do so. In line with global standards, the mandate is for the generation / reporting of UTI with flexibility provided with regard to the specific entity which will generate the UTI. Delegation of UTI generation to a vendor, where LEI included in UTI will be of the vendor, is not permitted.

5. Annex: Table 1: Generation of UTI

Annex Table 1. B. Para 4 of the draft circular: For transactions reportable in multiple jurisdictions where the foreign jurisdiction does not have sooner reporting timeline, UTI may be generated as per the entity identified based on the agreement between the counterparties on who should generate the UTI.

a) Feedback: Sought clarity on mechanism of agreeing on the UTI generating entity and format for documents.

RBI comments: Partially accepted. To provide clarity and flexibility to market participants, the directions have been revised to indicate that the entity generating the UTI can be mutually agreed by the counterparties. A similar provision has also been included for transactions reportable only in India.

b) Feedback: Request for UTI generation by reporting entities and determination of UTI generating counterparty based on LEI sorting.

RBI comments: Not considered as it is already covered. The directions enable counterparties to mutually agree on the UTI generating entity. This

provision can be used by counterparties to determine the UTI generating entity, including through LEI sorting.

6. Annex: Interim UTI

Annex Para 3.3 of the draft circular: In case the market participant is unable to report the UTI within the reporting deadline, the market participant may obtain and submit the UTI to CCIL-TR within two business days from the date of the transaction. The prior UTI generated by the CCIL-TR will then be treated as a temporary / interim UTI.

a) Feedback: Request to extend the timeline to submit the final UTI to five business days from date of transaction.

RBI comments: Accepted. Based on an assessment of global approaches to implementation of UTI, market participants have been provided five business days from the date of transaction to report the UTI. Necessary changes have been incorporated in para 5 of the Annex to the directions.

b) Feedback: Request for provision for the reporting counterparty to generate and report the temporary UTI to the CCIL-TR.

RBI comments: Accepted. A provision has been added to enable market participants to report a temporary UTI in case the UTI is not available from the counterparty at the time of reporting the transaction to CCIL-TR. Necessary changes have been incorporated in para 5 of the Annex to the directions.

7. Annex: Reporting Formats

Annex Para 3.5 of the draft circular: CCIL shall issue the revised reporting formats for reporting of OTC derivative transactions, including amendment or modification therein, with UTI and the operating guidelines for the purpose.

Feedback: Request to provide comprehensive guidelines and reporting formats, FAQs, etc; Some requests to provide clarity on various operational aspects on reporting of trades based on novation, portfolio compression, amendments, termination, utilisation, partial cancellation, etc.; Sought clarity on the manner in which the UTI will be shared with market participants, etc.

RBI Comments: Not considered as it is already covered. Para 7 of the Annex to the directions indicates that CCIL will issue the revised reporting

formats for reporting of OTC derivative transactions with UTI and the operating guidelines for the purpose. The queries / requests for clarifications have been shared with CCIL for suitable incorporation in the formats / guidelines.