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**VIA ELECTRONIC TRANSMISSION ([LINK](#))**

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

**RE: Real-Time Public Reporting Requirements and Swap Data Recordkeeping and Reporting Requirements (RIN 3038–AF26)**

Dear Mr. Kirkpatrick:

DTCC Data Repository (U.S.) LLC (“DDR”), a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”), appreciates the opportunity to provide comments to the U.S. Commodity Futures Trading Commission (“Commission” or “CFTC”) regarding the proposed changes to part 43 and part 45 of the Commission’s regulations to, among other things, add reportable data fields (“Proposal”).

**Introduction**

DDR’s ultimate parent, DTCC, provides a wide range of post-trade services across the financial services industry. DTCC’s Global Trade Repository (“GTR”) service operates five trade repositories in North America, Europe, the United Kingdom, and Asia.<sup>1</sup> The GTR service, through locally registered, licensed, or designated trade repositories in multiple jurisdictions, provides transaction reporting services for over-the-counter and exchange traded derivatives, processing over 18 billion messages annually, representing the majority of the OTC derivatives market. DDR, as part of GTR service, provides transaction reporting services for swaps and security-based swaps in the United States and for derivatives in all Canadian provinces and territories. DDR has been operating as a provisionally registered swap data repository (“SDR”) in the United States for reporting to the Commission since late 2012 and as a recognized or designated trade repository for reporting to the Canadian regulators since 2014 and 2016. DDR became a U.S. Securities and Exchange Commission (“SEC”) registered security-based swap data repository in 2021.

DTCC has a history of providing post-trade processing for the derivatives markets globally beginning with trade matching for the purposes of electronic confirmation in 2003 and followed by the creation of its Trade Information Warehouse in 2006. DTCC has always been a strong advocate for risk mitigation, efficiency, and cost savings in derivatives markets. Specifically, DTCC has advocated for harmonization of reporting rules and processes, and standardization of reported terms to realize the goals of the G20, first expressed at the Pittsburgh Summit in 2009. DTCC believes global data standards, when applied uniformly across jurisdictions, facilitate the data consistency necessary for data aggregation and data sharing, providing transparency to the public and to regulators seeking to monitor systemic risk. DTCC also believes that a more consistent global approach to the reporting of data reduces the complexity of reporting, which benefits the industry through streamlined operational and compliance burdens, lowering costs. To this end, DTCC continues to encourage authorities globally to work on harmonizing their

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<sup>1</sup> DTCC also offers clearing and settlement and asset servicing for the majority of equity and fixed income trading in the United States, services to support the wealth management and insurance industries, institutional trade matching, and post-trade management services.

respective derivatives reporting requirements. For example, DDR worked closely with CFTC staff on the 2022 implementation of its Technical Specification, which included the adoption of just over 70% of the Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions (“CPMI-IOSCO”) Critical Data Elements (“CDE”) and the Unique Transaction Identifier (“UTI”). DTCC also participates on the Technical Issues Subcommittee of the CFTC’s Global Markets Advisory Committee (“GMAC”), which advanced a set of recommendations to the CFTC in February 2024 on improving trade reporting and ensuring international standardization and global aggregation and analysis of data to address systemic risk.<sup>2</sup>

### **Discussion of comments**

DDR appreciates the Commission’s ongoing efforts to promote international harmonization of derivatives reporting regulations. DDR believes that a foundational component of achieving such harmonization and realizing the utility of derivatives trade reporting on a global scale is the appropriate sequencing of adoption and implementation of the necessary elements. It is through this lens that DDR offers the following comments and recommendations for the Commission’s consideration. In Appendix 1, we also provide specific responses to selected relevant questions posed in the Proposal.

1. *Although DDR is supportive of the proposed additional reporting fields that are consistent with the internationally agreed upon CDEs, DDR is concerned that the remaining CFTC-specific reporting fields would significantly undermine global harmonization efforts and recommends the CFTC consider refraining from adopting such fields as proposed, and instead, either work to incorporate them as future changes to the Universal Product Identifiers (“UPI”) or to the agreed upon CDEs.*

The Proposal would add 49 new required reporting fields, some of which are consistent with the existing list of CDE data elements, while others are bespoke to CFTC reporting. These 49 new fields would be in addition to the 128 data elements that came into effect on December 5, 2022, and the subsequent UPI fields and reporting changes implemented on January 29, 2024. Although it would impose additional burdens to add reporting fields so soon after final implementation of the December 2022 and January 2024 changes, we support the inclusion of the 19 proposed fields that are consistent with CDEs and 8 CFTC fields that are already included in the SDR Guidebook and reported to SDRs today. We recognize that the utility of derivatives trade reporting relies on data consistency, accuracy, and transparency on a global level and therefore continue to support the adoption of global standards, when available. To this end, however, we believe it would be premature for the Commission to adopt new CFTC-specific reporting fields before there is a globally agreed upon standard. Appropriate sequencing of adoption at the global level before specific jurisdictional implementation is important, in particular, to avoid a likely need to revise or update previously submitted data should a CFTC-specific field be inconsistent with a future related CDE. Such revisions can carry a number of complexities and challenges (see Comment 3 below for an example of a current backreporting challenge associated with changes to reporting requirements).

Regarding the 22 proposed new CFTC-specific fields, we believe several of them are conducive to global harmonization (and should therefore await such harmonization), while a handful of others are unnecessary for trade reporting. First, we believe the 12 CFTC fields applicable only to Commodities are more appropriate as input to the creation of UPIs or added to CDE.<sup>3</sup> At a minimum, adoption of Commodities-only fields should be delayed until reporting of the Commodity UPI has commenced, in order for industry and authorities to be able to determine whether and what data gaps truly exist. Introducing new CFTC-only data elements in advance of understanding the results of UPI standardization may create unnecessary complexity and cost to all impacted market participants. For example, without first understanding the reporting implications of the Commodity UPI in its entirety, there will likely be duplicative or irrelevant reporting that will need to be corrected in the future.

Further, there are six other CFTC-specific Price fields that are appropriate as CDEs, because without agreed upon industry implementation of standard data elements, reporting of the data will be inconsistent if later adopted globally (thereby rendering such data to be less useful) or SDRs will need to make validation adjustments after cases of inappropriate rejections are known.<sup>4</sup> Working through proper

<sup>2</sup> See *TIS Recommendation 3 – Improve Trade Reporting for Market Oversight, Streamline Potential 40% Increase in CFTC Reportable Data Elements*, available at <https://www.cftc.gov/PressRoom/PressReleases/8860-24>.

<sup>3</sup> These fields are: 60, 61, 62, 63, 64, 65, 66, 67, 68, 124, 125, 132.

<sup>4</sup> These fields are: 113, 114, 115, 116, 117, 118.

existing reporting standards and translating those to proper validation requirements are key to achieving high data quality from the outset. We note that it is our understanding through ongoing industry discussions that there may be a new consultation on CDEs expected in Summer 2024. This would seem to be a timely opportunity to consult on the inclusion of these fields as CDEs.

Finally, we do not believe the remaining four CFTC-specific fields to be useful or necessary to add to trade-level reporting.<sup>5</sup> The three new counterparty fields are either existing in static data held by the SDRs or unable to be validated in a meaningful way. The one new notional field will create inconsistent reporting across reporting entities and will hamper the SDRs' ability to properly round and cap notionals in line with existing processes. (We offer additional specific comments with respect to individual proposed reporting fields in Appendix 2.)

2. *In addition to appropriate sequencing between adoption of data standards globally and by jurisdiction, DDR recommends the CFTC address other sequencing considerations to better realize the utility of derivatives trade reporting while avoiding imposing unnecessary costs and burden on SDRs and reporting entities.*

DDR believes a viable approach to addressing backreporting of matured trades should be available to SDRs and reporting entities before the CFTC finalizes any additional required reporting fields. Backreporting challenges and complexities arise when new reporting requirements are implemented after a trade has matured, as such trades were reported following previous specifications and newly required information or data may not be available on these historical trades. Correcting such historical errors is challenging because existing Technical Specification requirements (for certain Action Type and Event Type combinations, for example) do not allow SDRs to implement relaxed validations. Backreporting issues compound with each iteration of new or updated reporting requirements. A common approach should be reviewed and agreed upon by all SDRs to ensure standard processing and reporting of backreported data is followed going forward. Ideally, DDR believes such a common approach should be implemented at the same time new reporting requirements are established and should be factored into future plans to implement ISO 20022. As a general matter, future ISO 20022 implementation plans should be discussed in the final rule to minimize confusion around timeline expectations and for the industry to be able to plan for future projects. Finally, as explained below in our response to Question 8 of the Proposal, we believe there should be appropriate sequencing between the finalization of this rule and the supporting materials (i.e., Technical Specifications and SDR Guidebook). We do not believe it would be appropriate to finalize them together or set one compliance date for all three. The compliance date for the final rule should allow enough time for industry to consider any potential changes that might need to be made to the Technical Specification and SDR Guidebook in light of the final rules.

3. *DDR strongly encourages the CFTC to weigh appropriately the tradeoffs between sequencing adoption of additional fields following a global standard versus preemptively adopting new CFTC-specific fields for the perceived benefits to market surveillance, in light of significant costs of implementation in addition to "system updates" such as industry coordination, review, and testing that the CFTC did not account for in its cost-benefit analysis.*

We recognize that the CFTC intends to require the additional proposed reporting fields to meet its statutory market surveillance obligations. Although we see the merits of some of these proposed additional data fields (e.g., those that are consistent with existing CDEs), we are concerned that the CFTC is significantly underestimating the cost of implementation and overestimating any attendant benefits.

The CFTC's cost-benefit analysis significantly underestimates the cost of implementation from a technical "systems update" perspective, as well as in overlooking other major costs associated with implementation (and for the CFTC-specific fields, potential future costs of data corrections and revisions). The CFTC states that SDRs will need 500-1000 hours of work at a cost of \$93.31 per hour to implement the additional proposed reporting fields, as the cost burden to SDRs and reporting entities "will likely be limited to the costs required to modify and expand existing electronic systems and databases to accommodate the new CFTC data elements."<sup>6</sup> From a purely technical perspective, this is already a significant underestimation. Assuming the top end of 1000 hours, this roughly equals six months of one full-time staff member's time, three months for two staff members each, or one and a half months for four staff

<sup>5</sup> These fields are: 28, 29, 30, 42.

<sup>6</sup> 88 FR 90046, at 90062.

members each. In reality, there will be many more technical staff members responsible for different aspects of design, coding, unit testing (both at the new component level as well as full regression testing against the entire code base), updating of Message Specifications and other relevant documentation, and legal and risk analysis. Further, such systems updates would require a number of levels of review and approval by members of management and senior management.

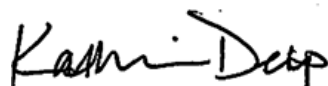
In addition to both the functional and non-functional implications, costs should also reflect the hundreds of hours required for industry coordination and review, industry testing initiatives, and regulatory engagement. For example, there are individuals who update DDR's Message Specifications and review details with the industry and with the Commission after proposed or finalized Technical Specifications are released. DDR has hundreds of clients and supports multiple transmission methods for the billions of messages processed and reported on an annual basis. Ample testing and allowing enough time to make changes are key to successful systems and reporting updates.

Based on previous implementations, and assuming the final Technical Specifications and SDR Guidebook only require the simplest logic to implement, a low-end estimate for implementing these fields would be closer to 10 times the CFTC's estimates.<sup>7</sup> Ultimately, the costs of implementing the additional bespoke fields do not seem to have offsetting benefits, unless they are also used by or useful to other authorities. To this end, we recommend the CFTC avoid imposing unnecessary costs on the industry by sequencing adoption of new reporting fields following the establishment of a global standard, to enable costs to be spread out across multiple jurisdictions and avoid the complexities of data corrections down the line.<sup>8</sup> Further, to the extent any of the 22 newly proposed CFTC-specific fields are critical to the CFTC's market surveillance obligations, DDR seeks clarification on why the CFTC believes it to be critical and how exactly the CFTC expects to use such data. Such clarity can help DDR and industry seek and propose potential alternatives to CFTC-specific reporting fields for the CFTC's consideration.

### **Conclusion**

DDR appreciates the opportunity to respond to the consultation and would welcome the CFTC's consideration of the views expressed in this letter. We welcome the opportunity to provide further detail on any of the matters discussed herein. If you have any questions or need further information, please contact me at 212-855-4760.

Yours sincerely



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Cc: Mark Bramante, DTCC Data Repository (U.S.) LLC, Chief Compliance Officer  
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<sup>7</sup> With respect to any final additional reporting fields, DTCC recommends the CFTC allow SDRs to append new fields to the end of end of each applicable report, rather than inserting fields as indicated in the draft Technical Specifications, as the latter approach would create additional complexity and associated burden without offsetting benefits. Inserting new data fields throughout each applicable report requires additional design, build, and testing efforts not only for the SDRs but for each market participant that ingests existing reports. Adding new data elements to the end of existing reports is an industry norm that should be followed here.

<sup>8</sup> We note that one of the objectives of the CFTC rewrite program from 2020 was to simplify and streamline Part 45 (and 43 and 49) reporting. We are concerned that this proposal would effectively move away from the 2020 goals.

**Appendix 1**

<b>Question in Proposal</b>	<b>DDR response</b>
2. For proposed data element #30 Counterparty 2 special entity, are there any impediments that reporting entities would experience in providing additional information related to special entities, such as whether counterparty 2 is a “utility special entity”?	DDR would like to add that, while not a reporting entity issue, SDRs would lack the ability to validate this data in any meaningful way, potentially leading to poor data quality.
4. For proposed data element #42 USD equivalent regulatory notional amount, are there impediments that reporting entities would experience in calculating and reporting USD equivalent notional amount?	DDR believes adding this field is contrary to global harmonization efforts and will be unlikely to produce meaningful data. It will also not be possible for SDRs to round and/or cap this new value to make it consistent with existing notional amount, notional amount schedules, etc for public dissemination. For these reasons, DDR proposes CFTC eliminate the addition of this new data element.
8. Is the proposed compliance date of 365 days after publication of a final rule in the Federal Register an adequate amount of time for compliance with respect to the additional data elements in the Data Element Appendices? If not, please propose an alternative timeline and provide reasons supporting that alternative timeline.	The final compliance date should allow enough time for potential changes to be made to the Technical Specification and SDR Guidebook after the final rules have been published. Based on previous implementations, the proposed compliance date of 365 days after publication of a final rule in the <i>Federal Register</i> will not be sufficient. These implementations have shown that six additional months is needed to carry through relevant reviews and make necessary changes to the Technical Specification and SDR Guidebook. As such, DDR believes the compliance date should be 18 months following publication of a final rule in the <i>Federal Register</i> to mitigate the risk of potential extension requests. DDR also notes the 18 months assumes the Commodities UPI and all associated details have been adequately socialized prior to the publication of final rules, as the latter is critical to effective implementation of the final rule. Therefore, DDR believes the 18-month compliance period should not start until the later of final rules being published in the <i>Federal Register</i> and the Commodities UPI and the specific CFTC implementation details being provided in full to the industry.

**Appendix 2**

<b>#</b>	<b>Data element name</b>	<b>DDR comment</b>
16	Counterparty 1 identifier source	Validation rules should be updated to include: "NPID" is only accepted when [CDE - Platform Identifier] is not 'XXXX', 'XOFF', or 'BILT' AND [Clearing Status] = "I" DDR also notes that "Counterparty 1 identifier source" is only being added to allow for Natural Persons to be identified as the Reporting Party (and Counterparty 2 is also a Natural Person) and questions whether trades done between 2 Natural Persons are subject to reporting under Dodd Frank and have any tangible impact to systemic risk.
28	Counterparty 1 designation	DDR does not agree with adding this field since it is static data, which should not be reported on each transaction. If CFTC is unable to source this static data, SDRs can provide the data on outbound reports.
29	Counterparty 2 designation	DDR does not agree with adding this field since it is static data, which should not be reported on each transaction. If CFTC is unable to source this static data, SDRs can provide the data on outbound reports.
30	Counterparty 2 special entity	As noted above, adding this field is contrary to global harmonization efforts and SDRs would lack the ability to validate this data in any meaningful way.
32	Custom basket code	DDR requests clarification on the Validation Rules as they are currently not aligned with the provided definition.
33	Basket constituent identifier	DDR does not object to adding CDE fields, however, the character limit should be extended, or it should be clarified if the field is meant to be repeatable.
42	USD equivalent regulatory notional amount	As noted above, adding this field is contrary to global harmonization efforts and will be unlikely to produce meaningful data. It will also not be possible for SDRs to round and/or cap this new value to make it consistent with existing notional amount, notional amount schedules, etc.
44	Notional currency	Conditionality should be updated. Currency should not be required when all 9s are reported for unknown Notional Amounts.
45, 46, 47	Notional Amount Schedule fields	"The number of date values must equal the number of notional amount values" validation rule should be removed since the definition states end dates are not always required. Valid values should also align with Notional Amount where applicable.
55	Quantity unit of measure	DDR requests clarification of "other SDR approved unit of measure codes" and what source SDRs should use for validation purposes.

57	Notional quantity schedule - unadjusted date on which the associated notional quantity becomes effective [NEW]	DDR requests clarification whether only the first 10 values should be publicly disseminated.
58	Notional quantity schedule - unadjusted end date of the notional quantity [NEW]	DDR requests clarification whether only the first 10 values should be publicly disseminated.
59	Notional quantity schedule - notional quantity [NEW]	DDR requests clarification whether only the first 10 values should be publicly disseminated.
80	Floating rate reset frequency period multiplier	Transaction validation rule should be updated to read: Required if [Floating rate reset frequency period] ≠ 'ADHO' and [Floating rate reset frequency period] is not blank, else {blank}
89, 90	Exchange Rate, Exchange Rate Basis	Transaction conditionality should be changed to Optional according to Footnote 73 "For transactions where the swap price is not known at the time to execution, those unknown swap price-related fields can be reported as blank until such time that the price is known."
96	Price Unit of Measure	DDR requests clarification of "other SDR approved unit of measure codes" and what source SDRs should use for validation purposes.
97	Price schedule - unadjusted effective date of the price	DDR requests clarification whether only the first 10 values should be publicly disseminated.
98	Price schedule - unadjusted end date of the price [NEW]	DDR requests clarification whether only the first 10 values should be publicly disseminated.
99	Price schedule - price [NEW]	DDR requests clarification whether only the first 10 values should be publicly disseminated.
106	Strike price schedule – Unadjusted effective date of the strike price [NEW]	DDR requests clarification whether only the first 10 values should be publicly disseminated. The number of date values must equal the number of strike price values" transaction validation rule should be removed since the definition states end dates are not always required.
107	Strike price schedule – Unadjusted end date of the strike price [NEW]	DDR requests clarification whether only the first 10 values should be publicly disseminated. "The number of date values must equal the number of strike price values" transaction validation rule should be removed since the definition states end dates are not always required.
108	Strike price schedule - strike price [NEW]	DDR requests clarification whether only the first 10 values should be publicly disseminated. "The number of date values must equal the number of strike price values" transaction validation rule should be removed since the definition states end dates are not always required.
116	Swap pricing method [NEW]	The validation rules should be applicable to either Leg 1 or Leg 2 and not both.
117	Pricing date schedule of the swap [NEW]	The validation rules should be applicable to either Leg 1 or Leg 2 and not both.
118	Start and end time of the settlement window for the floating leg(s) [NEW]	The validation rules should be applicable to either Leg 1 or Leg 2 and not both.

123	Unique product identifier (UPI)	DDR requests CFTC consult with the industry regarding a "separate UPI" for Part 43 reporting purposes. It is unclear where this separate UPI will be sourced and how SDRs should apply validation logic.
126	Underlier ID (Other) [NEW]	Footnote 86 "If more than one underlier exists, the swap should be considered a basket and the corresponding basket fields should be used" should be clarified for SDRs to understand appropriate validation requirements.
131	Physical commodity contract indicator [NEW]	SDR Guidebook should be updated to include Leg 2.
133	Maturity date of the underlier [NEW]	SDR Guidebook should be updated to include Leg 2.
140	Large notional off-facility swap election indicator	Validation rules should be clarified, and the field should be optional on submissions to allow SDRs to calculate on behalf of data submitters.
143	Execution timestamp	"If the time element is not required in a particular jurisdiction, time may be dropped" language should be amended to require "00:00:00" as a default time where applicable to meet the ISO standard.
147	SEF or DCM anonymous execution indicator [NEW]	Validation rules should be updated to include the following: SEF and DCM: Required DCO: Required when [Action Type] = 'TERM' and ([Event Type] = 'CLRG' or = 'CLAL')
149	Prior USI (for one-to-one and one-to-many relations between transactions)	Prior USI should also be applicable for Part 43 submissions.
150	Prior UTI (for one-to-one and one-to-many relations between transactions)	Prior UTI should also be applicable for Part 43 submissions.
154	New SDR Identifier	The validation rules should be amended to read: "C if [Action Type] = 'PRTO' else {blank}"
161	Valuation Method	The Valuation validation requirement "when populated with 'CCPV', [Cleared] must be 'Y'" should be removed as cross-message validations are not required to be performed by SDRs.
162	Valuation timestamp	"If the time element is not required in a particular jurisdiction, time may be dropped" language should be amended to require "00:00:00" as a default time where applicable to meet the ISO standard.
Appendix F	Action Type diagram	DDR recommends removing all references to the newly created "Not Reported" status to avoid potential confusion as no such status exists in market participants' systems.
General	All data elements	DDR recommends the CFTC include clear instruction in the Technical Specification for all data elements expected to allow for multiple values to avoid divergent implementation approaches across SDRs. DDR recommends adding a new column to include a Yes/No indicator for each data element.