



January 27, 2020

VIA E-MAIL AND ON-LINE SUBMISSION

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

Re: Request for Comment on Part 45 and Related Provisions of Commission's Swap Data Reporting Rules; RIN Number 3038-AE32

Dear Mr. Kirkpatrick:

CME Group Inc. ("CME Group") appreciates the opportunity to comment on the Commodity Futures Trading Commission's (the "CFTC's" or "Commission's") recent request for comment on its proposal to amend parts 23, 43, 45 and 49 of its regulations in order to improve the accuracy of the data reported to and maintained by swap data repositories ("SDRs").¹ CME Group is one of the world's largest and most diverse derivatives marketplaces and has multiple registered trade repositories, including a swap data repository in the U.S. CME Group also includes CME Clearing, a derivatives clearing organization which is one of the largest central counterparty clearing services in the world.

We commend the Commission for proposing to streamline and enhance its regulations relating to SDRs and data reporting generally. CME Group is also a signatory to a joint comment letter submitted by Chicago Mercantile Exchange, Inc., ICE Trade Vault, and DTCC Data Repository today (the "Joint Comment Letter") which addresses matters of common concern to these SDRs with respect to the Proposed Rules. CME Group is submitting this letter separately to address certain matters that are not within the scope of the Joint Comment Letter.

CFTC Regulation 49.3 – Procedures for Registration

Under CFTC Regulation 49.3(a)(5), SDRs are currently required to "promptly" correct any inaccurate information in their Form SDR (the SDR's application for registration) or any

¹ See Certain Swap Data Repository and Data Reporting Requirements, 84 Fed. Reg. 21044 (May 13, 2019) (the "Proposed Rules").

amendment thereto both before **and after** their registration applications have been granted. Furthermore, SDRs are required to submit an annual amendment to Form SDR within sixty days of the end of their fiscal year.

The Proposed Rules would eliminate the obligation to keep Form SDR up to date after an application for SDR registration has been granted and would eliminate the annual update requirement. At the same time, the Commission is proposing to adopt a new Regulation 49.29, which would permit the Commission to request information from an SDR to demonstrate compliance with the Commission's regulations at any time.

CME is highly supportive of the Commission's proposal to remove the obligation to keep the Form SDR up to date once an application for registration has been granted and agrees with the reasons set forth by the Commission for making this change. This obligation is highly labor intensive and provides little benefit to the Commission, since, as the Commission correctly points out, many of the items requiring updating would be submitted to the Commission as rule filings under Part 40 of the CFTC's regulations. We believe the addition of Part 49.29 is a much more effective and efficient approach for the Commission to ensure it has the information it needs to ensure an SDR's compliance with the regulations.

CFTC Regulation 49.5 – Equity Interest Transfers

The Proposed Rules would amend CFTC Regulation 49.5 to streamline the requirements for equity interest transfers for SDRs. For example, CFTC Regulation 49.5 currently requires an SDR that enters into an agreement to transfer 10% or more of its equity to notify the Commission by the following business day. The Proposed Rules would extend this notification deadline to ten business days after such an agreement has been made.

In addition, CFTC Regulation 49.5 currently requires an SDR that agrees to transfer 10% or more of its equity to provide the Commission with a significant amount of supporting documentation in connection therewith. The Commission is proposing to simplify Regulation 49.5(b) to provide that the Commission may, upon receiving notice of such a proposed equity transfer from an SDR, request that the SDR provide supporting documentation for the transaction. The Commission stated, and CME Group agrees, giving the Commission the reserved authority to request supporting documentation, rather than compelling specific document production, would satisfy the Commission's need for information without placing unnecessary burdens on SDRs.

Finally, Regulation 49.5(c) currently requires that, upon the transfer of 10% or more of its equity, an SDR must certify to the Commission that it meets all applicable regulatory requirements, as well as state whether changes to any aspects of the SDR's operations were made because of such change in ownership, with a description of any such change.

The Commission is proposing to amend Regulation 49.5(c) to eliminate the foregoing requirements. The Commission stated that these changes could be made because Proposed Regulations 49.5(a) and 49.5(c) would otherwise provide the Commission with the information it needs to assess the impact of an equity transfer. CME Group believes that the current requirements

set forth in Regulation 49.5(c) are overly burdensome and thus supports the Commission's proposal for simplifying Regulation 49.5.

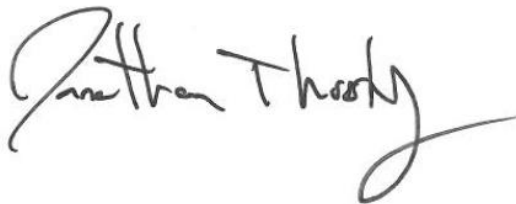
CFTC Regulation 49.6 – Request for Transfer of Registration

CFTC Regulation 49.6(a) currently requires that in the event of a corporate transaction that involves the creation of a new entity which succeeds to the business of an SDR, the SDR must request a transfer of its registration, rules, and other matters to the successor within 30 days after the succession. Under this regulation, the predecessor's registration remains effective as the registration of the successor if the successor, within 30 days after such succession, files an application for registration on Form SDR, and the predecessor requests a vacation of its SDR registration.

The Commission is proposing to amend Regulation 49.6 to require that an SDR which seeks to transfer its registration to a successor entity obtain prior CFTC approval for such a transfer. CME Group believes that the Commission should not adopt this proposed amendment. As currently drafted, Regulation 49.6 provides SDRs with certainty regarding the time at which a transfer of registration from a predecessor SDR to a successor entity will occur. The CFTC's proposal will add uncertainty into this process by making such a transfer contingent upon obtaining prior CFTC approval without specifying a deadline by which the CFTC must approve or deny such a request. CME Group believes that rather than streamlining the successor registration process, the CFTC's proposed amendments to Regulation 49.6 would make this process more cumbersome and add more uncertainty into this process. Accordingly, CME Group requests that the CFTC refrain from adopting the proposed amendments to Regulation 49.6.

CME Group thanks the Commission for the opportunity to comment on the Proposed Rules and we look forward to a continued dialogue on the topic.

Sincerely,

A handwritten signature in black ink that reads "Jonathan Thursby". The signature is written in a cursive style with a long, sweeping tail on the letter "y".

Jonathan Thursby

President, CME Global Repository Services