**GLOBAL MARKETS ADVISORY COMMITTEE TECHNICAL ISSUES SUBCOMMITTEE RECOMMENDATION**

**November 6, 2023**

**Improve Trade Reporting for Market Oversight**

**Streamline Potential 40% Increase in Reportable Data Elements**

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**SUMMARY OF ISSUE**

The CFTC is preparing to issue a Notice of Proposed Rulemaking (NPRM) to amend its Part 43 and Part 45 swap data reporting requirements to potentially add 51 additional fields to the CFTC Technical Specifications and P43/P45 rule appendices, on top of the currently required 128 data elements that came into effect on December 5, 2022.

The CFTC Division of Market Oversight’s (DMO) 2017 Roadmap to Achieve High Quality Swaps Data[[1]](#footnote-1) highlighted CFTC’s key objectives to streamline swap data reporting requirements and right-size the number of data elements that are necessary to fulfill the Commission’s regulatory oversight function.

The potential 40% increase in the number of data elements the industry currently reportsstrays from these objectives, distracts from optimizing analysis and use of the recently expanded data set, and creates further obstacles and uncertainty for meaningful global aggregation and analysis of trade repository data. Further, an ad hoc approach to additional data reporting elements increases the cost of compliance.

**RECOMMENDATIONS**

We recommend the CFTC reconsider issuing a NPRM to expand swap data reporting requirements or limit the scope of additional data elements as follows:

1. **Jurisdiction-specific fields (30)**: Eliminate fields only reportable to the CFTC (i.e., those which are not CDE fields).
2. **Commodities data elements (9)**: There currently is no UPI compliance date for Commodities. Do not add data elements for the related fields until there is more clarity on timing to (a) eliminate confusion on questions raised in the interim and (b) avoid further interim changes.
3. **CDE Future fields (5):** Fields marked “**CDE Future**” should wait until the updated final ROC CDE guidance is published containing the CFTC draft proposed changes/additions.
4. **Potentially duplicative/unnecessary reporting (10)**: Eliminate requirement to report UPI attributes; requiring product attributes which are part of the UPI reference data as CFTC reportable fields would be redundant since the global UPI code will be reportable under CFTC, and ANNA DSB as UPI Service Provider has been designated by the FSB to maintain the ‘golden source’ reference data library of the relevant attributes that would map to a UPI code. The draft proposed CFTC product-related fields should be further assessed to determine whether they are already reference data attributes of the UPI and therefore eliminated as a CFTC reportable field.

We recommend that instead, CFTC staff:

1. Advance analytical tools to optimize use of the current, recently expanded, data set; and,
2. Focus on impediments to data sharing, including the alignment of the validations and requirements for CDE fields and global identifiers.

**Background, Supporting Arguments or Examples & Data (if any)**

Global regulators have worked collectively with CPMI and IOSCO to develop a set of common Critical Data Elements (CDE) which are being incorporated into derivatives reporting requirements to improve the quality of the data and align requirements across jurisdictions – an essential step in the journey to amalgamate and share data across regulations and border to better understand derivatives trading exposures.

The CFTC was the first regulator to require firms to report an expanded and clarified set of data fields, 128 in all, beginning on December 5, 2022. Swap Dealers have only just recovered from the significant effort to overhaul their reporting requirements and now are faced with the potential need to implement 51 further data fields all of which are commodities product data fields.

The NPRM may be issued notwithstanding that the CFTC have not yet determined a compliance date or requirements for the Unique Product Identifier (UPI) for commodities, though many of the new data fields seem targeted to address potential product information gaps with the UPI. Any additional data elements for commodities should only be considered alongside the requirements for commodities for UPI, since these are complementary.

30 data fields in the NPRM are not CDE fields, but rather would only be required by the CFTC and no other regulator. The CFTC already requires 47 data fields which are jurisdiction specific. If the NPRM were adopted as is then approximately 43% of CFTC’s data fields would be jurisdiction-specific, moving the CFTC further away from the opportunity to meaningfully aggregate data across-borders. The NPRM contradicts the efforts of global regulators to harmonize their requirements for global aggregation by establishing CDE and DMO’s stated intention to streamline swap data reporting to achieve high quality data. Every additional field increases the complexity of the requirements and risks a degradation of the quality of the reported data.

1. “DMO Roadmap to Complete Review,” Roadmap to Achieve High Quality Swaps Data, July 10, 2017, http://www.cftc.gov/idc/groups/public/@newsroom/documents/file/dmo\_swapdataplan071017.pdf. [↑](#footnote-ref-1)