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

Submitted via CFTC Comment Portal: <https://comments.cftc.gov/>

**Re: Large Trader Reporting Requirements
RIN 3038-AF27**

Dear Mr. Kirkpatrick:

Bloomberg L.P.¹ respectfully submits this letter in response to the above-referenced notice filed by the Commodity Futures Trading Commission (“CFTC” or the “Commission”) to revise the Commission’s regulations that set forth large trader position reporting requirements for futures and options (the “Proposal”).²

We know that many industry participants will weigh in on the Commission’s Proposal, which is designed to modernize the large trader position reporting, governed by Part 17 of the Commission’s regulations, and align it with other reporting structures set out in the Commission’s regulations. Specifically, the Proposal seeks to modernize the large trader reporting by removing the current 80-character record format and delegate certain authority to the Office of Data and Technology to designate a modern submission standard for certain reports required to be submitted. The Proposal also seeks to replace certain enumerated data fields with an appendix specifying applicable data elements and a separate Guidebook specifying the form and manner for reporting to modernize and align the large trader position reporting with other reporting structures set out in the Commission’s regulations. CFTC’s Office of Data and

¹ Bloomberg – the global business, financial information, and news leader – increases access to market data by connecting market participants of all stripes to a dynamic network of information, people, and ideas. The company’s strength – quickly and accurately delivering data, news, and analytics through innovative technology – is at the core of the Bloomberg Terminal. The Terminal provides financial market information, data, news, and analytics to banks, broker-dealers, institutional investors, government bodies, and other business and financial professional worldwide.

² Notice of Proposed Rulemaking on Large Trader Reporting Requirements, RIN 3038-AF27 (June 27, 2023), available at <https://www.federalregister.gov/documents/2023/06/27/2023-13459/large-trader-reporting-requirements>.

Technology has concurrently published a proposed Part 17 Guidebook specifying the data submission standard for the large trader position reports, among others.³

Our response is focused on the important issue of providing market participants with the ability to choose among identifiers in reporting. We believe that the Commission should consider the use of alternate identifiers based on open data licenses, such as the Financial Instrument Global Identifier (“FIGI”) where appropriate, in large trader position reporting and in the submission standards outlined in the Part 17 Guidebook.⁴ FIGI has extensive coverage of futures, options, and commodities and has already been included as a reporting option in several recent CFTC and SEC proposed and final rules. By continuing to build on the progress made in incorporating alternate identifiers based on open data licenses, the Commission will be promoting competition and providing market participants with the ability to choose among identifiers in a manner that promotes consistent use of global standards across financial regulators.

FIGI and Its Benefits

FIGI is a unique, publicly available identifier that covers financial instruments across asset classes that arise, expire, and change daily. It was developed by Bloomberg to help solve licensing challenges and shortcomings in data organization and governance that persist in the current regional-based security identifier numbering approaches.⁵ FIGI became a free, open data standard in 2014 after Bloomberg assigned all rights and interest in FIGI to the Object Management Group (“OMG”), an international non-profit technology standards consortium.⁶ FIGI is in the public domain with no commercial terms or restrictions on usage, and it is available free of charge for use by all market participants.⁷

³ CFTC Guidebook for Part 17.00: Reports by Reporting Markets, Futures Commission Merchants, Clearing Members, and Foreign Brokers, Version 1.0 (May 30, 2023), *available at* https://www.cftc.gov/media/8701/GuidebookPart17_053123/download (“Part 17 Guidebook”).

⁴ Data elements included in the Part 17 Guidebook include identifiers such as Sender ID, Report ID, Reporting Firm ID, Special Account Controller LEI, Account ID, and Ticker Symbol. *Id.* at 25. In addition, other identifiers such as CUSIP, SEDOL, QUIK, ISIN, and Bloomberg Symbol are listed in the programming language for contract information and underlying contracts to be reported. *See* Part 17 Guidebook at 54. We note that the Bloomberg Symbol can refer to a number of different identifiers that Bloomberg has within its services. Historically, this typically related to the Bloomberg Ticker or the Bloomberg Unique ID. These both pre-dated the creation of the FIGI. While the FIGI could technically fit within the field labelled ‘Bloomberg Symbol,’ it would be likely be more appropriate – from a data perspective – to have a discretely labeled field for FIGI specifically as an identifier. FIGI, while managed by Bloomberg LP, is not a Bloomberg ID, but a global standard of OMG and a US National Standard of ANSI/X9, in the same way that ISIN is an ISO/TC68 standard and CUSIP is an ANSI/X9 standard. FIGI also does not change, unlike all other identifier systems, allowing it to be used as a primary key to link those other IDs.

⁵ <https://www.omg.org/figi>

⁶ Press Announcement: “What is in a Name? The Bloomberg Global ID Is Reborn as the FIGI” (Oct. 9, 2014), *available at* <https://www.bloomberg.com/company/press/whats-name-bloomberg-global-id-reborn-figi/>.

⁷ FIGI is offered under the MIT Open Source license and we note that this dedication is formally embedded within the X9, ABNT, and OMG standard accreditations. The meta term “dct:license” specifically outlines the application

In 2021, the Accredited Standards Committee X9 Inc. (“X9”), a non-profit organization accredited by the American National Standards Institute (“ANSI”), accepted the FIGI as a U.S. national standard and designated as ANSI X9.145-2021.⁸

One of the many benefits of the FIGI is that it enables interoperability between other identification systems and does not force the use of a single identification system. FIGI enables interoperability primarily because the identifier itself does not change, and changes are managed through the FIGI metadata and design. Enabling interoperability between different systems may lower costs when interacting between legacy systems, which may depend upon a single identifier, and newer systems that typically have a more modern architecture. This interoperability reduces complexity, dependencies, and the costs of interacting across different user groups and communities that have different needs. It allows for better management of data, increases data quality, and facilitates the sharing of critical and universal information among different user communities without the costs associated with forcing changes to core systems and processes.

Reporting entities choose to use different identification systems internally for many reasons depending on their preference, internal systems, maturity of their data practices, costs, and interactions with clients and counterparties. Different identifiers may be used across an entity based on which identifier system best serves the required function (*e.g.*, trading, settlement, risk, or asset class). The needs of each entity are unique, and how data is used and implemented is increasingly becoming a source of competitive advantage. For these reasons, mandates that enforce the use of singular, non-open standards can have a detrimental impact, including lock-in and incurring potentially unnecessary costs. Though many entities use different identification systems internally today, they may be mandated by different regimes to use specific identifiers that are not fit for certain functional needs. Indeed, organizations such as the Investment Adviser Association (“IAA”) have previously noted to the Securities and Exchange Commission (“SEC”) that increasingly burdensome fees have been imposed on investment advisers, investors, and others for the acquisition, retention, and use of certain identifiers. The IAA has asked the SEC to review the policy of mandating the use of identification numbers in any regulations or regulatory filings as these practices may pose potential liability, subject users to the payment of burdensome fees, or are otherwise problematic.⁹

of the MIT Open Source license in the standard for the identifier and associated metadata. *See* ANSI X9.145.2021 for FIGI (2021) at p. 28, *available at* <https://x9.org/wp-content/uploads/2021/08/ANSI-X9.145-2021-Financial-Instrument-Global-Identifier-FIGI.pdf>. *See also* OMG FIGI v1.0 (2015) at p. 31, *available at* <https://www.omg.org/spec/FIGI/1.0/PDF>. Bloomberg L.P. is the Registration Agent for the OMG standard, under the auspices of OMG’s Financial Domain Task Force. There are currently two Certified Providers for the FIGI standard: Bloomberg and Kaiko. *See* Press Announcement: “OMG Announces Kaiko to Expand FIGI Standard for Crypto Assets” (Jan. 20, 2021), *available at* <https://www.omg.org/news/releases/pr2021/01-20-21.htm>.

⁸ Press Announcement: “ASX X9 Publishes U.S. Standard for the Financial Instrument Global Identifier” (Sept. 15, 2021), *available at* <https://www.bloomberg.com/company/press/asc-x9-publishes-u-s-standard-for-the-financial-instrument-global-identifier/>.

⁹ *See* Letter from the IAA to the SEC, dated Sept. 29, 2020 at p. 6, *available at* <https://www.sec.gov/comments/s7-08-20/s70820-7859973-223872.pdf>. *See also* Letter from the IAA to the SEC, dated Dec. 17, 2021 at p. 3, *available at* <https://www.sec.gov/comments/s7-15-21/s71521-20109989-264314.pdf>.

Given these reasons, we believe that reporting entities should be permitted to choose among identifiers and have the flexibility to adopt, integrate, or switch to other identifiers as appropriate. We note that both the SEC and the CFTC are increasingly contemplating the use of alternative identifiers as seen in some recent rule proposals and in at least one final rule.¹⁰ For example, the CFTC recently issued a joint proposed rule with the SEC that would amend Form PF to, among other things, allow market participants to choose to provide the FIGI in connection with reporting on Form PF.¹¹

In June 2022, the SEC issued a final rule to amend Form 13F that provided filers with the option to report a FIGI for any security reported on Form 13F.¹² We are also seeing that industry participants are voluntarily reporting to the SEC using FIGI as their identifier of choice. To date, FIGI has been used by over 10% of all firms that have filed in each of the past three quarters. Given the variability of reporting (that is, firms may not file in subsequent quarters, and new firms may file in any current quarter), this consistency illustrates strong, completely voluntary support for the use of the FIGI. In addition, the use of FIGI appears to be increasing as firms that had not used the FIGI in previous quarters are now using them in more recent filings.

We also note that, with the recent enactment of the Financial Data Transparency Act (“FDTA”), financial regulators will be required to undertake a joint rulemaking on data standards for information collection and reporting.¹³ Under the FDTA, data must be interoperable, non-proprietary, fully searchable, and machine-readable.¹⁴ As an identifier, the FIGI satisfies the

¹⁰ Prohibition Against Fraud, Manipulation, or Deception in Connection with Security-Based Swaps; Prohibition against Undue Influence over Chief Compliance Officers; Position reporting of Large Security-Based Swap Positions, SEC Exch. Act Rel. No. 34-93784 (Dec. 15, 2021), *available at* <https://www.sec.gov/rules/proposed/2021/34-93784.pdf>; Short Position and Short Activity Reporting by Institutional Investment Managers, SEC Exch. Act Rel. No. 34-94313 (Feb. 25, 2022), *available at* <https://www.sec.gov/rules/proposed/2021/34-93169.pdf>; Reporting of Securities Loans, SEC Exch. Act Rel. No. 34-93613 (Nov. 18, 2021), *available at* <https://www.sec.gov/rules/proposed/2021/34-93613.pdf>; Reporting Threshold for Institutional Investment Managers, SEC Exch. Act Rel. No. 34-89290 (July 10, 2020), *available at* <https://www.sec.gov/rules/proposed/2020/34-89290.pdf>.

¹¹ Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers, CFTC Rel. No. IA-6083 (Aug. 10, 2022), *available at* <https://www.cftc.gov/sites/default/files/2022/09/2022-17724a.pdf>. We also note that the CFTC recently issued an order mandating the use of UPI in connection with reporting swap transactions and UPI permits the use of FIGI as a method for identifying underliers in approved circumstances. *See* CFTC Order Designating the Unique Product Identifier and Product Classification System To Be Used in Recordkeeping and Swap Data Reporting (Feb. 16, 2023), *available at* <https://www.cftc.gov/sites/default/files/2023/02/2023-03661a.pdf>.

¹² The final rule still mandates the reporting of the CUSIP number, however. Electronic Submission of Applications for Orders under the Advisers Act and the Investment Company Act, Confidential Treatment Requests for Filings on Form 13F, and Form ADV-NR; Amendments to Form 13F, SEC Exch. Act Rel. No. 34-95148 (June 23, 2022), *available at* <https://www.sec.gov/rules/final/2022/34-95148.pdf>; 87 FR 38943 (June 30, 2022).

¹³ *See* Financial Data Transparency Act of 2022, Pub. L. No. 117-263, tit. LVIII, § 5811(a)(1), 126 Stat. 4145 (2022).

¹⁴ *Id.*

FDTA criteria. While the CFTC is not included in the list of covered agencies, we believe the movement toward the data standards required by the FDTA will promote greater transparency, efficiency, and consistency. The CFTC is not precluded from adopting similar data standards of its own volition and should consider allowing the reporting of alternate financial identifiers.

Conclusion

For these reasons, we believe that reporting entities should be given the ability to choose among financial identifiers in regulatory reporting. Allowing the option to choose a financial identifier in reporting would allow reporting entities to orient decisions around reducing costs of integration or realizing added benefits that offset any such integration cost concerns.

We appreciate the opportunity to share our thoughts on this issue and would be pleased to discuss any questions you may have with respect to this letter.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gregory R. Babyak". The signature is written in a cursive, slightly slanted style.

Gregory Babyak
Global Head of Regulatory Affairs, Bloomberg L.P.