1 February 2016

Mr. Christopher J. Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st St., N.W.
Washington, DC 20581
United States of America

Dear Mr. Kirkpatrick,

Comments on Draft Technical Specifications for Certain Swap Data Elements

1 **Introduction**

1.1 Singapore Exchange Derivatives Clearing Limited ("**SGX-DC**"), a derivatives clearing organisation ("**DCO**") registered with the Commodity Futures Trading Commission (the "**Commission**"), welcomes the opportunity to furnish its response to the request for comment issued on 22 December 2015 by the Commission's staff in respect of draft technical specifications for certain swap data elements that are to be reportable under the Commission's regulations (the "**Request for Comment**").

1.2 References to "**Questions**" in this comment letter refer to the questions listed in the Request for Comment. Defined terms in the Request for Comment have been used in the same context in this letter.

1.3 As a general comment, SGX-DC is highly supportive of the Commission's work in aligning the data elements with industry best practices while incorporating participants' feedback. It is important that, given the extensive undertaking that swap data reporting presents, the data reported to the Commission be clearly useful for the purposes of the Commission's regulatory oversight of the swap markets.

1.4 SGX-DC's responses to the Questions are set out below. SGX-DC has no comments on the other Questions that are not referred to in this letter.

Singapore Exchange Derivatives Clearing Limited
Company Reg No. 200005878M
(A wholly-owned subsidiary of Singapore Exchange Limited)

2 Shenton Way, #02-02 SGX Centre, Singapore 068804
Main: (65) 6236 8888 Fax: (65) 6535 0775

www.sgx.com

2 Responses to the Questions

2.1 SGX-DC's responses are set out alongside the Questions in the table below:

Question	SGX-DC's Response
1. Are there challenges associated with identifying the Ultimate Parent and/or Ultimate Guarantor of a swap counterparty? If so, how might those challenges be addressed?	There may be challenges for a third party reporting party, such as a clearing house, to identify the Ultimate Party and/or Ultimate Guarantor of a swap counterparty to the initial bilateral swap. In SGX-DC's case, contracts are cleared with its clearing members on a principal model basis. As such, SGX-DC may not be aware of the full group structure and identity of the counterparties to the initial transaction and would need to rely on the representations of its clearing members in this regard. We would suggest that such group structure information be required at the stage of LEI registration for each entity, if possible. Each entity should be required to indicate the LEI of its Ultimate Parent and/or Ultimate Guarantor (if any) as required fields in the LEI registration system.
3. When a swap counterparty has more than one Ultimate Parent, including, but not limited to, situations in which an entity is a joint venture, how might this be reflected in a single data element?	Instead of placing this into a single data element, perhaps two data elements (e.g. Ultimate Parent 1 and Ultimate Parent 2) would be a simpler solution. The second data element can then have a value that renders it inapplicable if the context so requires.
4. Are there situations in which a natural person is the Ultimate Parent of a swap counterparty? If so, is it clear who should and should not be reported?	The criteria for when a natural person should be listed as the Ultimate Parent of a swap counterparty should be made clear, given that most corporate structures would have a major shareholder who is a natural person at the end of the chain. For most purposes, save where a company's corporate veil has been pierced at law, one would generally assume that the relevant parent entity would be a corporate entity and not a natural person.

<table>
<tr><th>Question</th><th>SGX-DC's Response</th></tr>
<tr><td></td><td>The policy consideration that should be explored is whether having information on natural persons at the end of a corporate chain is a worthwhile venture on a systemic scale, as opposed to the uncertainty such a data value may introduce. For instance, listing a natural person as the Ultimate Parent of a swap counterparty may result in the main corporate entity one level below being obscured.</td></tr>
<tr><td>14. How should currencies that do not have ISO 4217 codes be represented?</td><td>The Commission may wish to consider listing such currencies in a guidance document. The list can be populated in accordance with market norms and industry feedback. For instance, Chinese yuan traded offshore in Hong Kong is commonly referred to commercially as "CNH". This convention can be extended to the reporting standards here.</td></tr>
<tr><td>18. Price is currently reported in several ways, including Price, Spread, Percentage, and Upfront Points. Is this list sufficient or should other Allowable Values be added?</td><td>Other Allowable Values such as yield, basis points and percentage of nominal value could be added. A spread or multiplier should also be added on the float leg.</td></tr>
<tr><td>43. Please provide feedback on any aspect of the draft technical specifications for the data elements presented below.
<table>
<tr><th>Data Element</th><th>Description</th><th>Allowable Values</th><th>Format/ Standard</th></tr>
<tr><td>Mandatory Clearing Indicator</td><td>Indication of whether the characteristics of the swap meet the requirements for mandatory clearing.</td><td>Y
N</td><td>Char(1)</td></tr>
</table></td><td>The mandatory clearing indicator should be irrelevant where it is specified that the swap is either intended to be cleared or that it has been cleared.</td></tr>
</table>

3 **Contact Details**

3.1 Please do not hesitate to contact the undersigned at jeth.lee@sgx.com or +65 6236 8513 should you require any clarification.

Yours sincerely,

Jeth Lee
Assistant Vice President
Legal