

March 7, 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

Ladies and Gentlemen:

BSDR LLC (“BSDR”) and its affiliates (together with BSDR, “Bloomberg”) appreciate the opportunity to provide the Commodity Futures Trading Commission (the “Commission”) with comments with respect to the Draft Technical Specifications for Certain Swap Data Elements request for comment dated December 22, 2015 (“Technical Specifications”). BSDR operates a registered swap data repository (“SDR”). Bloomberg provides the following comments in light of its experience in this regard.

I. Counterparty-Related Data Elements

Question 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?

We are of the opinion that requiring the Ultimate Parent of a swap counterparty to be identified in a Part 45 report is likely to raise confidentiality concerns.

The legal entity to which a legal entity identifier (“LEI”) is assigned is required to report the identity of its Ultimate Parent to a level two reference database under Commission Regulation §45.6. Commission Regulation §45.6(e)(2)(ii) provides that: “All non-public level two reference data reported to the level two reference database shall be confidential, non-public, and available only to financial regulators in any jurisdiction requiring use of the legal entity identifier pursuant to applicable law.”

Requiring the Ultimate Parent of a swap counterparty to be identified in a Part 45 report would run contrary to the requirements of Commission Regulation §45.6(e)(2)(ii) that level two data may not be available to entities other than the Commission and other appropriate regulators in the relevant jurisdiction. This requirement would necessitate the non-reporting counterparty to provide such data to the reporting counterparty, or for transactions executed on a swap execution facility (“SEF”) or designated contract market (“DCM”), would necessitate both the non-reporting counterparty and the reporting counterparty to provide this data to the SEF, which would then report it to an SDR. This process would be in a conflict with Commission Regulation §45.6(e)(2)(ii).

In addition, this requirement would impose an unreasonable burden on SEFs and DCMs. Each trading venue would have to build and maintain its own separate database of the Ultimate Parent and

Ultimate Guarantor LEIs, duplicating efforts to gather information. Such a database is already required to be maintained as a level two reference data database under Commission Regulation §45.6. If the Commission deems it necessary to include the LEI of the Ultimate Parent or Ultimate Guarantor into each Part 45 report, the Commission should consider revising §45.6(e)(2)(ii) to allow SEFs and DCMs to access the level two reference data database.

We respectfully submit that data regarding a swap counterparty's Ultimate Parent should remain level two LEI reference data. The Commission's goal of identifying the entities involved in or impacted by a swap transaction, as well as the roles of those entities with respect to the transaction, could be addressed by linking counterparty's LEI to its level two reference data. This approach would avoid the unnecessary exposure of confidential information and a duplicative and unreasonable burden on trading venues. We further submit that data regarding a swap counterparty's Ultimate Guarantor should be treated in the same manner as data regarding the counterparty's Ultimate Parent.

II. Orders

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

We respectfully submit that not all of the requested order information is necessary to assess the implementation of the trade execution mandate. In our view, the data elements "Price Discovery" and "Execution Type," if modified as suggested below, are sufficient to allow the Commission to make the assessment. We, nevertheless, provide the following comments on selected data elements.

Order ID – This data element is not necessary because a unique swap identifier ("USP") is sufficient to identify the order that led to the execution of a transaction, since SEFs and DCMs must comply with Part 37 and Part 38 of Commission Regulations regarding audit trail requirements. Therefore, it is not clear what additional information will be supplied by this data element.

Match Date Timestamp – This data element is not necessary because it is duplicative of the already existing data element "Execution Time."

Price Discovery – We suggest that this data element should be renamed "Execution Method" to align its title with Commission Regulation §37.9. WE also note that the values for this data element reflect current methods of price discovery and do not allow for any future developments in a price discovery mechanism. We submit that the only information necessary for the Commission to assess how the trade execution mandate is impacting a market and its participants is whether the transaction was executed using the Required or Permitted methods of execution within the meaning of Commission Regulation §37.9. Each SEF or DCM must separately notify the Commission of methods of execution it offers its members for Required and Permitted transactions.

Price Order – This data element is not necessary to assess the implementation of the trade execution mandate because it does not describe a method of execution. All examples of allowable

values proposed in the Technical Specifications relate to the same method of execution - central limit order book (“CLOB”). In addition, the values for this data element reflect only current order types and do not allow for any future developments. We suggest that if this data element is retained, it should be renamed “Order Type” to be in-line with industry convention, and it should be conditional if price discovery is determined by a non-CLOB trading protocol.

Customer Type – This data element is not necessary because it seems to be addressing the same information as the information addressed by the Customer Type Indicator (“CTI”) codes. We suggest that if this data element is retained, the CTI codes already mandated by Commission Regulations §37.205(6)(2) and §38.552(6) should be used as allowable values.

Execution Type – We note that this data element appears to be duplicative of the “Trade Execution Requirement Indicator” data element proposed in Section IV.M (page 47) of the Technical Specifications; we believe the latter to be the better format and to have a more appropriate title.

Order Source – This data element is not necessary to assess the implementation of the trade execution mandate if the “Price Discovery” and “Execution Type” data elements, amended as proposed above, are supplied. We also note that the allowable value “BUST” is from a different sequence than the other allowable values in this data element. A trade canceled by a SEF or DCM would have an order source described by previous items. “BUST” is a type of cancellation and, therefore, more relevant to the existing “Cancellation” data element. We suggest deletion of the BUST allowable value. The Commission could introduce different allowable values for the “Cancellations” data element to reflect whether a transaction was canceled by a counterparty or by a trading venue.

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We appreciate the opportunity to provide our comments, and would be pleased to discuss any questions that the Commission may have with respect to this letter.

Very Truly Yours,



Benjamin Macdonald
President
BSDR LLC