

May 21, 2020

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

RE: RIN Number 3038–AE60

Dear Mr. Kirkpatrick,

Chatham Financial (“Chatham”) is pleased to provide comments in response to the notice of proposed rulemaking published on April 17, 2020, on “Real-Time Public Reporting Requirements, 17 CFR Parts 43.” Chatham supports the overall objectives of the U.S. Commodity Futures Trading Commission (the “Commission”) as it seeks to streamline swap reporting requirements and improve the quality of swap data for better systemic risk mitigation and market transparency. Chatham is separately providing comments on selected aspects of each proposed rulemaking related to swap reporting; thus, in addition to the present comments, Chatham is submitting separate comments regarding proposed changes to Part 45, and previously submitted comments regarding proposed changes to Part 49 on July 26, 2019.

As a global financial advisory services and technology solutions firm, Chatham specializes in the debt and derivatives markets. Advising and providing services to more than 3,000 clients annually on interest rate, currency, and commodity hedging, Chatham is a global firm with operations in the United States, Europe, Australia, and Asia. Chatham is currently engaged as a third-party reporter for over 240 clients who have Dodd-Frank reporting obligations. In addition to reporting transactions on behalf of our clients, Chatham has also assisted globally active swap dealers in assessing and improving their compliance with swap data reporting requirements. Our comments below reflect our comprehensive expertise supporting both buy- and sell-side market participants with their swap data reporting obligations.

Question 1. Does the Commission’s proposed definition of “execution date” present problems for SEFs, DCMs, SDRs, or reporting counterparties? Should the Commission instead adopt a definition that aligns with other regulations, including, for instance, the definition of “day of execution” in § 23.501(a)(5)(i)?

Yes. Chatham believes that the execution date should be based off of the current standard, Coordinated Universal Time (UTC), instead of Eastern Time. Reporting counterparties have built systems to track when trades were executed measured in UTC and would incur time and expense converting systems to track in Eastern Time instead. Additionally, this would cause a divergence between CFTC Part 45 Reporting and other regulatory reporting frameworks, which are frequently reported using UTC. To the extent that the CFTC requires the execution date to be delivered in Eastern Time, Chatham believes that a more efficient approach would be to have the SDRs convert UTC to Eastern Time when submitting to the CFTC.

Unnumbered Question. The Commission requests comment on all aspects of the proposed changes to § 43.6.

Chatham supports the Commission’s proposed revision to § 43.6(f)(2) that counterparties to an off-facility swap may elect to have such trade treated as a block trade if the notional size exceeds the minimum notional size. As described in Chatham’s comment letter to the Commission’s proposed changes to the Part 45 rules, certain SDRs have developed functionality to allow market participants to determine if a trade exceeds the block trade notional thresholds. This functionality however only applies to Part 43 reporting. This change provides more clarity to reporting counterparties for how such trades should be reported. Moreover, confusion currently exists regarding whether the SDR may even make the calculation or whether the reporting counterparty must do so. To the extent this change is not ultimately adopted, Chatham would highly encourage the Commission to further clarify that the SDR also make the block trade calculation.

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Chatham thanks the Commission for considering these recommendations and is available to answer any questions it may have. Please contact Heather Fritzinger, Managing Director, Global Head of Controls and Regulatory Operations, (hfritzinger@chathamfinancial.com, 484-731-0014) with any questions.