



01 March 2016

Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W. Washington, DC 20581

Re: Comments on Draft Technical Specifications for Certain Swap Data Elements

Dear Secretary

Clarus Financial Technology (“Clarus”) welcomes the opportunity to respond to the Draft Technical Specifications for Certain Swap Data Elements.

We at Clarus are strong proponents of transparency in OTC derivative markets. Clarus provides the swaps industry with data tools to help increase the awareness and understanding of publicly disseminated data. All of our data products collect, cleanse, normalize, and enrich public data, as follows:

- SDRView: Cleansed SDR Data (CFTC part 43)
- SEFView: Cleansed SEF Data (CFTC part 16)
- CCPView: Cleansed clearing house data (generally not provided under regulatory requirement)

The Draft Technical Specifications for Certain Swap Data Elements has the potential to directly improve the quality of Part 43 publicly disseminated data. This in turn would improve our Clarus SDRView data, as well as the overall transparency given to the industry and public.

Our comments that follow are in the spirit of improving the quality of Part 43 data for general consumption.

Section A. Counterparty Related Questions

Question 7. Please provide feedback on any aspect of the draft technical specifications for the data elements presented below.

We propose that part 43 data include reference to counterparty classifications, whether this is at a high level such as Dealer-to-Dealer or Dealer-to-Customer, or classifications per counterparty such as SD, MSP, USE. This degree of detail will assist in price transparency, compliance and trade cost analysis. SIFMA’s TRACE has a similar concept of “Reporting Party Type” and “Contra Party Type”. D=Dealer, C=Customer, A is non-member affiliate.

Further, we propose that part 43 data include the Reporting Counterparty ID when the reporting counterparty is a registered SEF or DCM entity.

Section C. Price

Question 20. What additional data elements related to Price should be provided for each asset class or product type to fully reflect the value exchange by counterparties of the swap?

Given the emergence of a basis market in swaps, the name of the Clearing House is now a price-forming attribute, and as such should be included in Part 43 data.

Section D. Notional Amount

Question 23. What challenges exist for reporting of static and/or varying notional amounts, such as a schedule for accreting or amortizing swaps? Do you have recommendations for addressing these challenges?

In the context of Part 43 data, we would point out that variable notional swaps (eg amortizers) are only one such flavor that is being masked behind the cloak of "OTHER PRICE EFFECTING TERM". After solving for variable notional swaps, the Commission would likely next run into problems with variable fixed rates and variable spreads. Our experience has shown that industry standard messaging solutions such as FpML have spent years in defining standards that can now support, at least in cleared IRS, these non-vanilla yet rather typical swap types. Our suggestion would be to:

- Improve public transparency through the use of data elements that further notate or describe the price effecting term, such as variable notional, variable price, variable spread.
- Improve CFTC oversight by leveraging industry solutions that currently attempt to support the myriad of bespoke terms available in OTC swaps.

Section F. Options

Question 33. Please provide feedback on any aspect of the draft technical specifications for the data elements presented below.

For options products on Part 43 data, we have found it concerning to find many instances of:

- Option premiums in excess of notional amount
- Zero premiums
- Quoted "Price Notation" that does not equate to the reported option premium amount.
- Options such as FX digitals and FX barrier options that do not have a reference currency pair

Our suggestions:

- Call and Put notation needs to have a reference, either underlying asset 1 or 2. We have found that the Option Type field on Part 43 data (call or put) does not always apply to Asset 1.
- We feel that simply enforcing the existing standards and requirements for UNDERLYING ASSET, PRICE, AMOUNT, and PERCENTAGE price notations would have a marked increase in the quality of the data.

Section G. Orders

36. Please provide feedback on any aspect of the draft technical specifications for the data elements presented below.

We would suggest the “Price Discovery” data element (RFQ, CLOB, etc) to be included on Part 43 data, as this aids in price transparency, compliance and trade cost analysis.

Section H. Package Transactions

Question 41. Please provide feedback on any aspect of the draft technical specifications for the data elements presented below.

We would suggest that all Package Trade data elements to be included on Part 43 data, as this aids in price transparency, compliance and trade cost analysis.

Section I. Clearing

Question 43. Please provide feedback on any aspect of the draft technical specifications for the data elements presented below.

We would suggest that all Clearing data elements to be included on Part 43 data, as this aids in price transparency, compliance and trade cost analysis.

Thank you for the opportunity to comment. We would be open to further discussion on the topic of improvements in public transparency of swaps.

Regards,

A handwritten signature in blue ink, appearing to read "Tod Skarecky".

Tod Skarecky
VP
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