



October 30, 2015

Mr. Christopher Kirkpatrick  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

Re: Amendments to Swap Data Recordkeeping and Reporting Requirements for Cleared Swaps; Proposed Rule (RIN 3038—AE12)

Dear Mr. Kirkpatrick:

Better Markets<sup>1</sup> appreciates the opportunity to submit further comment on the above-captioned request for comment on the Swap Data Recordkeeping and Reporting Requirements (“Proposed Rules”), issued by the Commodity Futures Trading Commission (“CFTC”).

The financial markets are founded on information: who owes what to whom, when, and under what circumstances. However, the financial crisis demonstrated that the swap markets had no functional system to keep track of the mountain of transaction and accounting data. It was this lack of transparency and understanding of the vast network of swap exposures that fueled the tremendous panic around the global financial crisis and frustrated any regulatory efforts to contain or mitigate it.

The Dodd-Frank Act appropriately mandated the creation of an important new element of the infrastructure of derivatives markets: the Swap Data Repository (“SDR”). By collectively warehousing data encompassing the entire universe of cleared and uncleared swaps, SDRs are essential in creating and maintaining the transparent and fair marketplace envisioned by financial reform.

In its rulemakings to date, the CFTC has done an admirable job of requiring that swap transactions be appropriately documented. In particular, clarity regarding issues such as rehypothecation and segregation of margin assets, swap valuation methodologies, and documentation of swap qualifications for the end-user clearing exception provide much needed certainty in the swaps markets. The sheer size of the task of retroactively

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<sup>1</sup> Better Markets, Inc. is a nonprofit organization that promotes the public interest in the domestic and global capital and commodity markets. It advocates for transparency, oversight, and accountability in the financial markets.

documenting these complex markets, however, continues to present new and unforeseen technical challenges and reporting issues that will require ongoing regulatory efforts to ensure the new universe of swaps data is complete, accurate, and usable.

The Proposed Rules seek to address many of these technicalities, and they dutifully integrate the many technical public comments into these small but important fixes. We commend the efforts of the Commission to continue to address these issues in a timely and efficient manner, ensuring a robust and comprehensive data regime for critically important swaps market data.

**CONCLUSION**

We hope these comments are helpful in your consideration of the Proposed Rules.

Sincerely,



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