March 7, 2016

Via Electronic Submission

Christopher Kirkpatrick
Secretary of the Commission
U.S. Commodity Futures Trading Commission
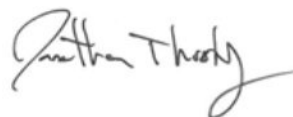Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

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

Dear Mr. Kirkpatrick:

The Chicago Mercantile Exchange Inc. ("CME") and ICE Trade Vault, LLC, ("ICE Trade Vault") appreciate the opportunity to provide the Commodity Futures Trading Commission ("CFTC" or the "Commission") with comments regarding the Draft Technical Specifications for Certain Swap Data Elements ("Draft Specifications"). CME and ICE Trade Vault are each currently operational as a provisionally registered Swap Data Repository ("SDR"). On March 3, 2016, CME and ICE Trade Vault submitted general comments regarding the Draft Specifications. This letter is in response to the Commission's questions proposed in the Draft Specifications. Specifically, Annex A of this letter provides responses to these questions.

CME and ICE Trade Vault look forward to working with the Commission on this initiative and appreciate the opportunity to comment on the Draft Specifications. Please do not hesitate to contact Laura Torphy (312.466.4417 or Laura.Torphy@cmegroup.com) if you have any questions regarding our comments.

Sincerely,

Jonathan Thursby   Bruce A. Tupper
President   President
CME Swap Data Repository   ICE Trade Vault, LLC

Cc: Laura Torphy, CME Swap Data Repository, Chief Compliance Officer
         Tim Elliott, CME Inc., Counsel
         Kara Dutta, ICE Trade Vault, LLC, General Counsel
         Tara Manuel, ICE Trade Vault, LLC, Director Product Development

Annex A – Comments to the Draft Technical Specifications

The following are responses to the Commission's request for comments on its draft technical specifications regarding certain swap data elements. Questions are numbered in accordance with the questions listed in the proposal and reprinted in italics below with the SDR's responses immediately following.

A. 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?

> **Response:** Reporting Parties will experience difficulties gathering the Ultimate Parent and/or Guarantor for non-reporting counterparties because this information is not publicly available. Thus reporting parties will have to modify their existing account opening procedures to capture this information and conduct a historical remediation of all existing counterparties to collect the Ultimate Parent and/or Ultimate Guarantor. For those counterparties that do not currently have an account opening process, it will require them to establish a system for the collection of this identifier and other counterparty-related data elements not currently required. Obligating reporting counterparties to capture this information is burdensome and will reduce data quality since these parties are reliant on the quality of each reporting party's process for collecting data.
>
> In order to increase data accuracy and reduce the burden on reporting counterparties, this information should be captured as part of the LEI registration/maintenance process established by the pre-Local Operating Units ("LOUs"), until GLEIF is fully operational, and made available in a downloadable file for consumption rather than being passed down on a trade-by-trade basis.

Question 2: Are there any additional counterparty-related data elements that should be included to evaluate the risk undertaken by the Ultimate Parent and Ultimate Guarantor?

> **Response:** Yes. The Commission should consider the counterparty-related elements that are described in the Reporting Rules, No Action Letters, Cross Border Guidance, and subsequent guidance by the Commission that is necessary for SDRs to generate compliance reports. For example:
>
> - Guaranteed or Conduit affiliates of a U.S. person (incorporated under the laws of Australia, Canada, the EU, Japan or Switzerland and not part of an affiliated group under ultimate ownership of US SD, MSP, bank, FHC or BHC)
> - US Financial Entity
> - Individual
> - Foreign Swap Dealer

- Regulatory Designation (SD, MSP, Non-SD/MSP)

- 100% Owned Subsidiary

- Inter-Affiliate Swap

- Confirmation Time

- US Branch

- Electronic Verification

Question 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?*

As discussed in our response to question 1, we suggest that information on the Ultimate Parent be captured and maintained by pre-LOUs until such time as responsibility is transitioned to GLEIF. In addition to the benefits described in question 1, capturing the Ultimate Parent in an LEI reference database, as contemplated under §45.6, would avoid the challenges associated with developing a method for the submission and consumption of the data in a single data element.

ICE Response: For fields that have multiple applicable values, we recommend using a pipe delimiter separator for a single field (e.g., multiple counterparties on a joint and severally liable company relationship or a shaped trade with a different price each month). This is the current approach ICE Trade Vault employs for output files (e.g., excel/csv) in order to maintain consistent formatting and a standard number of columns.

CME Response: Though we do not agree with this field as drafted, should the Commission decide to proceed as stated, our recommendation is that it be implemented as a repeatable field/tag.

Question 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?*

Response: A natural person's identifier should be dually listed in the "Counterparty" and "Ultimate Parent" fields when applicable. The LEI Regulatory Oversight Committee ("ROC") has provided guidance on allowing individuals acting in a business capacity to obtain an LEI, but this will not address all scenarios for natural persons as disused in more detail in question 5.

Question 5: *Should the allowable values for Counterparty ID be modified for counterparties that are natural persons? If so, how?*

Response: If a natural person does not meet the conditions set forth by ROC[1], to qualify as an individual acting in a business capacity, such a person is not eligible to obtain an LEI. An alternate ID should be an allowable value for any relevant ID fields.[2] The obvious disadvantage with allowing these alternate IDs to be used is that the same counterparty would in all likelihood have a different ID for each reporting counterparty and/or across SDRs, making aggregation challenging. To address this shortcoming, we suggest that the SDRs continue to provide the Commission with the Ctrpty_1_ID_Source and Ctrpty_2_ID_Source fields there were implemented as part of phase 1 data harmonization with one slight modification. The valid value <Individual> should be replaced with <Individual – Reporting Counterparty> and <Individual – SDR>; the information after the dash would be used to designate who created the ID. This information is would indicate to the Commission the party that should be contacted to retrieve the necessary information to uniquely identify the individual. The CFTC could use that information to create a mapping of the individual to the various individual IDs much in the same way they map entities for purposes of futures position limits. Limiting the ID fields to only current and valid LEIs, will result in the individual being unable to ever meet the SDR validation and submission process.

The allowable values for all relevant ID fields[3] should also be modified to accommodate the submission of a Privacy Law Identifier ("PLI") for non-reporting parties in those jurisdictions where privacy laws restrict the disclosure of their identity. Our recommendation is to maintain the source field Ctrpty_1_ID_Source implemented as part of phase 1 data harmonization. An indicator that the ID is a PLI could be included in this source field.

In the case that the non-Reporting Party does not have an LEI, a process for accepting the Reporting Parties trades should be allowed. For example, the compliance officer for the Reporting Party executes a form to the SDR that such a party is aware that reporting with LEIs is required but their counterparty has not attained an LEI or is currently in the process of registering for one. The Reporting Party will immediately inform the SDR when that party receives an LEI by updating the previously reported internal ID with an LEI.

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[1] http://www.leiroc.org/publications/gls/lou_20150930-1.pdf

[2] Counterparty ID, Third Party Reporter ID, Submitter ID, Reporting Counterparty ID Additional Fixed Payment Payer,ID Additional Fixed Payment Receiver ID, Option Buyer ID, Option Seller ID, Counterparty ID Claiming Clearing Exemption, Transferee and Transferor fields.

[3] Counterparty ID, Additional Fixed Payment Payer ID, Additional Fixed Payment Receiver ID, Option Buyer ID, Option Seller ID, Counterparty ID Claiming Clearing Exemption, Transferee and Transferor fields.

Question 6: *Should the Commission propose a definition of a prime broker for this purpose? If so, is the following definition sufficient to describe all forms of prime brokerage in the swap markets? Is there an alternative definition that would more appropriately capture all forms of prime brokerage relationships and transactions in the swap markets?*

Response: No comment.

Question 7: *Please provide feedback on any aspect of the draft technical specifications for the data elements presented below* (table).

Response:

- Counterparty ID: Update field to "Counterparty ID 1" and "Counterparty 2" to be consistent with the SDR Harmonization Effort. Fields for "Counterparty Name" and "ID Source" allowing (e.g., "LEI", "Individual", "Internal ID"), should also be included in this field. The Counterparty 1 and 2 fields should not be required to be submitted by the Reporting Party; instead the SDR should be able to derive them from either the Buyer and Seller or Reporting and Non-Reporting Party fields.

  We assume that the term "current and valid" means an LEI for which the "Registration Status Enum" on the most recent GLEIF Concatenated File is <ISSUED> or <PENDING_TRANSFER> and the "Entity Status" is <ACTIVE>. Please confirm our understanding. We would point out that if this information were only updated once a day (e.g., during morning hours) the data would be incorrect for the remainder of the day. Furthermore, our experience is that a fair amount of non-reporting counterparties have lapsed LEIs. As such, we would expect a fair number of transactions being rejected, especially during implementation.

  Our expectation is that we would reject any submission where we were not provided either a current and valid LEI, an alternate ID in the case of natural person, or a PLI for a non-reporting counterparty in a jurisdiction where privacy laws restrict the disclosure of their identity. Doing so will harmonize our treatment with the current practices in Europe as well as to ensure that the counterparties to a trade are accurate at the time of submission. In order to ensure the Commission has the data it needs to confirm a trade was submitted within the required timeframe, the SDRs would create a timestamp indicating when the trade was first received and when the record passed validation.

- Special Entity/Utility Special Entity Indicator: For consistent reporting and to reduce the cost of implementation, the Commission should consider publishing a list of special entities that are categorized by type or encourage GLEIF to do so.

  Should the Commission determine to proceed with implementation of this field as drafted, our expectation is that we would reject any submission where a value other than one of the defined enums was provided or

where the field was left blank. However, should the enums selected by the Commission be inconsistent with those adopted by the industry standards bodies (e.g., FIX Technical Committee, FpML Standards Committee, and IOSCO), we recommend the Commission update their requirements to adhere to these industry standards.

- <u>Third Party Reporter ID</u>: We believe the description should be revised to remove SEFs. SEFs have definitive reporting obligations under the CFTC reporting rules and should not be considered a third party reporter. Furthermore, information about whether the trade was executed on SEF is already captured in the Execution Venue ID field and information as to whether they submitted the trade is captured in the Submitter ID field. Including SEFs in the description of a third party reporter, is redundant, and in cases where a SEF uses a third party reporter, the data would be inconsistent since it would be unclear whether the SEF or the third party reporter value should be populated in the field.

  Lastly, many Third Party Reporters do not have LEIs because these parties do not acknowledge an obligation to obtain LEIs and prefer to submit Internal IDs.

- <u>Submitter ID</u>: If SEFs were removed from the Third Party Reporter ID field, as currently described, the field would contain the same information that is captured in the Third Party Reporter ID field. We recommend the description be amended to read "The entity submitting the data on behalf of a registered entity (including SEFs and DCMs) or swap counterparty to the SDR as allowed by § 45.9, the reporting counterparty, a SEF or DCM. The Submitter ID will be the same as the Reporting Counterparty ID, Execution Venue ID or the Third Party Reporter ID."

  Lastly, many Third Party Reporters do not have LEIs because these parties do not acknowledge an obligation to obtain LEIs and prefer to submit Internal IDs.

- <u>Ultimate Parent/Guarantor and US Person Indicator for Ultimate Parent/Guarantor</u>: Since this data will rarely change and since each counterparty is best positioned to provide accurate data about their ownership structure, our recommendation is rather than having the reporting party passing this data down on each trade this information be captured as part of the registration/maintenance process, maintained by GLEIF.

- <u>Counterparty Dealing Activity Exclusion Type</u>: In light of the fact that the reporting counterparty is submitting the data for both parties to the trade, the reporting counterparty will need to procure this information from the non-reporting counterparty on a trade-by-trade basis, an onerous obligation. Requiring the reporting counterparty to provide this information at the time of submission, would minimally create a delay in the reporting of trades while the reporting counterparty waits for the information to be provided by the non-reporting party. In more extreme

cases, it could cause the reporting party to exceed the mandated time frames for reporting in violation of their regulatory obligations. This would have the knock-on effect of delaying public dissemination of pricing data to the public, hindering price discovery. In the most extreme case, it could cause a delay in the **execution of a trade**, in those cases where the reporting counterparty decided to wait until it had the information it needed for reporting, exposing both counterparties to market risk. Due to the complexity associated with capturing this information, we believe that the field should be removed in its entirety.

Though we do not agree with this field as drafted, should the Commission determine to proceed with implementation of this field as drafted, our expectation is that we would reject any submission where a value other than one of the defined enums was provided or where the field was left blank. We note, however, that should the enums selected by the Commission be inconsistent with those adopted by the industry standards bodies (i.e., FIX Technical Committee, FpML Standards Committee and IOSCO) we would recommend the Commission update their requirements to adhere to industry standards.

We would request that the Commission confirm this is not a field that would be populated for cleared swaps.

- Prime Brokerage Indicator: We would request that the Commission confirm this is not a field that would be populated for cleared swaps.

Should the Commission determine to proceed with implementation of this field as drafted, our expectation is that we would reject any submission where a value other than one of the defined enums was provided or where the field was left blank.

B. _Product_

Question 8: What are the challenges to reporting industry accepted uniform identifiers? How can those challenges be addressed?

Response: The main challenge with reporting industry accepted uniform identifiers is that the standards bodies which maintain these values do not regularly update such values. We recommend that the standards bodies attempt to maintain identifiers in a timely manner (e.g., 2006 ISDA Definitions) and in response to changing market conventions, which will improve the accuracy of swap reporting.

Question 9: If there is not an industry accepted uniform identifier for a particular index, how should the index be represented in swaps data?

Response: While we believe that there should be a governance structure that enforces a singular classification system, we believe that in order for the system

to be effective, and until such time as a classification system has been established and implemented, markets should be allowed to define their own UPIs based on the guiding principles laid out by CPMI-IOSCO. We strongly believe the assignment of the UPI should be decentralized and open-source with regard to usage.

In instances that market developments or modifies a reference price, the SDRs should be allowed to adopt data values in the absence of updated reference prices from a standards body.

Question 10: What are the challenges to using proprietary identifiers? Do you have recommendations for addressing these challenges?

Response: Unless the provider is committed to a free user license for the purpose of regulatory reporting, CME and ICE Trade Vault reject the required use of proprietary identifiers associated with mandatory reporting by market participants. During 2014, a provider of proprietary identifiers presented SDRs with terms and conditions in regards to receiving electronic trade confirmations, disseminating reportable trade data, and providing regulatory reports to the Commission. The provider categorized these actions, which are analogous to the SDR core principles and duties under Part 49, as all licensed activities in relation to the use of its identifiers. CME and ICE Trade Vault are supportive of transparency through swap reporting and the Commission's goal to harmonize swap data collected by SDRs. Nevertheless, we would oppose any requirements to use proprietary identifiers as part of swap reporting and subsequent SDR duties. We recognize the Commission's ability to determine an acceptable UPI and product classification system; however, neither the Dodd-Frank Act nor the Reporting Rules obligate SDRs to license proprietary codes or taxonomies in order to discharge its duties (e.g., store swap data, disseminate real-time data to the public. and provide market oversight infrastructure to the Commission).

Question 11: What are the challenges presented when an identifier for an index is changed? Do you have recommendations for addressing these challenges?

ICE Response: In response to reference price changes, Reporting Parties experience difficulties identifying and updating open swaps that are affected by such changes. As a service to its customers, ICE Trade Vault facilitates the identification and updating of open swaps that are affected by changes resulting from reference prices. ICE Trade Vault is able to provide this service as it only allows reporting in standardized values.

CME Response: If it is determined a change to the index identifier has occurred it is CME's expectation that the reporting party, and in the case of cleared swaps, the Clearing House, would amend the existing trade to reflect the new index identifier or terminate the original trade and replace it with a new trade reflecting the new index identifier. In the case where the change is affected by terminating and re-booking the trade, the expectation is that the reporting party, or the

Clearing House in the case of cleared swaps, would include the original USI in the prior USI field on the new trade. In either case, provided the reporting party includes the information as part of their submission, the Commission would be able to identify that a change to the index identifier had occurred by reviewing the audit trail maintained by the SDR (i.e., the prior version of the trade would contain the prior index identifier).

Question 12: Do the benefits of mandating a publically available standard reference representations and possibly a central maintenance authority outweigh the potential effect on innovation and competition in the creation of new indices or index identifiers?

ICE Response: Publically available representations of reference indexes will increase reporting consistency among SDRs. Nevertheless, SDRs should have discretion to list new representations in response to evolving swap trading conventions.   This approach will provision for the reporting of swap data containing representations that are not timely recognized by central maintenance authorities. The temporary values would be updateable by the SDR once the new standard has been published.

CME Response: CME believes any source used for identifiers that are part of the classification system must be open-source or freely available whether they currently exist or are created for the purpose of the UPI. We believe that the availability of open-source reference data is critical to the viability of the UPI system, which is itself necessary to increase the quality and usability of the data in the SDR. As the industry grows and evolves there will most certainly be new indices created which will necessitate the creation of index identifiers.   We believe, where needed, temporary values should be provided by the central agency, reserved by the SDR, and would be updated by the SDR once the new standard had been published.

Question 13: Would using a single source for each index identifier and/or asset class be preferable to using multiple index providers? If so, why, and which providers would you recommend and why?

Response: A single system, selected for use by CFTC and/or an international body, for classifying all asset classes and governed by a single not-for-profit consortium is a preferable solution to many different systems. We believe that any classification solution implemented should incorporate existing standards, which vary per asset class, as much as possible without favoring any individual standard or provider.   This would allow for currently implemented industry standards to be maintained, whilst providing a defined structural framework.   In the case of indices, we would encourage the different providers to regularly update their reference prices in response to changing market conventions.

Question 14: *How should currencies that do not have ISO 4217 codes be represented?*

> **Response:** CME and ICE Trade Vault suggest that swap reporting recognize only major currency codes that are allowed by ISO 4217. For codes not supported by ISO 4217, the Commission should enumerate acceptable vales such as Renminibi ("RMB") and Bitcoin ("XBT") as the traded currency should be the currency reported.

Question 15: *Is there any uncertainty regarding how Reporting Counterparties should determine and report the Asset Class treated as the primary asset class involved in a multi-asset swap?*

> **Response:** Reporting Parties should determine the appropriate asset class for reporting swap data.

Question 16: *Please provide feedback on any aspect of the draft technical specifications for the data elements presented below* (table).

> **Response:** CME and ICE Trade Vault request that the Commission provide further guidance to determine the use of the equity class when reporting swap data.
>
> - <u>Asset Class</u>: We note that the values provided in the Technical Specifications do not align with the field values proposed in the Cleared Swap Amendments.
>
>   Should the Commission determine to proceed with implementation of this field as drafted, our expectation is that we would reject any submission where a value other than one of the defined enums was provided or where the field was left blank. We note, however, that should the enums selected by the Commission be inconsistent with those adopted by the industry standards bodies (e.g., FIX Technical Committee, FpML Standards Committee, and IOSCO) we would recommend the Commission update their requirements to adhere to these industry standards.

C. *Price*

Question 17: *Are there alternative terms for representing the value exchanged between parties for different asset classes and different types of contracts within each asset class?*

> **Response:** No Comment

Question 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?*

> **Response:** The Credit asset class also prices swaps in Basis Points, as such CME and ICE Trade Vault recommend adding this pricing convention.

Question 19: *Should each asset class have a specific list of allowable Price types? If so, please suggest allowable price types.*

> **Response:** No Comment

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?*

> **Response:** No comment.

Question 21: *Where a swap uses "post pricing" (e.g., the pricing is determined by an average price over time, volumetric weighted average price, closing price, opening price), how should the Price data element be expressed before the numerical price value is determined for each type of post-priced swap?*

> **Response:** Due the cost burdens and complexity associated with "post pricing", CME and ICE Trade Vault recommend the Price data element should only contain the known value of the reportable swap at the time of execution.

Question 22: *Please provide feedback on any aspect of the draft technical specifications for the data elements presented below* (table)*.*

> **Response:**
>
> - Price: This field should allow zero and negative values as such values are uncommon but possible. Price would not be applicable for options or swaptions, FX spot or FX Forwards as the Price is captured in the Strike Price field and the Exchange Rate field respectively. The price may also be blank or a differential on a Trade at Settlement ("TAS") trade until a price is available. Our expectation is that this field would be optional for some basis swaps (e.g., Interest Rate Swaps) and Credit Default Swaps, which are traded with an upfront fee exclusively where a price can only sometimes be calculated.
>
> - Price Type:
>
>   **ICE Response:** This field should allow for Price, Basis Points, and Percentage values. The Additional Price Type and Additional Price field would be required for Credit trades that have a traded "price" (e.g., High Yield) and a basis points price to allow for multiple price representations in clean manner.
>
>   **CME Response:** The list of allowable values as drafted is not mutually exclusive. Thus counterparties would need the capability to submit multiple values in the Price Type field (e.g., Upfront Points and Price) and the SDRs would need to have the ability to consume such information. Accommodating the submission of multiple values for this field would require the SDRs to implement a repeatable leg level field.

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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?_

> **Response:** In the commodity asset class, with the exception of commodity index swaps, market convention is to express the total quantity of a swap transaction as opposed to a notional amount. Therefore, notional amounts are not calculated by participants nor are there uniform conventions to determine such amounts with respect to the various quantity units that are used for the commodity asset class. As such, the convention is to report using the total quantity. If the Commission requires reporting of a dollar notional amount, a clearly defined standard would first need to be provided to the industry.

Question 24: _How should the reported notional amount reflect embedded leverage that may alter the "effective" notional amount of the swap?_

> **Response:** No Comment

Question 25: _Please provide feedback on any aspect of the draft technical specifications for the data elements presented below_ (table)_.

> **Response:**
>
> - Notional Amount:
>
>   If the Commission wants notional amount reported for commodities swaps, which are not executed in the Commodity Index market type, then the Commission needs to clearly define how Notional should be calculated because there is not an industry standard.
>
>   If the Commission intends to require the notional amount to be adjusted throughout its life to reflect the current amount, such as in the case of accreting or amortizing swaps, it is our belief that such changes constitute a life cycle event and as such should be amended in the same manner. CFTC Regulation 45.1 defines a life cycle event to mean "any event that would result in either a change to a primary economic term of a swap or to any primary economic terms data previously reported to a swap data repository in connection with a swap." including "a change in the cash flows". Since the change in notional would result in a change to the "primary economic terms data previously reported to a swap data repository" a change would fall within the meaning of a life cycle event. It is our belief that without a change in the regulation it is not permissible for the SDRs to implement a notional schedule provided by the reporting party at the step-up/step-down dates.

We believe it is not necessary, or desirable, to implement a field to capture the original notional of the swap and a separate field to capture the current notional. The change in notional would be available to the Commission via the audit history of the trade maintained by the SDR.

E.   *Additional Fixed Payments*

Question 26: *What challenges may exist for reporting Additional Fixed Payments? If so, what alternative approaches are available?*

Response: CME and Trade Vault believe that the suggested approach for Additional Fixed Payments is overly complicated and prone to misreporting. CME and Trade Vault would suggest that these fields be unbundled and each additional payment type be separated into its own field for "X Payment Amount" and "X Payment Payer ID", as multiple payments may be applicable to a single swap. In addition, not all suggested values should be used, instead we recommend reducing the list to:

- Upfront Payment
- Termination Fee
- Other Payment Amount

Question 27: *Please provide feedback on any aspect of the draft technical specifications for the data elements presented below* (table).

Response:

- Additional Fixed Payment Currency: Though we do not agree with this field as drafted, should the Commission determine to proceed with implementation of this field as drafted; our expectation is that the SDRs would reject any submission where a value is other than an ISO 4217 currency code.

- Additional Fixed Payment Date: Though we do not agree with this field as drafted, should the Commission determine to proceed with implementation of this field as drafted; our expectation is that we would reject any submission where the date is in any format other than ISO 8601 UTC.

- Additional Fixed Payment Payer ID & Additional Fixed Payment Receiver ID: Please reference comments provided in response to question 5 related to inclusion of allowable values for individuals and non-reporting parties in jurisdictions where privacy laws restrict the disclosure of their identity. Please reference comments provided in response to question 7 related to the meaning of "current and valid" as well as our expectations that we would reject any submission where we were not provided either a current and valid LEI, or an internal ID in the case of natural person, or a PLI for a non-reporting counterparty in a jurisdiction where privacy laws restrict the disclosure of their identity. Please reference response to

question 26. Payer and Receiver ID are duplicative fields, only one field is needed. If it is determined that the field is necessary, we suggest that the SDRs populate the field rather than requiring it as part of the submission made by the reporting counterparty.

F. *Options*

Question 28: *Do the allowable values for Option Type clearly and properly reflect the possible outcomes resulting from an option exercise as they relate to the underlying contract?*

ICE Response: The current allowable values for Option Type properly support swap data reporting. ICE Trade Vault requires that all option strategies be reported as their independent legs. Based on our experience operating a confirmation platform and repository services, the reporting of independent option legs is a necessary standard to avoid the situation of some parties reporting an option strategy while others report the legs. As such, we have found the leg approach to be more effective.

CME Response: The Option Type field properly reflects the possible outcomes resulting from an option exercise. However, we believe that further adjustments to the list of Option Types, are needed. Specifically we would recommend adding collar, straddle and strangle as allowable values. There are instances where the option legs are traded as a single strategy with a single USI. Further, we recommend removing <Right to Pay> <Right to Receive>, <Right to Buy Protection> <Right to Receive Protection> as valid values and replacing them with "Swaption". Right to Pay/Right to Receive and Right to Buy Protection/Right to Receive Protection embeds directionality into the Option Type field which is not necessary since data fields already exist to identify the buyer and seller of a swap as well as the fixed rate payer and the floating rate payer. Representing Option Type in this way can create ambiguity that could affect data quality thereby hindering aggregation. For example, say a swaption is executed bilaterally between Party A and Party B where Party A is paying fixed (thus option type is saved as 'Right to Pay'), now let's say that the swaption is cleared. The result is: (1) the Clearing House is Receiving the Fixed rate from Party A and since the Clearing House is the reporting party the Option type would be marked as "Right to Receive" and (2) the Clearing House is Paying the Fixed rate to Party B and since the Clearing House is the reporting party the Option type is determined as 'Right to Pay'. This is not a wholly accurate representation of each counterparty's exposure as the data is being represented in relation to the reporting party. We would suggest that Right to Pay/Right to Receive and Right to Buy Protection/Right to Receive Protection be removed as valid values and replaced with "Swaption". This change would not affect the ability of the Commission to determine whether a counterparty is buying or selling the swaption or whether the counterparty is the fixed rate payer or the floating rate payer. Those fields already exist in the SDRs and are currently being submitted by reporting counterparties.

Additionally, we suggest that the Option Type field be restricted to stand alone

options and not be used to capture barrier options (e.g., knock-in, knock-out, etc.) Barrier options should continue to be represented in the same manner that the SDRs are currently capturing that information.

Question 29: Do the allowable values for Option Strike Type properly reflect the range of appropriate entries for this data element?

> **Response:** The current allowable values for Option Strike Type properly support swap data reporting.

Question 30: Does the definition of Option Strike adequately describe the range of entries for this data element?

> **Response:** The current definition of Option Strike properly supports swap data reporting.

Question 31: Do the allowable values for Option Premium Amount Type properly reflect the range of appropriate entries for this data element?

> **Response:** The addition of a "percentage" value will complete the appropriate entries for Option Premium Amount Type.

Question 32: How should the Embedded Option Indicator data element be defined? Should optional termination rights at the market price of the swap, "tear up" swaps and/or "First Method" style termination rights be considered embedded options?

> **Response:** No Comment

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

> **Response:**
>
> - Option Buyer ID/Option Seller ID**:** There is limited utility for Option Buyer/Seller ID field because this information is currently captured in the Buyer/Seller ID field for both option and swap data reporting.
>
> - Option Strike Currency & Option Premium Currency: Should the Commission determine to proceed with implementation of this field as proposed, our expectation is that the SDRs would reject any submission where a value is other than an ISO 4217 currency code or where the field was left blank where the contract type is option or swaption.
>
> - Option Premium Amount Type: We do not believe that this field provides any valuable information. Our suggestion is that this field be eliminated.

- Option Type:

  ICE Response: The current allowable values for Option Type properly support swap data reporting. The option leg approach instead of the option strategy approach should be allowed for consistency of reporting.

  CME Response: We believe that further adjustments to the list of Option Types, are needed. Specifically, we would recommend adding collar, straddle and strangle as allowable values and removing <Right to Pay> <Right to Receive>, <Right to Buy Protection> <Right to Receive Protection> as valid values and replacing them with "Swaption". Please refer to our response to question 28 for further details.

  Earliest Exercise Datetime: The Earliest Exercise Datetime field information is not readily available as part of the current confirmation and reporting processes. As such, we recommend its removal due to the costs outweighing the benefit.

- Option Style: Though we do not agree with this field should the Commission determine to proceed with implementation of this field as proposed, our expectation is that we would reject any submission where a value other than one of the defined enums was provided or where the field was left blank where the contract type is option or swaption. We note, however, that should the enums selected by the Commission be inconsistent with those adopted by the industry standards bodies (e.g., FIX Technical Committee, FpML Standards Committee, and IOSCO) we recommend the Commission update its requirements to adhere to these industry standards.

G. _Orders_

Question 34: Is a single Order ID sufficient to access historical order information? If not, what other identifier(s) would be sufficient to access historical order information?

> **Response:** The inclusion of a data element to capture the Order ID is redundant and unnecessary. The USI is sufficient to link the order information captured and maintained by the SEF/DCM, inclusive of all historical order information, to the information captured and maintained in the SDR. In light of the redundant nature of this field, we suggest that the benefits of adding Order ID would be limited and suggest removing it completely.

Question 35: What challenges exist for reporting this type of order information for a particular swap traded on or subject to the rules of a SEF or DCM? Do you have recommendations for addressing these challenges?

> **Response:** We do not believe that it is necessary or appropriate to collect and maintain order related information in the SDR. The Commission already has access to that information through their regulatory oversight of SEFs and DCMs. As such, information related to orders should be maintained as part of the SEFs/DCMs audit trail. At this point in the development of SEFs, there are

many different trading systems and a variety of trading models. It is simply too early to attempt to standardize the pre-trade audit trail. Such an effort would be extremely time consuming, excessively burdensome and not an efficient use of resources. A more pragmatic approach would be to evaluate the development of SEFs, specifically the development of the order book trading before the CFTC requires reporting of such information.

Question 36: Please provide feedback on any aspect of the draft technical specifications for the data elements presented below (table).

Response: As stated previously, we do not believe that it is necessary or appropriate to collect and maintain order related information in the SDR. Should the Commission determine to proceed with implementation of the data elements related to orders as proposed, we request that the Commission confirm the scope of such fields will be limited to executed orders and unexecuted order (e.g., cancels) would not be required for reporting to the SDRs. Furthermore, the following is specific feedback on the fields:

- Match Date Timestamp: There is no issues reporting this value, but it is redundant as it is already reported under the execution timestamp field.

- Customer Type: The allowable values for this field would need to be more clearly defined and more comprehensive. A broker may either input a trade on behalf of a customer or the customer can directly enter a trade.

- Order Source: It would appear that the list of allowable values is not mutually exclusive. For example you could have a voice trade that is also an off-exchange block trade. Accommodating the submission of multiple values for this field, will require the SDRs to implement a repeatable leg level field or create discrete fields for all possible order sources. The implementation of either solution is unnecessarily complex; we suggest reducing the order sources to a list that is mutually exclusive.

H. *Package Transactions*

Question 37: Are the proposed data elements appropriate in identifying which swaps are executed as component legs of a package transaction?

ICE Response: The reporting of package transactions can be simplified by requiring two fields in order to link the underlying component legs: 1.) Package Trade Indicator (Y/N) and 2.) Package Trade UTI).

ICE Trade Vault believes that only the component legs should be reportable swaps as the initial package execution may cover multiple products and as such would not have an UPI. Package transactions should continue to be reported with unique UTIs on the individual legs to enable exchanges and clearinghouses to process these transactions. It is feasible to link individual trade legs with a single identifier (e.g., Package Linkage ID) that traces back to the package

transaction. This mechanism of reporting package transactions therefore requires one identifier to identify the package transaction and additional field to link the legs by an UTI

CME Response: In the case of packages submitted as the component legs, we believe that the Package/Strategy ID field proposed by the Commission is sufficient to link the component legs together. For packages submitted as one economic transaction, we would expect the Package/Strategy ID field to be left blank and a single USI be used. Given this, the addition of a field called Package Trade Indicator (Y/N) might be useful to the marketplace in enabling them to easily identifying those packages executed as a one economic transaction.

Question 38: Are there any unique characteristics to certain types of package transactions that Staff should account for in devising data elements?

Response: No Comment

Question 39: Should the data elements provide pricing for each component of a package transaction, or is it sufficient to only provide (1) pricing for the swap components only; or (2) price for the entire package?

ICE Response: ICE Trade Vault believes that the component legs should be independently reported with the pricing data and linked together with a Package UTI. The real-time ticker may be enhanced with a flag indicating a trade is part of a package.

CME Response: It is unclear what the Commission thought the interplay would be between the "Price" field and the "Package Trade Price" field. We are of the opinion that both fields have their value, with usage by the reporting parties determined by whether the package is submitted as component legs or as one economic transaction. We suggest that for packages traded as one economic transaction the "Package Trade Price" field be used to capture the price; this would be the price that would be publicly disseminated. In the case of a package trade that is traded as the component legs we suggest that the Price field be used; each leg would be publicly reported with the price populated in the Price field, as well as the Package/Strategy ID. Disseminating package trades in this manner would provide market participants the transparency necessary to be able to evaluate the pricing data, even in those instances where one or more of the component legs are not reportable to an SDR (e.g., future, cash, security, etc.).

Question 40: Should the data elements specifically identify the types of non-swap instrument component legs in the package transaction?

ICE Response: We believe that package trades will be independently reported to their applicable regulator. Information about the non-CFTC swap legs will be too difficult to report on each individual swap leg because such information is not included on all legs.

CME Response: We believe there is value in knowing whether the package contains a non-CFTC swap contract (Y/N) as the Commission proposed. However, we do not believe knowing what type of non-swap instrument (e.g., cash, futures, securities, etc.) provides no additional value to help market participants evaluate the price of the package.

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

Response

- We suggest simplifying to three fields: Package Trade Price, Package Trade Identifier (Y/N) and Package Trade UTI (or Package/Strategy ID) to link the swaps together. CME also believes that the addition of the proposed field Package Contains Non-CFTC Swap Components has some value as discussed in further detail in question 40.

I. Clearing

Question 42: Are the sources cited above, and the associated Allowable Values, sufficiently clear to avoid any ambiguity regarding clearing requirements and allowable exemptions? If not, what ambiguity exists that Staff might address?

Response: The Commission should instead revert to the agreed upon proposal in the Data Harmonization Effort. The reporting of the suggested clearing fields, including a separate indicator by clearing exemption, as multiple exemptions may apply to a single swap.

An allowable value of "N" for "Intend to Clear Indicator" when the swap has been cleared is confusing; the value should either be blank to be consistent with the current harmonization requirements.

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

Response: Clearing Exemption Type & Counterparty ID Claiming Clearing Exemption: This field should be separated out into Y/N Boolean fields as per Harmonization.

- Counterparty 1 End User Exception
- Counterparty 2 End User Exception
- Counterparty 1 Cooperative Exception
- Counterparty 2 Cooperative Exception
- Counterparty 1 Inter Affiliate Exception
- Counterparty 2 Inter Affiliate Exception

- o Counterparty 1 NAL Exception - instead of a Y/N field will be N or No Action Letter Number

  - o Counterparty 2 NAL Exception - instead of a Y/N field will be N or No Action Letter Number

- Clearing Organization ID: We assume that the term "current and valid" means an LEI for which the "Registration Status Enum" on the most recent GLEIF Concatenated File is <ISSUED> or <PENDING_TRANSFER>. Please confirm our understanding of this field. We note that if this information were only updated once a day, for example during the morning, the data would be incorrect for the of the business day. Our expectation is that SDRs should reject any submission where we were not provided either a current or valid LEI.

- Cleared: A Y/N to indicate if a swap is cleared should be added.

- Intent To Clear: Populate this data element with "Y" where the swap will be cleared and with an "N" where there is no intent to clear the swap. This data element should only be populated on bilateral or on the "alpha" swap, when Cleared is "Y" this field should be null.

- Mandatory Clearing Indicator: Appendix C to Part 43 sets forth time delays for the public dissemination of block trades and large notional off-facility swaps. The delays are based upon whether the block trade is executed on or pursuant to the rules of a SEF/DCM, whether a Large Notional Off-Facility swap is subject mandatory clearing, and whether at least one of the counterparties is a Swap Dealer/Major Swap Participant. Our expectation is that once counterparties begin submitting the mandatory clearing indicator, the SDRs could choose to rely on that information to apply the timing delays or continue to derive the information/maintain tables to determine whether a product is subject to mandatory clearing.

- Cleared Date Timestamp: Utilizing UTC (00:00:00Z) as the time portion of the timestamp when it is unknown puts the trades at the beginning of the day. Since most trades without a timestamp are the result of an end of day clearing processes, it would be more accurate to use UTC (23:59:59Z) format. Should the Commission determine to proceed with implementation of this field as proposed, our expectation is that we would reject any submission where the date is in any format other than ISO 8601 UTC.

- Counterparty ID Claiming Clearing Exemption: Please refer to our response to question 7 in regards to the Counterparty ID field.

J. *Periodic Reporting*

(a) *Reconciliation*

Question 44: *To represent that the reporting counterparties and the SDRs have confirmed data accuracy, is there a methodology better than reporting the Data Accuracy Confirmation by Counterparty data element?*

> **Response:** This field is possible to implement, as SDRs already have a mechanism for non-Reporting Parties to become a Participant of the SDR and view their reported data. However, we note that while we have a mechanism for non-reporting parties to view their data, we cannot compel such parties to enroll in our service or to confirm the accuracy of their data. Therefore, we recommend the Commission send an Advisory to non-reporting counterparties reminding them of their implicit obligation pursuant to §45.14(b) to review the swap data reported to an SDR to which they are a counterparty. Furthermore, there is no way for the non-reporting counterparty to "affirm" or "dispute" the accuracy on the record maintained by the SDR other than to contact the reporting counterparty and request such a party submit the information on their behalf. This has proven to be a cumbersome and inefficient process to reconcile errors and omissions. We propose that rather than implementing a data field to capture this information for the non-reporting counterparty, the non-reporting counterparty be required to maintain evidence of their review of the data in the SDR as well as their escalation of any disputed terms to the reporting counterparty. This solution will reduce the impact on non-reporting counterparties, many of whom are end-users. It also means that non-reporting counterparties will only have to integrate (whether manually or technically) to a SDR to which they report, thereby reducing the related costs. Lastly, we suggest trades executed on or subject to the rules of a SEF or DCM, cleared swaps and swaps subject to an electronic confirmation process be deemed 'trusted sources' and not be required to populate this field. Such swaps are already subject to a separate confirmation process, making the confirmation of data accuracy by the reporting parties and the SDR redundant and an unnecessary cost.

> The description of the field seems to leave several key questions unanswered. Specifically, we note that the description of the field does not indicate whether the population of the field is limited to the originally reported trade or the subsequent life cycle events and/or valuation submissions. We believe strongly that requiring counterparties to affirm or dispute each life cycle events and/or valuation submissions would be onerous and would yield little benefit in comparison to the implementation costs. Counterparties already have a process for confirmation of the terms of the trade and subsequent amendments. Moreover, SDs/MSPs are also required to complete a reconciliation of all open swaps with their counterparties, in some cases on a daily basis. Adding further obligations on the counterparties to conduct an additional confirmation and reconciliation processes will be of little value to the Commission and would induce significant burdens on market participants. Furthermore, it is unclear from the description of the field as to whom the Commission envisioned populating

"Failure to Respond" because there would seem to be no logical reporter. If the non-reporting party failed to "affirm" or "dispute" the trade, it would be difficult to envision such a party populating the field with "Failure to Respond". Population of this field by the reporting counterparty or the SDR would require the development complex logic and would be error prone. This will require two separate workflows: one to identify instances where the value has not been populated within the 48 hour window and another to set the status as 'Failed To Respond'. Not only would implementation of this value be complex and costly, it is our belief that inclusion of the allowable value "Failure to Respond" is unnecessary as it can be inferred if neither the "affirm" or the "dispute" field has been populated. Lastly, it is not clear who is responsible for resolving such trades that are disputed by this process. It is our belief that the counterparties to the trade are in the best position to resolve any dispute. Moreover §45.14(b) states that a non-reporting party who discover an errors or omission in the swap data reported to a SDR shall promptly notify the reporting counterparty of each such error and omission.

The SDRs believe and continue to take the position that placing the obligation to confirm data accuracy on the SDRs is not appropriate. SDRs are not a party to the transaction and cannot validate certain data elements or the conformity to data field formatting rules. This obligation is one that only the counterparties to the transaction can properly fulfill. Moreover, because of the single-sided nature of the CFTC reporting framework, SDRs do not have the necessary relationships with non-reporting counterparties to fulfill this obligation. For all of the aforementioned reasons we strongly believe that CFTC Regulation 49.11 and the obligations that it places on SDRs to confirm data accuracy should be amended to reflect the single-side nature of the reporting by removing such obligations on the SDRs.

Question 45: *Please provide feedback on any aspect of the draft technical specifications for the data elements presented below* (table).

Response: Pleas

▪ Part 43/45/46:

ICE Response: For SDRs that accept Part 43 and 45 data in a single message, all records that are not historical should be considered Part 43 and 45 messages. It will be difficult and cost prohibitive for the reporting party to distinguish when the message is 43/45 or solely 45 because the SDR this responsibility for the reporting party. ICE Trade Vault currently has a separate field which indicates if a trade is a historical swap for Part 46. Therefore, a Part 46 indication is not necessary nor should it be aggregated with Part 43 and 45 messages.

CME Response: CME has implemented RT and PET flags to denote submissions made pursuant to Part 43 and Part 45 respectively and implemented a <Backloaded> field to denote submissions made pursuant

to Part 46. In CME's case including a field to specifically denote the Part a submission was made pursuant to is redundant. More importantly CME SDR has built a significant amount of logic around the RT and PET flags as such mandating the information be submitted as proposed would have a significant knock-on effect and impose substantial additional costs.

- **Data Accuracy Confirmation by Counterparty**: Please review response to Question 44.

- **Date and time of last open reconciliation with CP**: Would suggest removing this field as this information is not readily available in the systems that currently report data to an SDR and as such would be cost prohibitive.

  We would request that the Commission confirm this is not a field that would be populated for cleared swaps as it is not required pursuant to §23.502(d). Further, we would note that given the frequency of having to reconcile is dependent on the number of trades in a portfolio or in the case of non-SDs/MSPs the policies and procedures the SD/MSP, information that the SDRs would not know, the SDRs would not be able to develop exception reporting to ensure this field is populated. This would render the field almost useless.

  Lastly, though we do not agree with this field, should the Commission determine to proceed with implementation of this field as drafted our expectation is that we would reject any submission where the date is in any format other than ISO 8601 UTC.

- **Date and time of last open swaps reconciliation with SDR**: This field seems to introduce a new requirement to reconcile data between the counterparties and the SDR at certain time intervals, as this requirement is not outlined in Part 45 a full requirement of reconciliation times based on CP type would be required in a rule amendment. Further as the field is currently described it is not clear who has to reconcile with whom (i.e., does the obligation rest with the counterparties to reconcile with the SDR or the SDR with counterparties). As stated above if the intention is for the SDRs to reconcile with the counterparties, the SDRs do not necessarily have either a relationship with the non-reporting counterparties or access to Reporting Parties internal systems.   As the counterparties to a transaction would be the only ones with the necessary information to perform this reconciliation inserting the SDR would only serve to hinder this process.

- **Dissemination ID**: The Commission should make clear that field is not submitted by the reporting counterparty. Rather this ID is generated by the SDRs and will be included in the data made available to the Commission by the SDRs.

(b) *Next Reset Date*

Question 46: Are there any challenges for reporting the updated next reset date as the floating leg resets over time?

Response: Currently only the reset frequency is reported and we suggest keeping this field limited to reporting only frequency as adding the specific dates would be costly and of limited value to the Commission.

Question 47: Is there a different methodology for Staff to know the updated next reset date that is more efficient than the reporting of the Next Reset Date data element?

Response: Please see response to question 46.

- ▪ Next Reset Date**:** The field will need to be implemented as a leg level field since there can be two floating legs and each with a different reset date.

(c) *Valuation*

Question 48: Is there a better methodology or should Staff provide more guidance on reporting the Valuation Amount?

ICE Response: The proposed fields for valuations only allow for valuations to be reported at the trade level. This is appropriate for non-commodities markets, but ICE Trade Vault built its valuation reporting based on strict CFTC guidance that valuations must be reported at the mark level which relates to a commodities position, not trade.

CME Response: There are certain asset classes, namely Credit and Commodities, where it is quite common for transactions to be netted down to a position. As such, we request that the Commission's guidance acknowledges and makes clear that it is permissible for the valuation amount to be provided at the either the position or the trade level.

Question 49: Are there any conditions under which the NPV of a given leg/stream cannot be adequately determined? If so, how should the inability to determine the NPV be reported?

Response: No comment.

Question 50: What are the challenges to reporting Leg NPV for a trade with changing notionals and fixed rates that cannot be accurately represented by simple aggregation measures? Do you have recommendations for overcoming these challenges?

Response: No Comment

Question 51: *Are there any additional data elements related to valuation that would improve Staff's ability to use valuation data and/or to fulfill their regulatory responsibilities?*

> **Response:** No Comment

Question 52: *Please provide feedback on any aspect of the draft technical specifications for the data elements presented below* (table).

> **Response:**
>
> ▪ Leg NPV: Currently NPV is not reportable and we do not believe it should be added as it is cost prohibitive without producing additive value. Moreover as this information is not currently required in any other jurisdiction, the cost of implementing this field would be exclusive to meeting US obligations. Lastly, a representation of NPV at the leg level is not meaningful because a counterparty's exposure is to the swap in totality and not the individual legs of transaction. We suggest removal due to insufficient cost benefit.
>
> ▪ Leg NPV Currency: Suggest removal due to insufficient cost benefit.
>
> ▪ Valuation Amount:
>
> **ICE Response**: Valuations on positions are necessary for SDRs to calculate the Mark to Market on positions. ICE Trade Vault recommends the Commission clarify that the valuation reports are at the mark level for positions.
>
> **CME Response**: The description of the field should be amended to reflect the fact that for cleared swaps in certain asset classes it is standard for the valuation amount to be provided at the position instead of the trade level.
>
> We strongly suggest that the field be implemented with 8 digit decimal precision. Implementation of the field with a 5 digit decimal constraint has the potential to require one or more reporting counterparties to write logic to truncate the value which could have untold effects on their submissions.
>
> ▪ Valuation Type: The value "CCP" should be added for valuations/marks that are those of the CCP.

(d) Collateral/Margin

Question 53: *What are the challenges to reporting the following collateral information:*

> (a)   *eligible currencies, securities and haircuts;*
>
> (b)   *other types of eligible collateral and valuation;*
>
> (c)   *rehypothecation election; and*

(d)   segregation of posted collateral in a tri-party custodial account?

Do you have recommendations for addressing these challenges?

Response: It is not clear to us how the collection of such collateral information would further the Commission's understanding of systemic risk more broadly or at the individual counterparty level. Furthermore, this information is typically set forth in the various agreements between the counterparties. It is unlikely such information is maintained in an electronic format that could easily be integrated into a firm's reporting system. Capturing this information in an electronic format and integrating it into the reporting systems would be a costly and burdensome exercise. The end result would be of marginal benefit to the Commission. Given that neither Part 43 nor Part 45 requires this type of collateral information, such a change would necessitate an amendment to existing rules and require a cost/benefit analysis.

Question 54: What are the challenges to reporting Independent Amount/Initial Margin and Variation Margin amounts separately? Do you have recommendations for addressing these challenges?

Response: Independent Amount is currently captured in the confirmation process and as such would not be an issue to add unlike initial and variation margin which would be cost prohibitive.

While we strongly disagree with the inclusion of Initial and Variation Margin as required fields, should the Commission choose to move forward with implementation of these fields, we urge the Commission to align with the requirements of other regulators to further the goal of global aggregation.

Question 55: What are the challenges to reporting if a transaction is guaranteed by multiple entities at varying levels of subordination?

Response: No Comment.

Question 56: Should Netting Set valuation, collateral and margin information be reported at the transaction level or only at the aggregated portfolio level?

Response: While we strongly disagree with the inclusion of fields to collect valuation, should the Commission move forward as proposed with the collateral and margin information, there would need to be accommodations to allow for reporting at the portfolio level as well as the transaction level. Most bilateral swaps require collateral agreements with their counterparties at a portfolio level as opposed to a trade level. Netting, whether as part of normal end of day process or in the case of a close out, for both ICE and CME cleared swaps occurs at the portfolio level.

As previously mentioned, we would urge the Commission to align with the requirements of other regulators to further the goal of global aggregation

Question 57: Are the data described in the data element Close Out Netting Set Portfolio and Collateral Valuation Currency all denominated in the same currency? If not, should there be additional data elements to capture the currencies?

> **Response:** No Comment

Question 58: Please provide feedback on any aspect of the draft technical specifications for the data elements presented below (table).

> **Response:** Would suggest removing all collateral reporting without a full cost benefit analysis and Part 45 rule amendment. As previously stated, we do not believe that the cost burden to provide this information, even when limited to only the Close Out Netting Set, would offset the value to the Commission of receiving this information. Should the Commission decide to proceed with implementation of the data elements as proposed, we would suggest the following changes:
>
> - Close Out Netting Set Variation Margin requirement: The description of this field states that the value reported should be "the contractual VM requirement from each CP for the close out netting set." Cleared swaps do not operate pursuant to a contractual agreement; the description should be amended to reflect the contractual terms of the cleared swap market.
>
> - Close Out Netting Set ID (unique): The description of the field states this is the "Unique ID agreed to by both counterparties". It is not clear to us what value is attained by requiring both parties to agree to the ID. We believe that the description should be amended to read that the Unique ID is the ID created by the reporting counterparty that is identifying a portfolio of transactions netted for close out/early termination purposes.
>
> - Close Out Netting Set Portfolio and Collateral Valuation Currency: Should the Commission determine to proceed with implementation of this field as proposed, our expectation is that the SDRs would reject any submission where a value is other than an ISO 4217 currency code.
>
> - Close Out Netting Set Collateral Posted Valuation Date/Time & Close Out Netting Set Portfolio Net Mark To Market Valuation Date/Time: Should the Commission determine to proceed with implementation of this field as proposed, our expectation is that we would reject any submission where the date is in any format other than ISO 8601 UTC.

Question 59: Are there any other event types that are important to define and track?

> **Response:** No Comment

K. *Events*

Question 60: Are there other ways to resolve the challenges encountered by Staff in understanding swap events? If so, please provide details regarding how these potential solutions illustrate both: (i) all of the events impacting a swap and (ii) the current status of a transaction?

Response: CME and Trade Vault believe the suggested approach is overly complicated and will result in inconsistent reporting that is burdensome and costly to implement. We instead suggest a more cost efficient and practical approach to understanding swap events based on the CPMI IOSCOs Consultative Report for the Harmonization of Unique Transaction Identifiers. Their report is not final but this standards body attempted to address these issues in their proposal and the CFTC should seek to conform to such standards. More specifically, we recommend the following: (1) the creation of a new USI should only occur when a new swap is created; (2) use of a prior USI to link one-to-one and one-to-many life cycle events be required; (3) pre-bulk event ID and post-bulk event ID be used to link the trades in a many-to-many or many-to-one event together and a source field be added; and (4) restricting the structure of the USI such that they be comprised of only numbers and upper case letters.

We recommend that the creation of new USI only occur when a new swap is created. A new USI should not be created in the event of a counterparty legal name change or upgrade to an LEI from an Internal ID.

CME and ICE Trade Vault agree that including a prior USIs on one-to-one and one-to-many lifecycle events, such as novations and allocations, provides the Commission with valuable information. As such, we are supportive of reporting counterparties having to include the prior USI (e.g., USI of predecessor transaction) on the new transaction (e.g., successor transaction). We do not however, believe that it is neither necessary nor sufficiently beneficial to justify the costs for the predecessor transaction to include the USI of the successor transaction in order to properly link the transactions. Moreover in certain scenarios, such as a case where a swap is novated and the reporting counterparty steps out of the transaction, reporting the USI of a successor transaction on the predecessor transaction would be overly complex and burdensome. In this scenario, the reporting counterparty on the successor transaction would have to provide the USI of the successor transaction to the reporting counterparty of the predecessor transaction. This party would then have to update the terminated trade with the USI of successor transaction.

As the Commission is well aware, there are many challenges with the representation of the many-to-one or many-to-many relationships (e.g., compressions); the major challenge being ensuring the uniqueness of any event ID. This issue exists with the Commission's proposed solution as well as our alternate solution. We caution that while we have made every attempt to minimize scenarios where uniqueness is not maintained. Such an approach is reliant on reporting counterparties and is prone to error because SDRs cannot validate uniqueness.

For many-to-many or many-to-one compression events, we recommend the

addition of four new fields as an alternative the proposed approach: 1) pre-bulk event ID, 2) post-bulk event ID, 3) source pre-bulk ID, and 4) source post-bulk ID. These IDs would provision for the transactions making up a compression to be linked to the resulting swap(s) and would work as set forth below.

Transactions Not Previously Compressed

(1) <u>Pre-Compression</u>: A pre-bulk event ID (e.g., AS1234) would be included on all of the transactions making up the compression, there would be no post-bulk event ID on the transactions.

(2) <u>Post Compression</u>: A post-bulk event ID (e.g., BD568) would be included on the swap(s) resulting from the compression, the pre-bulk event ID (e.g., AS1234) would be included on the swap(s) resulting from the compression.

Previously Compressed Transactions Involved in a Second/Subsequent Compression

(1) <u>Pre-Compression:</u> A pre-bulk event ID (e.g., GW349) would be included on all of the transactions making up the compression. For any transaction not previously compressed, there would be no post-bulk event ID for any transaction involved in a previous compression and the post-bulk event ID would remain on the record (e.g., BD568).

(2) <u>Post Compression</u>: A post-bulk event ID (e.g., MG074) would be included on the resulting swap(s). The pre-bulk event ID (e.g., GW349) would be included on the swap(s) resulting from compression.

Having both a pre and post-bulk event identifiers, will ensure the bulk event ID is not overwritten when a trade that results from a compression event is then involved in a second or subsequent compression event. The addition of Source fields to identify the creators of the event ID by LEI will better maintain uniqueness. However, this alone will not solve the issue of uniqueness amongst counterparties. The Commission will also have to include guidance for populating the Source fields (e.g., which of counterparties would be considered the source) in the case of compressions that occur among multiple counterparties. For those compressions that occur through a compression service or a DCO, such central providers should be specifies as the source. Additionally, reporting counterparties will need to implement a methodology for generating event IDs that ensures uniqueness.

Given the complexity in solving for this issue, we would ask that the Commission advise as to the value in linking all swaps involving in many-to-one or many-to-many events. It is not evident to us how this information will further the Commission's mission.

CME and ICE Trade Vault recommend that USIs be restricted to numbers and upper case letters. From previous experience generating and accepting USIs, companies do not take case sensitivity into account when generating and using USIs and often submit the same USI in varying cases (e.g., mixed vs. all lower or

all upper).   In order to better facilitate USI duplication checks and simplify USI creation, only upper case letters should be used. As far as the use of "0", "O", "1" and "I" currently LEIs use these characters and as such they should be allowed.

Our suggested approach would add the following fields: Prior USI, Post-Bulk Event ID, Pre-Bulk Event ID and Source.   It would eliminate the following proposed fields: Event ID (to be replaced by Prior USI, Post-Bulk Event ID or Pre-Bulk Event ID), Event USI Version (e.g., if linkage is fixed, USI Version should provide necessary information) Price forming Event, Transferee, Transferor and USI Impact.   Lastly and as discussed in further detail in our response to question 61, we would reduce the number of allowable values for the Event Type to: TRADE, NOVATION, COMPRESSION, NETTING, ALLOCATION, TERMINATION, VOID, OPTION EXERCISE_ASSIGNMENT, MODIFICATION, ERROR, CREDIT_RESTRUCTURING, OTHER and CANCEL_CORRECT (*CME only for CANCEL_CORRECT*).

Question 61: What are some of the challenges with the Event Types listed below? If so, please provide suggestions to address them.

Response: The Event Types are too granular and overly complex. As various jurisdictions require reporting of similar information on events, we urge the Commission to align its requirements with those of other regulators to create a global list of events rather than having separate types of events by jurisdiction. Please find our specific recommendations below:

Event Type	Description	Recommendation
TRADE	*An event that results in a new swap being created. This event occurs in isolation and it is not a result of other events or tied to other existing swaps.*	The term "TRADE" could be used on all non lifecycle event reports.
TRADE|FORCE	*An event that results in a new swap being created. This event occurs in isolation and it is not a result of other events or tied to other existing swaps. A specific type of trade event where the match is forced by the pricing authority to maintain reliability of quotes.*	Would remove this event type and instead create a new field that is a Y/N flag to indicate a Firm or Forced trade has occurred.
NOVATION|3_WAY	*An event that has the effect of legally moving the risk represented in one swap to another counterparty that was not a counterparty in the existing swap. There is a transferor and a transferee.*	Would remove and simplify to "NOVATION"

NOVATION|4_WAY	*An event that has the effect of legally moving the risk represented in one swap to two counterparties who weren't part of the existing swap. There are two transferors and two transferees.*	Would remove and simplify to "NOVATION"
NOVATION|STEP_IN	*An event that has the effect of legally moving equal and offsetting risk from two transferors to the same transferee.*	Would remove and simplify to "NOVATION"
NOVATION|STEP_OUT	*An event that has the effect of legally moving the risk from one transferor so that the two transferees become direct counterparties.*	Would remove and simplify to "NOVATION"
NOVATION|ALLOCATION	*The process by which a trade is allocated among various entities.*	Would remove and instead replace with the field: Allocation Status with values Pre Allocation, Post Allocation, and None as agreed to on the harmonization group
COMPRESSION|BILAT_NETTING	*An event that results in a reduction is risk exposure across a portfolio of a single swap counterparty, across swaps having the exact same terms.*	Simplify to "Netting"
COMPRESSION|MULTI_NETTING		Simplify to "Netting"
COMPRESSION|BILAT_BLENDING	*An event that results in the termination or reduction of notional of existing swaps and possibly creating new swaps but results in largely the same net risk profile that existed prior to the event on a gross basis for a counterparty. There are two counterparties who reduce the number of swaps by blending certain characteristics like coupon.*	Simplify to "Compression" as this information is not currently captured

COMPRESSION|MULTI_BLENDING	*An event that results in the termination or reduction of notional of existing swaps and possibly creating new swaps but results in largely the same net risk profile that existed prior to the event on a gross basis for a counterparty. There are more than two counterparties who reduce the number of swaps by blending certain characteristics like coupon.*	Simplify to "Compression" as this information is not currently captured
COMPRESSION|BILAT	*An event that results in the termination or reduction of notional of existing swaps and possibly creating new swaps but results in largely the same net risk profile that existed prior to the event on a gross basis for a counterparty. There are two counterparties who reduce the number of swaps.*	Simplify to "Compression" as this information is not currently captured
COMPRESSION|MULTI	*An event that results in the termination or reduction of notional of existing swaps and possibly creating new swaps but results in largely the same net risk profile that existed prior to the event on a gross basis for a counterparty. There are more than two counterparties who reduce the number of swaps.*	Simplify to "Compression" as this information is not currently captured
TERMINATION	*An event that results in the full or partial termination of an existing swap.*	The term Early Termination may be more appropriate for when a commodities swap has its end date moved forward but not up to today to fully terminate the swap. CDS terminations typically have the termination date effective day of or T+1.

TERMINATION|VOID	*An event that results in the full termination of an existing swap. The termination of the contract that results from a legal decision that expunges the contract.*	ICE Response: This definition should be clear that it does not apply to early terminations, but instead when the trade is removed completely. The term "Bust" is often used today for this type of event.
CLEARING|AGENCY	*Central clearing is a process where a CCP interposes itself between counterparties to contracts, becoming the buyer to every seller and the seller to every buyer and thereby ensuring the performance of open contracts. A result of clearing (agency model), there are two new transactions between each original counterparty and the CCP.*	Information does not fit under action type, instead fields used should be Cleared and if needed Clearing Type (Agency or Principle)
CLEARING|PRINCIPAL	*Central clearing is a process where a CCP interposes itself between counterparties to contracts, becoming the buyer to every seller and the seller to every buyer and thereby ensuring the performance of open contracts. A result of clearing (principal model), there are up to four new transactions: between each counterparty and its respective clearing member and mirror transactions between each clearing member and the CCP.*	Information does not fit under action type, instead fields used should be Cleared and if needed Clearing Type (Agency or Principle)
OPTION|EXERCISE	*Events associated with options. Event resulting in one party exercising the option.*	Agree

OPTION|ASSIGNME NT	*Events associated with options. Where an intermediary assigns a part of the option exercise to counterparty.*	Remove, overly complex.
TRANSFORMATION| FRAGMENT	*Events that change how swaps entered into the event are represented in the data but do not change the risks of the counterparties. The swap is broken into individual components.*	Remove, overly complex.
TRANSFORMATION| COMBINE	*Events that change how swaps entered into the event are represented in the data but do not change the risks of the counterparties. The swap is created from individual components.*	Remove, overly complex.
END_OF_LIFE|MAT URITY	*An event that results in the termination of a swap that was predetermined by the contract, but required no action by the parties. The obligations no longer accrue and the final payment occurs due to the maturity of the swap.*	Remove, normal End of Life/Maturity is not a reportable event.

END_OF_LIFE|OPTI ON_EXPIRATION	*An event that results in the termination of a swap that was predetermined by the contract, but required no action by the parties due to the expiration of the option.*	Remove, normal End of Life/Maturity is not a reportable event.
MODIFICATION|INC REASE	*Events that change terms in the swap without changing the USI. This is the result of an increase in exposure between counterparties.*	Update to "Modification" of a confirmed swap to simplify reporting.
MODIFICATION|BAS KET_CHANGE	*Events that change terms in the swap without changing the USI. This is the result in the change in the members of the reference basket.*	Update to "Modification" of a confirmed swap to simplify reporting.
MODIFICATION|REF ERENCE_CHANGE	*Events that change terms in the swap without changing the USI. This is the result of the change in reference.*	Update to "Modification" of a confirmed swap to simplify reporting.

MODIFICATION|AMENDMENT_OTHER	*Events that change terms in the swap without changing the USI.* *If the modification doesn't fall in any of the above three types.*	Update to "Modification" of a confirmed swap to simplify reporting.
ERROR|CORRECTION_EVENT	*Events that occurred as the result of erroneous reporting that are not able to be corrected in serial message traffic. This event corrects a prior swap version.*	Simplify to "Error" in order to indicate a misreported swap. But, the action type field is a more consistent place to capture an Error record. If an error is included as an Event Type, it would be quite complicated to implement as the SDRs would need to create a process to modify previous versions of the trade. Currently, a modification only amends the last version of a trade and not a previous version of the trade.
ERROR|CANCEL_EVENT	*Events that occurred as the result of erroneous reporting that are not able to be canceled in serial message traffic. This event cancels a prior swap version.*	Simplify to "Error" in order to indicate a misreported swap. But, the action type field is a more consistent place to capture an Error record. If an error is included as an Event Type, it would be quite complicated to implement as the SDRs would need to create a process to modify previous versions of the trade Currently a modification only amends the last version of a trade and not a previous version of the trade.
CREDIT|SUCCESSION	*This credit specific asset class event is the result of succession.*	Would remove as not applicable to Index trades.
CREDIT|SPIN_OFF	*This credit specific asset class event is the result of spin off.*	Would remove as not applicable to Index trades.
CREDIT|AUCTION	*This credit specific asset class event is the result of auction.*	Should be updated "Credit/Restructuring Event", will cover Index reversions.

CREDIT|CASH_SET TLEMENT	This credit specific asset class event is the result of cash settlement.	Remove
OTHER	An event that does not fit into any of the other listed event types.	
CANCEL_CORRECT (**CME Only)**	This event signifies a swap that was publicly disseminated incorrectly and needs to canceled and corrected.	Add

Question 62: *Is there any uncertainty regarding how Reporting Counterparties should determine whether an event is price-forming or not?*

Response: No Comment.

Question 63: *What factors should Reporting Counterparties consider in determining whether an event is price-forming or not?*

Response: No comment.

Question 64: *Do the descriptions suggested for Event Types clearly convey when an event is price forming in nature or not?*

Response: The event descriptions do not give an indication as to whether a particular event type is price forming.

Question 65: *Please provide feedback on any aspect of the draft technical specifications for the data elements presented below* (table).

Response:

- Event ID: We suggest this data element be eliminated and replaced by the following data elements: pre-bulk event ID and post-bulk event ID, source pre-bulk ID and source post-bulk ID, Refer to question 60 for further details.

- Event Type: Update as suggested in the answer to Question 60 & 61.

- Event Date Timestamp: Since it is hard to pinpoint the beginning of an event that originates from the end of day clearing processes or a legal post trade event, we suggest that the Event Date Timestamp be narrowed to only the date of the event.

- Event USI Version & USI Version: The proposed methodology for versioning seems unnecessarily complex. It is unclear why there should be both an Event USI Version and a USI Version. We suggest eliminating Event USI Version and amending the USI Version so it reads "Counter that identifies the number of submissions for a given USI." Should the Commission decide to implement the changes as proposed, it should provide further guidance on who would create the Event_USI_Version (e.g., the Reporting Counterparty, the SDR, etc.) and

who would create the USI Version. If the Commission's intension is to have the SDR create the Event_USI_Version, in those cases where the reporting counterparty forgot to submit a previous version of the trade, such a party could not go back and insert it sequentially into the SDR because the SDR would base the version on the time of submission. As such, any amendment to an event would be assumed to have occurred after the current version maintained in the SDR.

- Message Type:
  - o NEW = The first message relating to an event/USI pair. Any message that contains NEW on an existing event/USI pair should fail validation.

    - Agree, USI must be unique on initial submission and USI cannot be submitted for the first time with an event other than NEW.

  - o UPDATE = Provides additional values that have not been provided in prior message traffic. These are values that may not have been needed at the initiation of the event but become known as the event matures. One example would be the price of a transaction that was executed at a yet to be determined VWAP.

    - Agree except Update/Modify/Correct should all fall under Modify for cost benefit and clarity in reporting.

  - o MODIFY = Changes values provided in prior message traffic due to negotiation. May also provide values not included in prior messages. Cannot be combined with a CORRECT message.

    Agree except Update/Modify/Correct should all fall under Modify for cost benefit and clarity in reporting.

  - o CORRECT =Change values provided in prior message traffic due to error. May also provide values not included in prior messages. Cannot be combined with a MODIFY message.

    - Firms cannot effectively capture an update vs. modify vs. correction and as such only a single action type should be used. We ask the Commission to confirm that it does not expect the SDRs to be able to include previously missing values on prior versions of a transaction. It is our belief that doing so would degrade the quality of the audit trail. Furthermore, it would require the SDRs to develop a process to amend previous versions of a transaction. A very complex and costly endeavor.

  - o CANCEL = Cancels the event/USI pair. This would be assumed to nullify the effect of all prior message versions relating to the event/USI pair.

- Agree
- SNAPSHOT = Provides message of positions currently known by a reporting party but not relating to a specific event. This message type would include the data elements for Reconciliation, Valuation, and Collateral/Exposure.
  - ICE Response: Allowing for snapshot reduces the view into the trade actions, as such Trade Vault does not allow for snapshot reports.
  - CME Response: We suggest that rather than a single valid value SNAPSHOT the Commission include SNAPVAL. SNAPVAL would be used to report valuation data on a daily basis for open positions and trades. SNAPSHOT would be used to report open positions and trades. Implementing the message type as a combination of snapshot reporting and valuation reporting would require us to make changes to our business logic as well as historical trade data or it would have knock-on effects.
- ERROR
  - Additional action type of Error is needed to indicate a misreported swap. This will also harmonize with EMIR reporting.
- COMPRESSION
  - Trade is terminated due to compression event. This will also harmonize with EMIR reporting.
- <u>Transferee</u>: Would suggest removing, information is available by indication of a novation plus the CPs to the related UTIs.
- <u>Transferor</u>: Would suggest removing, information is available by indication of a novation plus the CPs to the related UTIs.
- <u>USI Impact:</u> This field is unnecessary as it can easily be inferred by the Event name itself whether a USI will be created, retired or remain unaffected.
- <u>USI Namespace and USI Transaction ID</u>: Acceptable but must also have a field with the concatenated USI as it is the only unique identifier on the swap to preform validations and search for data.

L. <u>Rates</u>

Question 66: *How should swap data reporting adapt to changing indices/benchmarks and/or bespoke indices/benchmarks used for the floating leg(s) of a swap?*

ICE Response: No comment, please refer to question 11.

CME Response: If it is determined a change has occurred to the indices/benchmarks, whether industry standard or custom, it is CME's expectation that the reporting counterparty, and in the case of cleared swaps, the Clearing House, would amend the existing trade to reflect the new index/benchmark or terminate the original trade and replace it with a new trade reflecting the new index/benchmark. In the case where the change is affected by terminating and re-booking the trade, the expectation is that the reporting counterparty, or the Clearing House in the case of cleared swaps, would include the original USI in the prior USI field on the new trade. In either case, the Commission would be able to identify a change to the index/benchmark had occurred by reviewing the audit trail maintained by the SDR (i.e., the prior version of the trade would contain the previous index/benchmark).

Question 67: Should swap data reporting select the multiplier approach or the effective notional approach? Please provide reasons for your selection.

Response: Our suggestion is that the Commission use the multiplier approach as the cost and impact to the reporting counterparties will be much less since the data is more readily available than if the Commission were to mandate the effective notional approach. Since there is no industry standard methodology for calculating an effective notional amount, there is not a way to reliably and consistently apply this approach. This will result in variations between counterparties and a reduction in data accuracy, particularly for the more complex transactions as calculation methods are even more disparate.

Question 68: Please provide feedback on any aspect of the draft technical specifications for the data elements presented below (table).

Response:

- Fixed Rate: We suggest that the field be implemented with 8 digit decimal precision. It has been our experience that implementation of the field with a 5 digit decimal constraint has the potential to require one or more reporting counterparties to write logic to truncate the value which could have untold effects on their submissions.

- Floating Rate Index: We are supportive of the proposed restriction of the allowable values to those in the ISDA 2006 Definitions section 7.1 or those identifiers used by the administrator for the index. However, we would note that unless a consolidated list is created containing all of the identifiers used by the administrators of indices the SDRs would not have an easy and reliable means of validating submissions for this field. In light of this as well as due to possible delays in the creation of an identifier for new bespoke indices we do not believe this should be a field subject to rejection by the SDRs.

- **Floating Rate Reset Frequency Period**: As the Commission is well aware, Reset Frequency is currently a required field pursuant to Appendix A to Part 43 and Appendix 1 to Part 45. While Appendix 1 to Part 45 does not describe the field, Appendix A to Part 43 describes the field as "an integer multiplier of a time period". Given the guidance contained in Appendix A to Part 43 ICE and CME implemented the reset frequency and any associated integer as a single alphanumeric field. In light of this, we would strongly suggest that the proposed changes restricting this field to "a time period" and adding a separate field <Floating Rate Reset Frequency Period Multiplier>, to capture the integer multiplier be implemented on a going forward basis. Furthermore, we would recommend that the Commission not require modifications to previously submitted data. Requiring changes to the historical data maintained by the SDRs has the potential to create a host of problems.

  Our expectation is that we would reject any submission where a value other than one of the defined enums was provided. We note, however, that should the enums selected by the Commission be inconsistent with those adopted by the industry standards bodies (e.g., FIX Technical Committee, FpML Standards Committee, and IOSCO) we would recommend the Commission update their requirements to adhere to these industry standards.

- **Payment Frequency Period**: As the Commission is well aware, Payment Frequency is currently a required field pursuant to Appendix A to Part 43 and Floating Rate Payment Frequency pursuant to Appendix 1 to Part 45. While Appendix 1 to Part 45 does not describe the field, Appendix A to Part 43 describes the field as "an integer multiplier of a time period". Given the guidance contained in Appendix A to Part 43, ICE and CME implemented the payment frequency and any associated integer as a single alphanumeric field. In light of this, we would strongly suggest that the proposed changes restricting this field to "a time period" and adding a separate field <Payment Frequency Period Multiplier> to capture the integer multiplier be implemented on a going forward basis. Furthermore, we would recommend that the Commission not require modifications to previously submitted data. Requiring changes to the historical data maintained by the SDRs has the potential to create a host of problems.

  Our expectation is that we would reject any submission where a value other than one of the defined enums was provided. We note, however, that should the enums selected by the Commission be inconsistent with those adopted by the industry standards bodies (e.g., FIX Technical Committee, FpML Standards Committee, and IOSCO) we would recommend the Commission update their requirements to adhere to these industry standards.

- **Payment Frequency Period Multiplier**: We would strongly suggest that the proposed changes to the Payment Frequency field restricting it to "a time period" and adding a separate field <Payment Frequency Period Multiplier>, to capture the integer multiplier be implemented on a going forward basis, and that the Commission not require historical remediation of the data. See our comments on Payment Frequency Period for additional information.

- **Floating Rate Reset Frequency Period Multiplier**: We would strongly suggest that the proposed changes to the Reset Frequency field restricting it to "a time period" and adding a separate field <Floating Rate Reset Frequency Period Multiplier>, to capture the integer multiplier be implemented on a going forward basis, and that the Commission not require historical remediation of the data. See our comments on Floating Rate Reset Frequency Period for additional information.

- **Floating Rate Index Tenor Period**:

  CME Response: Appendix 1 to Part 45 lists amongst the required PET data a field called "Floating Rate Index Name/Rate Period". Our implementation of the field followed the guidance set forth by the Commission and combined both the floating rate index and tenor into a single field. The draft specifications have this field broken out into three separate fields <Floating Rate Index>, <Floating Rate Index Tenor Period> and < Floating Rate Index Tenor Period Multiplier>. In light of the difference in implementation, we would strongly suggest that the proposed changes separating the field into three discrete fields be implemented on a going forward basis. Furthermore, we would recommend that the Commission not require modifications to previously submitted data. Requiring changes to the historical data maintained by the SDRs has the potential to create a host of problems

  Our expectation is that we would reject any submission where a value other than one of the defined enums was provided. We note, however, that should the enums selected by the Commission be inconsistent with those adopted by the industry standards bodies (e.g., FIX Technical Committee, FpML Standards Committee, and IOSCO). We would recommend the Commission update their requirements to adhere to these industry standards.

- **Floating Rate Index Tenor Period Multiplier**: We would strongly suggest that the proposed changes to the Floating Rate Index Name/Rate Period field breaking it into three separate fields <Floating Rate Index>, <Floating Rate Index Tenor Period> and < Floating Rate Index Tenor Period Multiplier> be implemented on a going forward basis, and that the Commission not require historical remediation of the data. See our comments on Floating Rate Index Tenor Period for additional information.

- Day Count Convention: Our expectation is that we would reject any submission where a value other than one of the defined enums was provided. We note, however, that should the enums selected by the Commission be inconsistent with those adopted by the industry standards bodies (e.g., FIX Technical Committee, FpML Standards Committee, etc., IOSCO) we would recommend the Commission update their requirements to adhere to these industry standards.

M. *Foreign Exchange*

Question 69: How should the spot component of a jurisdictional foreign exchange swap transaction be represented?

Response: As the Commission is well aware, there is substantial variability in the way market participants represent the spot leg of an FX swap in their booking systems and by extension their swap reporting. Given the lack of uniformity we believe that the creation of a consistent method of representing the spot component of an FX swap should come from the market participants themselves. We urge the Commission to rely on the efforts by industry working groups such as the Global Financial Markets Association the Global Foreign Exchange Division ("GFXD") of the Global Financial Markets Association to help standardize reporting of FX swaps globally.

Question 70: What are the swap data elements best suited to link the spot and forward components of a foreign exchange swap?

Response:

ICE Response: No comment

CME Response: CME SDR has implemented two fields that can be used to link the spot and forward components of a FX swap. More specifically, the <ExecutionTradeID> for use exclusively by execution venues and the <Event ID> which can be used to link the legs of the same event together. Our understanding is that most, if not all, of the other SDRs have implemented similar fields which allow for such linking. So as to reduce the cost and impact on reporting counterparties we would recommend allowing those SDRs who have implemented such fields to continue using them and require those SDRs who have yet to implement a linking field to deploy a field. Harmonization of the varied fields utilized to captured linkage could take place downstream in the data made available by the SDRs to the Commission. This would ensure that the Commission was able to link the legs of an FX swap while minimizing the impact to reporting counterparties.

Question 71: Are there additional data elements that are needed for regulatory reporting of transactions in the foreign exchange asset class, including data elements that may be specific to

particular types of foreign exchange transactions?

> **Response:** No Comment

Question 72: *Please provide feedback on any aspect of the draft technical specifications for the data elements presented below* (table).

> **Response:**
>
> - Exchange Rate: We suggest that the field be implemented with 8 digit decimal precision. It has been our experience that Implementation of the field with a 5 digit decimal constraint has the potential to require one or more reporting counterparties to write logic to truncate the value which could have untold effects on their submissions.
>
> - Exchange Rate Basis: Should the Commission determine to proceed with implementation of this field as drafted our expectation is that the SDRs would reject any submission where a value is other than an ISO 4217 currency code and/or where the currency code is not separated by "/".
>
> - Fixing Date: Should the Commission determine to proceed with implementation of this field as drafted, our expectation is that we would reject any submission where the date is in any format other than YYYY-MM-DD as set forth in standard ISO 8601 UTC.
>
> - Settlement Currency: Should the Commission determine to proceed with implementation of this field as drafted, our expectation is that the SDRs would reject any submission where a value is other than an ISO 4217 currency code
>
> - Date of Settlement: Since rolling spot is a contract of indefinite duration, a pre-agreed settlement date is rarely specified; thus we would recommend this field be an optional field.
>
>   Should the Commission determine to proceed with implementation of this field as drafted our expectation is that we would reject any submission where the date is in any format other than YYYY-MM-DD as set forth in standard ISO 8601 UTC.
>
> - Delivery Type:
>
>   **CME Response** The comments to Appendix 1 to Part 45 describes this field as "Physical (deliverable)" or Cash (non-deliverable)". Based on these comments, CME implemented the field, which we call Settlement Method, as a required field with two valid values "Cash" and "Physical". In light of the expansion in the number of valid values we recommend that these proposed changes be implemented on a going forward basis. Further we would recommend that the Commission not require modifications to previously submitted data. Requiring changes to the historical data maintained by the SDRs has

the potential to create a host of problems

Moreover, we request that the Commission clarify the purpose of the language in the parenthetical included on delivery types Non-Deliverable and Cash (i.e., use of FX related swaps). Further, we would ask that the Commission advise whether the delivery type for a deliverable FX forward should be "Cash" or "Physical". As the FX market exclusively uses the term physical to refer to FX that is deliverable we are confused as to when the value "Cash" would be selected. We would be grateful if the Commission could provide examples of when they would expect the delivery type to be populated with "Cash".

N. *Other Data Elements*

- Execution Venue ID:

  ICE Response: Allowable values should be expanded to provision for "Off Facility" indicator and a description of how non-SEF or non-DCM Execution Venues should be treated (e.g., by MIC Code or as Off Facility).

  CME Response: It is our belief that to fully implement the Execution Venue field as set forth in Appendix 1 – Part 45 the Commission should add a field called <Execution Venue Type> specifying the type of execution venue, as a required field with valid values of 'R' - Registered Market –SEF, 'O' - Off Facility Swap and 'E - Registered Market – DCM. A combination of the <Execution Venue ID> and < Execution Venue Type> field will ensure the Commission has the information it needs to identify whether the swap is executed on or off-facility and if transacted on an execution venue, the identity of such venue.

  We assume that the term "current and valid" means an LEI for which the "Registration Status Enum" on the most recent GLEIF Concatenated File is <ISSUED> or <PENDING_TRANSFER> and the "Entity Status" is <ACTIVE>. Please confirm our understanding. Lastly, our expectation is that we would reject any submission where we were not provided either a current or a valid LEI

- Trade Execution Requirement Indicator: We would suggest removing this field, which would both simplify reporting and eliminate any potential issues associated with populating this field for packages that are submitted as one economic transaction. More specifically it is possible that for packages submitted as one economic transaction one or more of the legs could be subject to the trade execution requirement and the remaining leg(s) may not be. How would the reporting counterparty populate the field since neither "Y" or "N" is accurate. Even if you were to implement this field as repeatable there would be no way to know exactly which leg(s) was/were subject to the trade execution requirement

reducing that accuracy and value of the information

- Leg Receiver:

  ICE Response: Remove field and update to an Indicator of the ID associated to the Buyer and Seller.

  CME Response: We believe this field should be removed as it can easily be inferred from the Leg Payer field. If the Commission believes that the benefit of implementing the field is greater than the cost we would recommend that rather than requiring the counterparties to pass the information down on submission the SDRs populate the field based on the other information provided on the submission and make it available on the data provided to the Commission through the Portal.

- Leg Type:

  ICE Response: Would remove and replace with a Trade Type indicator in the product taxonomy.

  CME Response: A counterparty to an option either pays or receives the premium; options do not have leg level payment streams as that term is applied to swaps. Thus we do not believe it is appropriate to include "Option-Put", "Option-Call" "CDS Protection Buyer" and "CDS Protection Seller" as allowable values in the <Leg Type> field and we recommend they be removed. We believe that information on a counterparty's rights is more appropriately captured in a combination of the <Option Type> field and either the <Option Buyer ID>/<Option Seller ID> or the <Buyer LEI>/<Seller LEI> field. Further we believe it to be redundant and unnecessary to include <Additional Fixed Payment> and <Initial Payment Amount> as allowable values since information on the existence of any additional fixed payment, including but not limited to initial payment amount, is already being captured in the field called <Additional Fixed Payment Type>. We recommend removing them as allowable values. Lastly, we would ask that the Commission provide the definition of "Other" as well as supply an example of the types of payments for which you would expect the <Leg Type> field to be populated with "Other". In summary, while we are supportive of the addition of a field to specify the type of payment for a given stream we believe the allowable values should be limited to "Fixed" and "Float".

- Leg Payer:

  ICE Response: Remove field and update to an Indicator of the ID associated to the Buyer and Seller.

  CME Response: We are supportive of implementation of the field as proposed.

  We assume that the term "current and valid" means an LEI for which the "Registration Status Enum" on the most recent GLEIF Concatenated File is <ISSUED> or <PENDING_TRANSFER> and the "Entity Status" is

<ACTIVE>. Please confirm our understanding. Our expectation is that we would reject any submission where we were not provided either a current and valid LEI, an alternate ID in the case of natural person, or a PLI for a non-reporting counterparty in a jurisdiction where privacy laws restrict the disclosure of their identity.

- Effective Date: We would ask the Commission to clarify for commodities swaps the underlying contract month start date is listed only when applicable.

  Should the Commission determine to proceed with implementation of this field as drafted our expectation is that we would reject any submission where the date is in any format other than ISO 8601 UTC.

- Scheduled Termination Date:

  ICE Response: Would separate out scheduled termination date and maturity date into two fields as the maturity date may increase or decrease for commodities swaps and for commodities swaps the underlying contract month is listed as the start and end date.

  CME Response: Should the Commission determine to proceed with implementation of this field as drafted our expectation is that we would reject any submission where the date is in any format other than ISO 8601 UTC.

- Business Day Convention:

  ICE Response: OK

  CME Response: CME requests the Commission advise whether the field is meant to refer to the convention used to calculate payment date, settlement date or the maturity date. Further we ask the Commission confirm that the field is only applicable to a single date and not more than one (i.e., payment date, settlement date and maturity date). Lastly we request you confirm that in the case of the Interest Rate and Commodity asset class these fields should be deployed at the leg level.

- Holiday Calendar:

  ICE Response: Should be a definitive list of values as FpML is not standard for all reporting. Would rename to Payment Calendar. Example Values:

  - Toronto Banks, Whitby Banks
  - Toronto Banks, Tiverton Banks
  - Toronto Banks, NY banks
  - Toronto Banks, Minnetonka Banks
  - Toronto Banks, Gatineau Banks
  - Toronto Banks, Calgary Banks

- o Toronto Banks, Bismarck Banks
- o Toronto Banks
- o Toronto & Montreal Banks
- o Toronto Banks & Montreal Banks
- o Tokyo Banks
- o TSI
- o TARGET and London Banks
- o TARGET
- o Sydney Banks
- o Swiss Banks
- o Singapore Banks
- o Poland Banks & TARGET
- o Poland Banks
- o NY Banks, London Banks & Tokyo Banks
- o NY Banks, London Banks & Swiss Banks
- o NY Banks, London Banks & Stockholm Banks
- o NY Banks, London Banks & Santiago Banks
- o NY Banks, London Banks & Swedish Banks
- o NY Banks, London Banks & Seoul Banks
- o NY Banks & Tokyo Banks
- o NY Banks & TARGET
- o NY Banks & Sydney Banks
- o NY Banks & Swiss Banks
- o NY Banks & Singapore Banks
- o NY Banks & Seoul Banks
- o NY Banks & Hong Kong Banks
- o NY Banks & Bangkok Banks
- o NY Banks
- o NY Banks & Taipei Banks
- o NY Banks & London & Toronto
- o NY Banks & London Banks
- o London Banks & Stockholm Banks

       o   London Banks & Bangkok Banks

       o   London Banks

       o   London Banks & Zurich Banks

       o   London Banks & Tokyo Banks

       o   London Banks, NY Banks & Taipei Banks

       o   London Banks, NY Banks & Hong Kong Banks

       o   London Banks, NY Banks & Bangkok Banks

       o   Johannesburg Banks

       o   Dublin Banks, London Banks, & TARGET

       o   Dublin Banks

       o   Danish Banks

       o   Canadian Bank

       o   Bangkok Banks, NY Banks & Singapore Banks

       o   Australian Banks

CME Response: CME requests the Commission advise whether the field is meant to refer to the holiday calendar utilized for the payment date, settlement date or the maturity date. Further we ask the Commission confirm that the field is only applicable to a single date and not more than one (i.e., payment date, settlement date and maturity date). Lastly we request you confirm that in the case of the Interest Rate and Commodity asset class these fields should be deployed at the leg level.

▪ Fixed Recovery CDS Final Payment: Would suggest removing this field. Though we do not agree with this field as prosed, should the Commission decide to implement it, we would request the Commission confirm they would only expect the field to be populated for those swaps where the <Delivery Type> is denoted as cash in the Credit asset class.

▪ Reference Price: As stated, approve ISDA Reference Prices are a good standard as long as they are up to date.

O. _General Questions_

Question 73: _Are any of the Data Elements listed herein unclear? Do any Data elements require greater standardization?_

Response: Without specifying validations for when a field is required to be reported or left blank, the exact allowable values, and without an indication of whether the SDR should accept or reject submissions where the data received is not an allowable value or in the specified format, the Commission will not see a meaningful improvement in data quality. Instead the Commission will only see

larger volumes of inconsistent data. ICE and CME suggest the Commission collaborate proactively with the Repositories on the establishment of such validations.

Question 74: Are any of the Descriptions inconsistent with common industry usage or your utilization of the data element?

Response: Where applicable, we have noted inconsistencies in the descriptions or the fields themselves, throughout this document.

More generally we believe the Commission should recognize the current limitations of trade capture systems and the costs and time involved for all parties to upgrade those systems to capture non-deal related information.

Question 75: Are there any additional Allowable Values that are required to properly represent the reporting of swap transactions?

Response: In order to present consistent data to the Commission, all reportable fields that have a definitive list of reportable values must be clearly defined.

Question 76: Is there a better electronic representation of the Data Elements that can be prescribed in the Format data element?

Response: The CFTC must clearly define the format for all field names and allowable values which are not prescribed in this table. Many important fields required by Part 45 have been excluded from this list. A comprehensive list is required for SDRs reporting data to the Commission, including but not limited to No-Action letters in a standardized format.

Question 77: Should "date" related Data Elements be adjusted or unadjusted?

Response: No comment.

Question 78: Is the Day Count Convention list of allowable values sufficient?

Response: No comment.

Question 79: Are there any other data elements that reporting counterparties require in order to accurately reflect all of the economic terms of a swap transaction or adhere to existing reporting regulations?

Response: Yes, there are a number of Part 45 fields not currently included in this list as well as confirmation terms which are currently reported but not in the current list.

Question 80: *Are there other data elements not included in this draft technical specifications for certain swap data elements that you think should be prioritized for standardization? Please explain why and provide relevant information as per the draft technical specifications for certain swap data elements included in the Appendix, such as Description, Allowable Values, and Format*

> **Response:** Yes, the fields defined in the harmonization efforts need to be included. There are also a number of other fields that are currently reported under Part 45 that should be clearly outlined for standardization including the "other confirmation terms".