



April 11, 2024

Via Electronic Submission

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

RE: Comments Real-Time Public Reporting Requirements and Swap Data Recordkeeping and Reporting Requirements RIN Number RIN 3038-AF26

Dear Mr. Kirkpatrick:

KOR Reporting Inc. ("KOR") acknowledges and appreciates the opportunity extended by the Commodity Futures Trading Commission ("CFTC" or the "Commission") to offer comments regarding the proposed amendments to parts 43 and 45 of the Commission's regulations ("Proposed Amendments"). KOR is currently operational as a provisionally registered Swap Data Repository ("SDR"), and it also holds Trade Repository ("TR") registrations in Canada and Australia.

KOR extends its support to the Commission's endeavors aimed at enhancing the accuracy of data reported to and maintained by swap data repositories, recognizing the significance of ongoing enhancements to rules and technical specifications to bolster reporting efficacy. Concurrently, it is imperative to consider the associated costs and impacts on the industry. We commend the regulatory authorities for their endeavors to foster global harmonization through the Critical Data Elements ("CDE"). However, it is essential to elevate any additional reporting fields to the committee for inclusion in the harmonization process. Equally critical is the incorporation of validation standards into the CDE publication to further streamline reporting harmonization. Despite the harmonization of field names, formatting, and permissible values, the variance in validations can lead to heightened costs and confusion within the industry's reporting processes.

KOR appreciates the opportunity to collaborate with the CFTC on analysis and resolutions. It is conceivable that in certain cases, the proposal of CFTC-only fields stems from potential gaps in the existing global Unique Product Identifier (UPI) template attributes. This may lead to the suggestion of jurisdiction-specific builds through additional CFTC-only fields as a means of obtaining necessary information. However, we advocate for a different approach. We recommend conducting further analysis to enable the CFTC to collaborate with the Derivatives Service Bureau (DSB) or Regulatory Oversight Committee (ROC) to enhance UPI templates or

CDE at the global level. This collaborative effort would allow the CFTC to extract desired attributes directly from the global UPI or CDE, rather than introducing data elements at a jurisdictional level.

General Technical Specification Enhancements

Level of Validations

The CFTC ought to undertake measures to harmonize its practices with those of other jurisdictions that furnish validations, such as Mandatory, Conditional, Optional, and Not Required (“NR”), at the action type level. In addition to retaining the message type categorization (e.g., transaction, public, valuation, collateral), it should supplement this classification with the inclusion of action type delineations to improve validations.

Distinct columns should be designated for delineating valuation and collateral reporting requisites, as opposed to consolidating them into a singular end-of-day amalgamation.

Optional fields

The definition of "Optional" stipulates that the data element should be reported if pertinent to the transaction. With any additional validation rules being applicable upon population, however, KOR maintains that the CFTC should adopt a more explicit stance to affirm that optional fields are obligatory when relevant to the transaction. This is imperative given that numerous market participants may elect to omit reporting optional fields

Leg Fields

Per the Technical Specifications *“For products where the multi-leg or multi-stream concept is not applicable, report values in the designated data element for the first leg (Leg 1) for all fields that are specified as leg-based data elements.”*

Rather than adopting the aforementioned approach, the CFTC should collaborate with industry stakeholders and SDRs to implement leg-specific validations contingent upon the traded product, thereby enhancing the precision of data reporting and ensuring consistent validation protocols. Within the Technical Specifications, each leg field ought to be allocated its distinct row, accompanied by tailored validations to guarantee clarity and specificity in each validation criterion. Certain scenarios necessitate validations solely applicable to leg 2, distinct from leg 1, while in others, setting leg 2 as optional might inadvertently permit the acceptance of invalid data into the SDR, necessitating validation against associated leg 2 fields.

Ensuring consistency and accuracy in reporting obligations across multiple jurisdictions is crucial for effective regulatory compliance. To address this, the CDE should define how legs must be reported. One option is the addition of fields that link UPI attributes to reported legs, allowing for proper identification of how each leg was reported without the need for additional



logic. This approach would streamline the reporting process and minimize the risk of misreporting or artificial adjustments to meet different jurisdictional requirements.

Repeating Fields

The CFTC ought to provide unequivocal clarification regarding the technical specifications of a field, explicitly stating whether it permits or prohibits the repetition of values, in addition to delineating any constraints pertaining to such repeated values.

“Else Blank” Language

To enhance data quality, in instances where the Technical Specifications prescribe the phrase "else blank," it is imperative to substitute it with either (a) "else NR," denoting an invalid value submission (which would result in message rejection if populated), or (b) "else optional," indicating that the submission of a value is not mandatory but would not be erroneous if provided. By implementing a universal interpretation wherein all "else blank" validations signify "else optional," the CFTC inadvertently permits the reporting of invalid data.

Here are several instances demonstrating how this change may permit invalid data to enter SDRs and result in lower data quality:

- Submission of both Buyer/Seller and Payer/Receiver field groups by the reporter.
- Population of Call/Put currency values without corresponding call/put amount fields.
- Presence of Quantity Frequency values without accompanying notional quantity.
- Inclusion of Package Transaction Price where the Package indicator is marked as False.
- Reporting of package transaction price notion without providing a package transaction price.
- Populating Price currency when Price notation does not equal 1.

It's important to note that this adjustment is a necessary deviation from global harmonization, as EMIR RTS adopts the stance of "this field shall be left blank" in similar cases.

Number formats

The validations should explicitly articulate that leading and trailing zeros are prohibited.

Number of fields

Field counts should not be an overweight determinant in the evaluation of Technical Specifications. While it is imperative that the CFTC conducts thorough analysis on any proposed additions to the Technical Specification, given the considerable costs associated with

such changes, it is equally essential that the Commission refrain from overloading single fields for multiple purposes. Such practices introduce complexity that significantly escalates implementation and maintenance costs compared to the incorporation of additional fields. Moreover, the decision not to disaggregate field names by leg does not effectively reduce the actual field count beyond visual representation on the spreadsheet. Instead, it leads to ambiguity in validation and implementation expectations.

Legal Entity Identifiers (LEIs) Validations

To ensure alignment with other jurisdictions and enhance data quality by preventing the submission of duplicate or invalid Legal Entity Identifiers (LEIs), we propose the addition of LEI validation checks.

Commodities UPI - General

We endorse the CFTC's transition to the UPI for commodities. Through that adoption we contend that the following conditions should be met, at the very least six months prior to implementation, or preferably one year:

- The publication of all newly developed ISDA Annex A reference prices, with subsequent updates to UPIs incorporating these indexes and the removal of any duplicates.
- Establishment of a clearly defined workflow for the timely addition of supplementary ISDA reference prices.
- The publication of UPIs for virtual currencies by ANNA DSB.

For reporting counterparties obligated to report UPI in other jurisdictions, they should not be impeded from doing so under CFTC reporting requirements (so as to simplify their systems and processing logic). Accordingly, the validation should be amended from "NR" to "O".

Considering the introduction of additional fields such as Physical Delivery Location and Pricing Index location, it seems evident that the CFTC perceives the commodities UPI as inadequate in furnishing comprehensive product information. Instead of augmenting commodities reporting with intricate and resource-intensive fields, it is advisable for the CFTC to suggest that the UPI service provider enhance the UPI to align with their criteria for commodities products. The incorporation of the new fields Physical Delivery Location and Pricing Index location, will necessitate extensive labor and incur significant costs, particularly affecting entities other than Swap Dealers (SDs) in a disproportionately adverse manner.

Commodities UPI - Masking

An alternative approach to incorporating a distinct masked Unique Product Identifier (UPI) in Part 43 messages as in the proposed rules would be to instead utilize the appropriate UPI, ensuring consistency across both Part 43 and Part 45 messages.

A mechanism should be provided within Part 43 message submissions to facilitate masking requests and specify replacement values for UPI underlier data elements.

Consequently, the SDR would refrain from disseminating the UPI itself, instead disseminating the Classification of Financial Instruments (CFI) Code (referred to as "DSB Classification Type") along with the masked underlier information.

Should the CFTC not be receptive to this proposal, then at the very least, the masked UPI should be established as a distinct field, submitted independently. Both fields should be conditional on one another, requiring reporting of either one or the other. This adjustment would better align with the methodologies market participants employ for capturing and storing this data.

Proposal for Submittable Fields for Masked Dissemination:

For off-facility swaps in the other commodities Asset Class, the public message must incorporate an additional field: [Physical Commodity Indicator]. The inclusion of this field aligns with the CFTC's proposal; however, it need not be delineated by leg, serving solely to denote instances where masking is applicable, including scenarios involving basket underliers. Moreover, validations should be updated to render the field as conditional.

As the regulations stipulate that the actual underlying assets shall be Publicly Disseminated for any Publicly Reportable Swap Transaction that references or is Economically Related to one of the contracts published by the Commission, or any Publicly Reportable Swap Transaction executed on or pursuant to the rules of a registered Swap Execution Facility ("SEF") or Designated Contract Markets ("DCM"). As such, when the field [Registered Platform indicator] = True, then [Physical Commodity Indicator] MUST be null AND [Commodity swap category], [Other Commodity swap category], [Commodity region], and [Other Commodity region] must ALL be null.

Furthermore, this field should solely pertain to Part 43 reporting; messages exclusively pertinent to Part 45 reporting need not calculate its inclusion. The field name may warrant clarification, as it denotes not merely a physical commodity but rather its relationship to a futures contract as per regulatory mandates, as such, "Related Futures Contract Indicator" may be more appropriate.

For swaps submitted with a value of "false" in the field [Physical Commodity Indicator], the Reporting Counterparty is obliged to provide masking data to ensure accurate dissemination. This encompasses populating the fields [Commodity swap category] / [Other Commodity swap category] with valid values from Part 43 Appendix D, and [Commodity region] / [Other Commodity region] with valid values from Part 43 Appendix E1 or E2. The CFTC should publish the expected values and their corresponding mappings to the respective appendices in the Technical Specifications.

When the field [Physical Commodity Indicator] is true or null, the UPI is disseminated. Conversely, when the field [Physical Commodity Indicator] is "false," the UPI is withheld, and the CFI Code along with "[Commodity swap category] value - [Commodity region] value" and "[Other Commodity swap category] value - [Other Commodity region] value" are disseminated instead.

UPI - Upgrades

As numerous trades are currently categorized under "Other" UPI products due to the absence of specific product specifications and allowed values, the question arises regarding the expectation for these open trades when new products become available at a later date. If there is a reportable lifecycle event in the future would the UPI need to be amended as well? Clear guidance by the Commission on this topic is important.

Critical Data Elements

While it is imperative to avoid the arbitrary inclusion of fields and ensure that each contributes tangible value, alignment with the CDE holds paramount importance. Therefore, it is our firm belief that the incorporation of the following CDE fields is crucial for achieving global harmonization in the reporting and processing of transaction data.

Any fields introduced by the CFTC that are not currently part of the CDE should be collaborated upon with the CDE to ensure their inclusion, thereby perpetuating global harmonization enhancements.

Early Termination Date

The inclusion of the 'early termination date' field on termination messages is recommended. This addition facilitates the provision of a distinct 'close' date for the transaction, eliminating the need to concatenate multiple fields or reference disparate messages. Such a measure aligns with the CDE framework.

Suggested validations to align with global harmonization:

1. When populated, this field shall be reported in a common input format: YYYY-MM-DD.
2. The value of this field shall be greater than or equal to the value of the date part of the field Execution timestamp reported for the given UTI.
3. The value of this field shall be less than the value of the field Expiration date.
4. The value of this field shall be earlier than or equal to the value of the date part of the field Reporting timestamp.

5. For a given derivative this field can be reported for a first time only with the action type 'TERM'.
6. Required when action type is "TERM".
7. If the derivative was terminated (and not revived), this field must be populated in the subsequent reports with action type 'CORR'.
8. Field is removed from transaction with action type "REVI"

Level

Reference position reporting comments below.

Direction

In order to conform with the CDE standards and those of other jurisdictions, the CFTC should afford clients the option to choose the "Direction 1/Direction 2" methodology for reporting in conjunction with the conventional Buyer/Seller and Payer/Receiver approaches. This adjustment would facilitate greater uniformity in reporting capabilities for both reporters and repositories across various jurisdictions.

Specific Field Comments

Counterparty 1 (reporting counterparty) & Counterparty 2

In relation to the definition change to add "However, if the allocation of the block trade to specific funds does not take place prior to the reporting deadline, then the fund manager executing the transaction on behalf of the fund can be reported as the counterparty."

The ramifications ensuing from this definition alteration necessitate the erroring of the Unique Transaction Identifier (UTI) and the subsequent submission of a new UTI reflecting the accurate Counterparty 1 designation when it becomes ascertainable. In instances where a UTI is invalidated and replaced, it would be prudent for the CFTC to contemplate incorporating an "Erred UTI" field to establish linkage between messages. Employing the "Prior UTI" field for this purpose may prove suboptimal, as a UTI corresponding to a lifecycle event might require reporting within that specific field.

Counterparty 1 identifier source

KOR concurs that the inclusion of this field is of significance and warrants addition. This field serves the purpose of enabling the SDR to authenticate the submitted value within the Counterparty 1 field.

The validations could be improved to Only allow 'NPID' as the identifier when the [CDE - Platform Identifier] is not 'XXXX', 'XOFF', or 'BILT', and when both [Clearing Status] is 'I' and [Counterparty 2 Identifier Source] is either 'NPID' or 'PLID'."

Counterparty 1 designation/Counterparty 2 designation

KOR concurs that the inclusion of this field is of significance and warrants addition.

It is imperative for the SDR to ascertain the designation of involved parties during record processing, enabling the implementation of compliance checks pertaining to timeliness and reporting party obligations. Given the differing reporting requirements for SD/MSPs and DCOs, particularly regarding collateral reporting exemptions for DCOs, it is crucial to implement this field as a full enum list rather than a boolean. This allows for a comprehensive indication of SD/MSP status versus other statuses, ensuring accurate and nuanced reporting.

This information is critical for SDRs to meet their obligations to apply public dissemination time delays in accordance with CFTC Regulation Part 43.

Regrettably, this pertinent information lacks an easily accessible machine-readable format for SDRs to extract from external sources.

Additionally, the SDR may lack awareness regarding instances necessitating trade resubmission to amend or revise designations on UTIs following changes therein.

We commend the adoption of a non-CFTC-specific name, which could potentially be incorporated into the CDE, with jurisdiction-specific enumerated values.

Basket constituent unit of Measure

In relation to the footnote "40. For commodities baskets where, calculated formula of different % weights of indices are used, provide values without the %. For example, 10% should be reported as "10". What value should be supplied in the corresponding field [Basket constituent unit of Measure]?

Swap pricing method

In the context of commodities, please furnish examples elucidating the expected criteria. For instance, does this field pertain to instances when an index is priced on specific days, such as 'Penultimate,' 'Last Day (LD1),' 'Same Day,' 'Third to Last Day (LD3),' 'Quadulimate Day,' etc.? If so, the existing list of permissible values is inadequate. It would be more fitting to include this information in the Unique Product Identifier (UPI), as it is typically inherent to the product when listed on an exchange or clearing venue.

Footnotes related to "time portion should be reported as "00:00:00"."

The footnote specifying "time portion should be reported as '00:00:00'" necessitates an amendment to articulate that the time of 00:00:00 in local time should be utilized, subsequently converted to Coordinated Universal Time (UTC), and then reported.

If the default time is set to midnight UTC, the conversion to the local timezone could potentially result in a discrepancy in the reporting day, thereby causing misalignment with the organization's definition of the business day. Alignment with the reporting party's business day is crucial, as their reporting obligations are contingent upon their business day rather than a Coordinated Universal Time (UTC) day. This information serves to delineate any potential deficiencies in required reporting for specific business days.

Mandatory clearing indicator

KOR advocates for the formal addition of the [Mandatory clearing indicator] field. This field enables SDRs to disseminate data only after the appropriate time delay as outlined in accordance with CFTC Part 43.

As mandatory clearing does not apply uniformly across all asset classes, we assert that the field should be designated as 'Mandatory' solely in the context of Credit and Interest Rates, while categorized as 'Not Required (NR)' in all other asset classes until such time as they become subject to mandatory clearing regulations.

All schedule fields

While KOR acknowledges and concurs with the inclusion of the validation requiring the equivalence between the number of notional amount values and the number of start and end date intervals, it is imperative to extend the validation to mandate the reporting of more than a single value in this field set. Failure to adhere to this validation would question the appropriateness of utilizing the schedule fields for the transaction in question. We suggest removing the part of the definition 'Unadjusted end date of the notional amount (not applicable if the unadjusted end date of a given schedule's period is back-to-back with the unadjusted effective date of the subsequent period)' from the definition. This change is proposed to facilitate validations by the SDR, as the current definition constrains the ability to perform such validations effectively.

With the availability of schedule fields for price and quantity reporting, the CFTC ought to provide clarification regarding the reporting of commodities trades executed as a single trade with variable price and/or quantity fields. Presently, there exists confusion and disparity in the market concerning whether these trades should be reported as a single UTI or as a UTI by schedule. Clarification from the CFTC is imperative to ensure consistency and coherence in reporting practices across the market.

Clarify that for all schedule fields applicable for dissemination, only the first 10 values should be disseminated.

Power/Gas Profile Fields Group

In reference to the fields pertaining to gas and power profiles (such as days of the week, hours from start to finish, and load type), it is imperative that these fields be designated as CDE and

that the permissible values be established with input from the industry to ensure their global applicability. Presently, these fields predominantly reflect European specifications and fail to accommodate North American product standards. Nonetheless, it is essential for the United States not to concentrate solely on the reporting of North American products, as reporting requirements are contingent upon the entity engaging in trading rather than the specific products traded. Consequently, US firms will engage in the trading of both North American and European gas/power products, and vice versa. Hence, there is a critical need to standardize these fields across products and incorporate a delineation field to specify the type of gas/power being traded and whether it pertains to the European or North American market, as is customary in confirmation processes.

The segmentation of these fields by "leg" is deemed inappropriate given their contextual irrelevance. Moreover, the instruction regarding the constant value throughout the swap's lifespan, as indicated by the footnote "56," should be revised. These fields should not be confined within the "Schedule" format, as this format is conventionally utilized for a specific purpose and aligning with the broader practice of distinguishing between schedule and non-schedule fields. The established standard dictates the presence of singular fields when no schedule is involved and schedule fields when a schedule is applicable. Deviating from this standard merely introduces additional complexity to reporting procedures.

Notional quantity schedule - days of week

It is essential that days of the week be included in the reporting of all electricity products and European gas. A standardized protocol must be developed for the submission of grouped fields encompassing days of the week and hours from start to finish. Unlike the "Schedules" utilized for varying price and quantity, these groupings extend across the entirety of the trade.

Bank holiday values should not be incorporated into this field. Instead, new fields should be established. One such field should denote "Holiday Calendar Applicability," represented as a boolean field indicating whether a holiday calendar should be consulted. A related field, "Profile Holiday Calendar," should specify the pertinent calendar, such as Bank holidays or NERC holidays.

Furthermore, to verify the quantity of hours against the total quantity of hours traded, an indicator for "Daylight Savings Time Applicability" is indispensable.

It is standard to utilize parentheses "()" to delineate groupings. We propose that this convention be consistently applied and extended to regulatory reporting. For instance, as standard east coast off peak trade:

- Days of Week: "(WDAY)(WEND)"
- Hours From Thru: "(0100-0700, 2400)(0100-2400)"

- Hours From Thru Timezone: "EPT"
- Holiday Calendar Applicable: "true"
- Holiday Calendar: "NERC"
- Daylight Saving Applicable: "true"

Notional quantity schedule - hours from thru

Instead of applying UTC to the hours, it is preferable to report them in the respective trading standards in which they are captured. Subsequently, the relevant timezone should be indicated in a secondary field labeled "Hours from thru timezone."

Additionally, trading standards vary in the interpretation of whether the second hour quoted is considered "thru" (to the end of the hour) or "to" (to the beginning of the hour). Therefore, when multiple hours are traded, it is advisable to differentiate between them using "thru" or "to" instead of a hyphen "-".

Notional quantity schedule - load profile type

One consideration worth exploring is the inclusion of Load Profile data at present to enhance our comprehension of traded volumes. This preliminary step can provide valuable insights while allowing for the incorporation of additional detailed fields once a standardized CDE framework is established.

It is imperative that energy firms play an integral role in the development of this standard. Their involvement ensures that the resulting standard accurately reflects industry needs and requirements. By engaging energy firms in the standard creation process, we can foster consensus and promote the adoption of robust and effective data reporting practices within the energy trading sector.

USD equivalent regulatory notional amount

KOR acknowledges the significant benefits associated with denoting the notional amount of the swap in USD. This practice serves several purposes, including:

- Aggregating trade data effectively.
- Assisting SDRs in determining whether a trade should be capped on the ticker.
- Ensuring accurate calculation of the block threshold.

Presently, this field is exclusively designated for Part 45 reporting. However, it is imperative to extend this designation to Part 43 reporting as well. Doing so would enable its utilization for

ticker capping, thereby mitigating any potential inconsistencies in currency conversions that may currently exist.

Given that trades can involve various currencies, it is advisable for the reporting party to furnish the equivalent value in USD to the SDR. This facilitates accurate calculation of cap sizes by the SDR, particularly in cases where the SDR may not have access to all foreign exchange rates utilized by the transacting parties. This proactive approach helps mitigate potential delays in the public dissemination of trade data.

Underlier ID (Other)

As a freeform text field, it is unclear how this will facilitate the aggregation and analysis of data.

Physical commodity contract indicator

While KOR strongly agrees with the inclusion of this field, it need not be delineated by leg. It should serve solely to denote instances where masking is applicable, including scenarios involving basket underliers. Moreover, validations necessitate updating to render the field conditional.

As the regulations stipulate that the actual underlying assets shall be Publicly Disseminated for any Publicly Reportable Swap Transaction that references or is Economically Related to one of the contracts published by the Commission, or any Publicly Reportable Swap Transaction executed on or pursuant to the rules of a registered SEF or DCM. As such, when the field [Registered Platform indicator] = True, then [Physical Commodity Indicator] MUST be null.

Block trade election indicator

With the introduction of distinct fields for "Large notional off-facility swap election indicator" and "SEF/DCM (Registered Platform) indicator" by the CFTC, enhancements to validations are feasible. A proposed improvement entails the validation: "Required if [SEF/DCM (Registered Platform) indicator] = 'True', otherwise must be 'NR'."

Considering that this field necessitates calculation solely for Part 43 messages, it is advisable to exclude it from Part 45 messages to alleviate the burden on reporting parties from computing its value when the message is inapplicable for Part 43.

Kindly provide clarification regarding the recalculation of this value for non-NEWT action types.

Large notional off-facility swap election indicator

A proposed improvement entails the validation: "Required if [SEF/DCM (Registered Platform) indicator] = 'False', otherwise must be 'NR'."

Considering that this field necessitates calculation solely for Part 43 messages, it is advisable to exclude it from Part 45 messages to alleviate the burden on reporting parties from computing its value when the message is inapplicable for Part 43.

Kindly provide clarification regarding the recalculation of this value for non-NEWT action types.

Expiration date

The CFTC must address the reporting requirements for contracts lacking a maturity date, such as perpetual crypto/digital contracts. Certain derivative contracts may not specify a maturity date at their inception, and the termination date may also remain unspecified. Parties to such contracts reserve the right to terminate them at any moment, with immediate effect. Furthermore, they may opt for partial termination, terminating a portion of the volume on one day and the remaining portion on another day.

Clear guidance is essential regarding how to populate the expiration date field, which is mandatory. We suggest adopting guidance similar to that provided by the European Market Infrastructure Regulation (EMIR) for global consistency.

Given the perpetual nature of these transactions, without compression, each individual transaction by a financial counterparty would necessitate daily valuation updates until either the transaction is canceled or indefinitely.

In the event that transactions are not compressed, offsetting transactions must be terminated. Upon closure of the contract, the counterparty should submit a termination report to the initial entry, completing the "Termination date" field. In cases of partial closure, counterparties should submit modification reports to the initial entry, reducing only the "Notional amount" (with the remaining volume equal to the un-terminated volume). Subsequent partial closures necessitate additional modification reports until the contract is fully closed. Upon full closure, counterparties should submit a termination report marked as 'Early termination', thereby completing the "Termination date" field.

It is pertinent to note that the opening price of the contract should only be reported in the initial report (new), and it should not be updated in subsequent modification reports. Furthermore, the modification of the notional amount of a trade should only occur if both parties agree to partially terminate the trade. If the parties agree to conclude an offsetting trade with a smaller notional, a new report is required.

SEF or DCM indicator

Given the necessity for this field to be applicable across various global jurisdictions, its name should not be specific to the CFTC. For instance, it should not be necessary for the Securities and Exchange Commission (SEC) to mandate a specific field such as the "SBSEF indicator" when a single field could apply to both jurisdictions. Therefore, we propose renaming it to

[Registered Platform Indicator]. Additionally, validation should be implemented to ensure that when [Platform Identifier] is set to BILT, XXXX, or XOFF, the value of this field must be "False".

SEF or DCM anonymous execution indicator

KOR concurs with the formal addition of the "anonymous execution indicator" field as it enables SDRs to fulfill the requirements of § 49.17(f)(2), ensuring the protection of counterparty anonymity.

Given the necessity for this field to be applicable across various global jurisdictions, its name should not be specific to the CFTC. Therefore, we propose renaming it to [Registered Platform Indicator]. Validation should be implemented to "Required if [Registered Platform indicator] = 'TRUE', else MUST be NR."

Current Validation Improvements

Call amount/Currency and Put amount/Currency

As put and call amounts are not relevant to digital or barrier options, it is imperative to revise the validations accordingly to align with the UPI product.

Floating rate reset frequency period multiplier

Recommend updating the validation to read: "Required if [Floating rate reset frequency period] ≠ 'ADHO' and [Floating rate reset frequency period] is not blank, else NR"

Post-priced swap indicator related fields

Due to the 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.", the conditionality validations on all related fields should be updated allow to be blank when [Post-priced swap indicator] = "true".

New SDR Identifier

Recommend updating the validation to read: "Required if [Action Type] = 'PRTO' else NR."

Clearing exceptions and exemptions - Counterparty 1 (or 2)

With the addition of the field [Mandatory clearing indicator], the validations can be improved to "Required when [Cleared] = 'N' AND [[Mandatory clearing indicator] = "True" ; NR if [Cleared] = 'Y' or 'I'; else Optional.

These fields should be mandated for compliance with Part 43 to enable SDRs to effectively apply the time delay as stipulated in 43.5(e)(1) - (h) and Tables C2 - C6 in Appendix C to Part 43. However, they should be designated as 'Do not disseminate' to ensure data confidentiality and compliance with regulatory requirements."

Collateral Reporting Validation Updates

KOR asserts that the streamlining of collateral reporting fields and validations is imperative to facilitate the effective utilization of information by SDRs, Market Participants, and the Commission. Presently, the existing validations are burdening existing fields with multiple functionalities instead of adhering to CDE and introducing distinct fields to discern when collateral reporting is obligatory and when collateral messages are absent from required reporting days.

Previously, the collateralization category was included in transaction messages and could be updated in collateral messages. However, recent updates to Technical Specifications by various regulatory bodies have restricted this field solely to collateral messages, resulting in unintended repercussions. In instances where a trade lacks collateralization, daily submission of collateral messages should not be mandated. With the unavailability of the collateralization category field in transaction messages, a separate collateral message becomes necessary to signify the absence of collateralization. Consequently, SDRs encounter challenges in identifying trades exempt from collateral messages, leading to complications in report generation for UTIs/Portfolios necessitating collateral messages.

The fields "Initial Margin Collateral Portfolio Code Type" and "Variation Margin Collateral Portfolio Code Type" should be incorporated into Transaction (optional on transaction messages where Counterparty 1 Designation is an SD, MSP, or DCO; otherwise, NR), Valuation (M), and Collateral (M) message types. These fields should permit values indicating transaction, portfolio, or inapplicability. Subsequently, corresponding portfolio code validations should be mandatory when "Portfolio" AND "Counterparty 1 Designation" is NOT "DCO"; otherwise, marked as not required for valuation and collateral messages. This approach should supersede the utilization of free-form text values such as "TRANSACTIONLEVEL" or "NOTAPPLICABLE" in the portfolio code field, which engenders multifunctional usage and unwarranted complexity.

Rather than endeavoring to fit the "event timestamp" field into a date format for collateral, it is advisable to introduce a new field termed "Collateral Date" to streamline reporting procedures.

Position Reporting

To ensure alignment with global reporting standards and the Common Data Environment (CDE), we strongly advocate for the inclusion of fields within the technical specifications that facilitate reporting at the position level.

Position level reporting stands as the prevailing standard in other major jurisdictions and is endorsed by the CDE. Notably, Canada recently proposed the incorporation of position level reporting in their rules rewrite, while it is already in practice under the European Union (EU) and United Kingdom's European Market Infrastructure Regulation (EMIR).

In instances where a Derivatives Clearing Organization (“DCO”) terminates individual transactions and generates or adds to positions, there arises a need to streamline reporting at the position level. This change would enable DCOs to significantly reduce the volume of valuation messages submitted, while ensuring alignment with internal position treatment and valuation methodologies. Furthermore, this transition offers the CFTC a clearer perspective of market dynamics and risks, mitigating the noise generated by numerous transactions that ultimately consolidate into flat positions.

Following the guidance provided by the CDE, we propose the following updates to the Technical Specifications:

- Addition of action type "POSC" denoting position component, a report of a new transaction that is included in a separate position report on the same day.
- Inclusion of event type "INCP" signifying Inclusion in position, encompassing scenarios where DCO-cleared transactions or other fungible transactions are included in a position, necessitating either the creation of a new position or modification of an existing one.
- Revision of the action/event type grid to align with the CDE.
- Introduction of a mandatory field labeled "Level" in transaction messages, indicating whether the report is conducted at the trade or position level. Position level reporting can complement trade level reporting, facilitating the reporting of post-trade events and replacements of individual trades by positions.
- Permissible values: "TCTN" for Trade, "PSTN" for Position.

All Currency fields

Due to the absence of cryptocurrency values within the current ISO currency value list, adjustments to the currency fields are warranted. Options include expanding the allowed value list with a mechanism for swift integration of new additional values or introducing an "additional" currency field for each currency field. In cases where the trade employs an ISO value of XXX in the ISO field, the standardized currency enum value representing the actual currency, not supported by ISO, would be reflected in the additional field.

What collateral/Valuation Dates need to be reported?

KOR maintains that clarification regarding the business days for valuation and collateral reporting in swaps is essential for the accurate generation of compliance reports. In alignment with practices observed in other jurisdictions, KOR proposes the following:

1. Valuations/Collateral messages are always required on execution date, unless:
 - a. Trade Date does NOT = Execution date

- b. Execution Date = Expiration date
 - c. Execution Date = Termination date
 - d. Swap has been Errored
2. Valuations/Collateral messages are never required on:
- a. Expiration date
 - b. Termination date

Part 43 Reporting: Permitted Action Type Sequences for Lifecycle Reporting

The provided sequence of event types lacks provision for swaps that have been transferred into a new SDR and subsequently entail a price forming event necessitating dissemination. To address this scenario, a New Termination Event (NEWT-PTNG) could be submitted to the SDR, which would not be disseminated. Subsequent events could then be reported and disseminated, albeit without a prior dissemination ID for reference.

Handling of back reporting

Given the stipulations outlined in the CFTC regulations mandating resubmission of any missed or inaccurately reported data, it is imperative to devise a method for reporting parties to submit expired trades lacking the requisite reportable fields, as per current standards. Maintaining uniform validation standards across all reporting entities is essential, with the overarching objective being adherence to prevailing requirements.

To address this concern, KOR recommends the establishment of standard enumeration values aligning with the respective field formats to denote instances where a field is unavailable due to historical data limitations. For instance, in ENUM and Free Form text fields, the value "HIST" could signify such unavailability, while date fields could employ "9999-99-99," and number fields could utilize "all 9s for the maximum length of the field."

In undertaking this task, it is essential to exercise caution and comprehension regarding the potential ramifications of each field capable of accommodating such values on the validations of associated fields and the data requisite for report generation.

Guidebook Updates

The CFTC should incorporate all fields outlined in the guidebook into the public Technical Specification to ensure complete alignment of implementations. Consolidating validations within a single document would mitigate current and potential future inconsistencies. Moreover, this approach offers clarity and transparency in implementation for Swap Data Repositories (SDRs) and the industry at large.

There is no inherent obstacle preventing the inclusion of non-submittable fields in the Technical Specification, which the SDRs can store and utilize. The guidebook should not mandate a specific ordering of fields, as the composition of fields may evolve over time. Instead, the CFTC should list field names without imposing a particular sequence. While the details regarding the creation of each report and transmission standards may remain distinct, the fields within the reports should be integrated with the technical specification.

This approach alleviates the reliance of SDRs on the CFTC for guidebook updates before finalizing specifications for their clients.

Implementation of LEI updates for Corporate Actions

SDRs should possess the capability to integrate entity management systems that accommodate changes to entities over time, particularly in response to corporate actions such as mergers, acquisitions, or other restructuring events necessitating updates to counterparty identifiers.

Requiring all reporters to resubmit trades for LEI updates is impractical, as it results in fragmented data and unnecessary duplication. A standardized global approach to reporting and processing corporate actions is needed to ensure data integrity and streamline operations.

Tracking and processing corporate actions enables SDRs to offer comprehensive search functionality by LEI, providing regulators with access to all relevant trade data associated with a particular entity. This standardized process promotes cost and resource efficiency for reporting entities and SDRs alike, eliminating the need for widespread resubmission of trades affected by corporate actions.

Recommended Process:

- Notification of Change: The entity with the new LEI or the entity reporting trades involving the counterparty must notify the relevant SDR(s) of the change and request an update to the identifier in outstanding swaps. SDRs may also identify the need for a change based on updates from GLEIF.
- Identification and Replacement: SDRs identify outstanding swaps where the entity is identified with the old LEI and replace it with the new LEI. This applies to various fields such as Reporter identifier, Counterparty identifiers, Clearing member, etc.
- Controlled Process for Partial Events: In cases of partial events like acquisitions or spin-offs, the entity must provide the SDR with the UTIs of the swaps impacted by the event, along with necessary documentation and evidence.
- Notification and Validation: Prior to processing the change, the SDR notifies participants and regulators of the impending update and ensures the new LEI is present in GLEIF.

Changes are recorded in the SDR's system, and subsequent submissions against the old LEI are rejected post-update.

This structured approach ensures timely and accurate updates to LEIs in SDRs, facilitating regulatory compliance and data integrity.

Counterparty 2 Updates

The assurance of uniqueness is achieved through the key of the UTI combined with Counterparty 1 (CP1). Counterparty 1 (CP1) and Counterparty 2 (CP2) identifiers cannot be altered on a trade unless prompted by a corporate event or an upgrade from a Privacy Law Identifier, while ensuring that the underlying entity remains unchanged. As such, the LEI change process above should be invoked. The change should not be allowed via a simple MODI action type.

The UTI is strictly prohibited from being modified once it has been reported. Its uniqueness must be maintained at the counterparties level, where the combination of CP1 and UTI must be unique.

It is essential to achieve global harmonization in the processes governing the update of both UTIs and LEIs. The absence of harmonization can lead to significant costs for both reporting parties and repositories.

For reference, the current standard established by the European Securities and Markets Authority (ESMA) for the Counterparty 2 (CP2) field states, "The value populated in this field when the trade is reported for the first time shall not be modified in subsequent reports." Consequently, if CP2 is erroneously reported in accordance with the EMIR, the UTI will need to be flagged as an error (EROR) and resubmitted with a new UTI. In the event that another jurisdiction permits modification of CP2, the trade could potentially end up with two different UTIs, leading to data inconsistency and regulatory non-compliance.

Ensuring the uniqueness of UTIs is crucial in preventing scenarios where two different trades are reported using the same UTI. Moreover, it underscores the importance of maintaining the stability of CP1 and CP2 identifiers, barring specific events or circumstances necessitating their modification.

Corrections

There is a pressing need for clarity regarding the process of reporting "Corrections." It is essential to define the jurisdictions and reporting workflows to specify whether only the most recent message can be corrected, or if previous messages also require correction.

If corrections are expected to apply to messages other than the last one, a mechanism must be established for the correction event to identify the specific message being corrected. This necessitates the inclusion of a message identifier for each message, and a correction message should clearly indicate which message it is correcting.

Given that "CORR" is an action type without allowance for correcting an incorrect action type on a message, and lacks an associated event type, it is unable to address corrections to event types. This limitation extends to Valuations and Collateral messages, which may also require corrections to the submitted data.

Part 43 Clarifications

The CFTC ought to undertake a comprehensive review of the language in Part 43 to provide clarity. This review should encompass the following aspects:

- regarding the procedures for updating previously disseminated messages. Presently, the regulations primarily focus on the submission of NEWT messages based on execution time rather than amendments. This review should encompass the following aspects:
 - Confirmation regarding the recalculation of block/large notional swap calculations on each submission versus consistently utilizing the value from the NEWT message. If it is recalculated, is it based on the outstanding or transacted notional?
 - Confirmation that delays on updates should be determined based on the event timestamp rather than the execution timestamp, as referenced in the regulatory text regarding the "date of execution."
- Clarification of the timeliness requirements on "As Soon As Technologically Practicable" (ASATP) to establish a definitive "no later than" rule for each type of submission. It is imperative for compliance purposes that entities can clearly discern their obligations and monitor their adherence to regulatory requirements.

For instance, in accordance with 43. (g) pertaining to time delays for large notional off-facility swaps in the other commodity asset class not subject to mandatory clearing requirements with at least one swap dealer or major swap participant counterparty, the regulations stipulate a two-hour time delay for public dissemination of swap transaction and pricing data following the execution of such swaps.

To address specific scenarios:

- If a Large Notional Swap (LNS) election is true and the message is submitted later than two hours after execution, would it be considered late?

- Conversely, if a LNS election is false and the message is submitted later than two hours after execution, it may also be deemed late, given that it would be disseminated later than a delayed LNS message.

Fields KOR recommends adding to enhance compliance

While it is imperative to avoid incorporating noncritical fields into reporting protocols, it is equally vital to include fields that are indispensable for SDRs to accurately process and validate data and provide precise access to sensitive information. Furthermore, it is crucial that the information conveyed within each message enables market participants, SDRs, and the Commission to conduct comprehensive analyses of swaps for reporting compliance, encompassing aspects such as timeliness, accuracy, and the absence of reports. Therefore, KOR advocates for the addition of the following fields, considering their significance in fulfilling these objectives.

Reporter Identifier

As Counterparty 1 does not assume the reporting responsibility for On Facility Swaps, wherein the SEF acts as the reporter, nor for Cleared - Termination messages, wherein the DCO serves as the reporter, the inclusion of this field would distinctly delineate the party tasked with reporting obligations in the submitted message.

Responsible Reporting Entity

The Responsible Reporting Entity field serves to designate the entity assuming the responsibility for reporting. For instance, in cases where an Agent reports on behalf of their funds, this field would delineate the responsible party. Given the increasing significance of reporting services, the Submitter Identifier no longer consistently identifies this delegation, particularly when the delegated reporting entity utilizes a service provider as the submitter. Nonetheless, access to the data in the SDR remains essential for such entities.

Counterparty 1 Agent/Counterparty 2 Agent

When an agent participates in the execution of a swap, they are often delegated the responsibility of reporting by the funds they manage. Consequently, it is crucial that they are granted access only to the swaps they personally executed. This access cannot be granted indiscriminately, as a fund may have multiple managers, and each should only have access to the trades they individually executed.

Asset class

Given the possibility of the "Other" designation within the asset class on UPIs, it is essential for SDRs to ascertain the appropriate asset class against which a message should be validated, as per the Technical Specification.

Component Reference Price Category

The reporting party should provide a field ("Component Reference Price Category") with a value pertinent to the asset class, as stipulated in CFTC Rule §43.6(c), signifying the relevant block/cap category as published by the Commission, or indicating "Not Covered" when the underlier is absent. This requirement is in accordance with the mandates delineated in §43.6(h), pertaining to requisite notifications for off-facility swaps meeting minimum block size criteria.

As reporting parties are already tasked with computing this information as per regulatory directives, they are expected to be equipped to furnish this data. Ensuring direct transmission of this information from the reporting party to the SDR is imperative, as it may not always be feasible for the SDR to accurately ascertain this information solely from the provided UPI, especially in instances where the UPI classification is designated as "Other." Even in scenarios where SDRs collaborate with the commission to map existing UPIs to their respective categories, the introduction of new UPIs would necessitate continual updates, potentially resulting in submission rejections and dissemination delays. Hence, this field should be mandatory for all Part 43 messages and designated as "Not Required" for Part 45 messages.

Commodity Swap Category/Other Commodity Swap Category

Reference Commodities Masked UPI section. The inclusion of this field is imperative to enable the reporting party to effectively instruct the SDR to accurately disseminate the swap.

Commodity Region/Other Commodity Region

Reference Commodities Masked UPI section. The inclusion of this field is imperative to enable the reporting party to effectively instruct the SDR to accurately disseminate the swap.

Client Trade Identifier

The field "Client Trade Identifier" serves the purpose of enabling clients to establish a linkage between their regulatory messages and their internal trade capture system.

Would be designated as optional.

Client Message Identifier

The purpose of the "Client Trade Identifier" field is to facilitate clients in establishing a connection between their regulatory messages and their internal trade capture system for each specific reported message.

Would be designated as optional.

Reporting entity legal holiday calendar

Recognizing the paramount importance of timeliness in reporting requirements, it's imperative for SDRs to verify the timeliness of reporting by market participants. An

essential component for calculating timeliness is the accurate determination of 'business days.' Currently, this calculation requires knowledge of legal holidays specific to the reporting entity, which is not included in the message. It should be explicitly clear that SDRs must have access to this information, whether provided at the trade level or during onboarding.

Additionally, SDRs must possess the capability to calculate business days to comply with dissemination delays as outlined in Regulation 43.5(h)(3) and Table C6 to Appendix C, which mandates dissemination within '24 business hours immediately after the execution of such swap.'

Alternatively, the CFTC could update the definition of "business day" to align with US Bank Holidays. This adjustment would provide clarity and consistency in determining business days across reporting entities, ultimately facilitating more accurate and efficient reporting practices.

Exempt Public Related Message

For Part 45/Transaction transaction messages, there should be an indication whether a related Part 43/Public message is not anticipated, along with the reason for this expectation. This field enables regulators and SDRs to assess the completeness of reported Part 43 messages associated with Part 45 messages. Currently, clients must assess this aspect before submitting any message to the SDR to ascertain whether only Part 45 or both Part 43 and Part 45 message types are required. This field would be mandatory for Part 45 messages and marked as "NR" for Part 43 and Valuation/Collateral message types. Example enumeration list:

- IS_PUBLICLY_REPORTABLE
- MIRROR_SWAP
- NOT_PRICE_FORMING
- NOT_ARMS_LENGTH
- UPDATE_OF_NON_PART_43_DATA_FIELD
- CROSS_BORDER_EXEMPTION
- CLEARING_MEMBER_DEFAULT_MANAGEMENT
- DOES_NOT_CHANGE_THE_MARKET_RISK_POSITION
- PORTFOLIO_COMPRESSION



- PORT_IN

KOR appreciates the opportunity to comment on the Proposed Rule Change. Should you have any questions or comments regarding this letter, please feel free to contact me (tmanuel@korfinancial.com, 678-612-6133).

Sincerely,

A handwritten signature in black ink, appearing to read 'Tara Manuel'.

Tara Manuel

Chief Compliance Officer, KOR Reporting

cc: Honorable Chairman Rostin Behnam
Honorable Commissioner Christy Goldsmith Romero
Honorable Commissioner Kristen N. Johnson
Honorable Commissioner Summer K. Mersinger
Honorable Commissioner Caroline D. Pham