

I. CURRENT SWAP CLEARING REQUIREMENT-RELATED QUESTIONS		
1	Are market participants concerned about access to clearing for certain swaps that are subject to the Clearing Requirement? If so, are there any Commission actions or regulatory amendments that could facilitate the IBOR transition for market participants?	No issues with access for swaps under the CR; though LIBOR swaps may experience liquidity issues as a result of the shift.
2	Please discuss recommendations for how the Commission should modify its Clearing Requirement under Commission regulation 50.4 and any related advantages or disadvantages (including anticipated costs) that might be expected from a specific approach.	CR at time of conversion, or as of effective date. Both are acceptable as long as there is sufficient notice of implementation.
3	More specifically, should the Commission modify the termination date range, or any other specifications, with respect to SONIA OIS, AONIA OIS, CORRA OIS or any other OIS that are subject to the Clearing Requirement and for which the index has been nominated as an alternative reference rate? If such an amendment is recommended, please discuss a potential timeline for considering and adopting a modification and the reasons for adopting such timeline.	CR may be updated to reflect those of UK and EU (e.g. extend SONIA GBP to 50Y).
4	Should the Commission revise the clearing requirement related to the SGD SOR-VWAP rate as part of the initial LIBOR transition or should market participants be given additional time to consider changes to SGD SOR-VWAP Clearing Requirement because it is based on USD LIBOR (and may continue until 2023)?	Additional time should be provided for this consideration; neither UK nor EU have considered this rate for a CR.
II. SWAP CLEARING REQUIREMENTS FOR ALTERNATIVE REFERENCE RATES		
5	Are market participants concerned about access to clearing for certain swaps that reference alternative reference rates and are not currently Start Printed Page 66488 subject to the Clearing Requirement? If so, please explain current or anticipated barriers to clearing swaps in alternative reference rates.	No concerns about access to clearing for certain ARR swaps.
6	Are there any steps related to the SOFR transition that have not been completed that would enable a significant number of market participants to submit swaps referencing SOFR to clearing? Are there specific metrics or products associated with the new SOFR rate that need to be developed before swaps referencing SOFR can be used by a broad range of market participants?	No outstanding steps to enable clearing of SOFR swaps.
7	Would requiring the clearing of swaps referencing SOFR or other alternative reference rates that are not currently subject to the Clearing Requirement affect the ability of a DCO to comply with the CEA's core principles for DCOs?	N/A
8	Are there specific data the Commission should consider in determining whether significant notional amount and liquidity exists in swaps referencing SOFR or other alternative reference rates that are not currently subject to the Clearing Requirement?	Should consider following criteria in Section 2(h)(2)(D)(ii) of the CEA.
9	Are there specific thresholds that the Commission should apply with respect to notional amount and liquidity in determining whether swaps referencing SOFR or other alternative reference rates that are not currently subject to the Clearing Requirement should be subject to the clearing requirement?	Should consider following criteria in Section 2(h)(2)(D)(ii) of the CEA.
10	Have market participants observed sufficient outstanding notional exposures and trading liquidity in swaps referencing SOFR during both stressed and non-stressed market conditions to support a clearing requirement?	Yes
11	Is there adequate pricing data for DCO risk and default management of swaps referencing SOFR? Why or why not?	N/A
12	What are the challenges that DCOs may face or have faced in accepting new SOFR swaps or swaps referencing other alternative reference rates for clearing that are not currently subject to the Clearing Requirement from a governance, rule framework, operational, resourcing, or credit support infrastructure perspective?	N/A
13	Would requiring the clearing of swaps referencing SOFR mitigate systemic risk? Please explain why or why not and provide supporting data.	CR might increase the clearing rate and therefore mitigates systemic risk even more, but the bulk is already covered by voluntary clearing.
14	Would requiring the clearing of swaps referencing SOFR increase risk to DCOs? If so, are DCOs capable of managing that risk? Please explain why or why not and provide supporting data.	N/A
15	Would adopting a clearing requirement for swaps referencing SOFR or other alternative reference rates that are not currently subject to the Clearing Requirement materially and beneficially affect trading activity in those swaps?	We do not envision this outcome as long as the CR is added when the product is offered by CCPs with sufficient liquidity.
16	How and when should the Commission evaluate whether to require clearing for interest rate swaps denominated in USD that reference alternative reference rates other than SOFR, such as credit-sensitive benchmark rates (e.g., Ameribor and BSBY)? Provided that one or more DCOs have made such swaps available for clearing, are there additional factors or considerations beyond those specified in Section 2(h)(2)(D)(ii) of the CEA that the Commission should consider in determining whether to adopt a clearing requirement for such swaps?	Commission should refer to Section 2(h)(2)(D)(ii) of the CEA for criteria, though it may be hard to make the case for mandatory clearing of these products at this time.
17	Would adopting a clearing requirement for a new product that references an alternative reference rate, or expanding the scope of the Clearing Requirement to cover additional maturities, create conditions that increase or facilitate an exercise of market power over clearing services by any DCO that would: (i) Adversely affect competition for clearing services and/or access to product markets for swaps referencing alternative reference rates (including conditions that would adversely affect competition for these product markets and/or increase the cost of such swaps); or (ii) increase the cost of clearing services? Please explain why or why not and provide supporting data.	We do not perceive these issues to come as a result of this change.
18	What new information, if any, should the Commission consider as it prepares to review whether interest rate swaps linked to the alternative reference rates should be subject to a clearing requirement? Are there specific regulatory requirements that the Commission should consider when reviewing overall market conditions, such as uncleared margin requirements implemented by prudential regulators and/or the uncleared margin requirements for swap dealers and major swap participants under part 23 of the Commission's regulations?	Uncleared margin requirements serve as a risk mitigation tool for products that are not cleared.
III. NEW SWAP PRODUCT DOCUMENTATION		
19	With respect to all new swap products, including those referencing alternative reference rates, is there additional documentation that the Commission should require DCOs to submit with swap submissions beyond the documentation that Commission regulation 39.5 currently requires?	N/A
IV. SWAP CLEARING REQUIREMENT SPECIFICATIONS		
20	The Commission recognizes that at this time a majority of the swaps subject to the Clearing Requirement fall within the fixed-to-floating swap class. That may change as new alternative reference rates are adopted and will be characterized as OIS or other types of swaps. Should the Commission designate any additional classes of swaps or specifications for purposes of classifying swaps under Commission regulation 50.4? Do DCOs or market participants have suggestions about how to reorganize or structure the classes of swaps subject to the clearing requirement under Commission regulation 50.4? Should the Commission include a new class covering variable notional swaps as a table under Commission regulation 50.4(a)?	No need for a new structure envisioned at this time.
V. COST-BENEFIT CONSIDERATIONS		
21	The Commission requests comment from DCOs and market participants on the nature and extent of any operational, compliance, or other costs they may incur as a result of potential changes to the Clearing Requirement in response to the market-wide shift to alternative reference rates. Please provide supporting data.	Implementation should not materially increase costs and should be forecasted appropriately to allow firms to become operationally ready.