Swap Data Reporting and Recordkeeping



July 25, 2013

Prepared by CFTC Staff for the Agricultural Advisory Committee

Regulatory and Public Reporting Requirements

- Regulatory & Public Reporting Rules CFTC finalized the reporting rules (parts 43 and 45) in December 2011 and the historical swap reporting regulations (part 46) in June 2012.
- <u>Provisionally Registered SDRs</u> CFTC has provisionally registered 3 SDRs to date.
- <u>Part 45</u> Phased reporting of regulatory (nonpublic) swap transaction data to SDRS:
 - Interest Rate and Credit Default Swap Asset Classes
 - ➤ SDs & MSPs began reporting December 31, 2012 & February 28, 2013
 - > Financial entities began reporting April 10, 2013
 - Non-SD, non-MSP, non-financial entities began reporting on July 1, 2013
 - Associated backloaded data to be reported by August 1, 2013
 - Equity, Foreign Exchange and Other Commodity Asset Classes
 - > SDs & MSPs began reporting February 28, 2013
 - Financial entities began reporting May 29, 2013
 - ➤ Non-SD/MSP, non-financial entities to begin reporting on August 19, 2013
 - Associated backloaded data to be reported by September 19, 2013
- <u>Part 43</u> Publicly reported swap transaction data to be publicly disseminated using the same phased compliance schedule as required for part 45 above.
- <u>Part 46</u> Phased historical swap transaction data reported to SDRs by <u>October 31</u>,
 2013 for Non-Financial Entities and <u>September 30</u>, 2013 for Financial Entities

Who Reports?

<u>Reporting Hierarchy</u> – Section 45.8 (Determination of Which Party Must Report) provides a hierarchy to determine which counterparty is required to report the swap transaction data to an SDR.

Swap Dealer



Major Swap Participant



Financial Entity



"Tie-breaker"

- 1) On a SEF or DCM: parties decide
- 2) Off platform: parties agreement to be included as a term to the contract



US Person: Both counterparties are "Nons", and one is a non-US person



Non-US Persons

1) If trade executed on a SEF, DCM or DCO, parties agree

What's an LEI? What's a CICI?

Legal Entity Identifier ("LEI")

Each counterparty to any swap subject to the jurisdiction of the Commission shall be identified in all recordkeeping and all swap data reporting by means of a single legal entity identifier as specified in this section. (§ 45.6)

CFTC Interim Compliant Identifier ("CICI")

- A CICI is a unique code associated with a single legal entity in accordance with the ISO 17442 standard.
- The CICI is the temporary identifier recognized by the Commission, until such time
 as a global LEI system is approved the Commission.
- A CICI will become an LEI once the global LEI system is finalized.
- The CICI Utility has been designated by the CFTC as the sole provider of CICIs.
- The CICI utility is publicly available at: https://www.ciciutility.org/
 - Search for existing CICIs
 - Register for a CICI
 - FAQ

Reporting Relief

<u>Reporting Relief Provided</u> - CFTC has provided reporting relief in the form of no-action letters and interpretive guidance.

- No-Action Letter 13-08: Trade Option Exemption
- ➤ **No-Action Letter 13-09**: Swaps Between Affiliated Counterparties
- ➤ **No-Action Letter 13-10**: Delayed Reporting for Certain Counterparties
- ➤ No-Action Letter 13-34: Cleared Swap Valuation Reporting
- ➤ **No-Action Letter 13-35**: Bespoke Transactions
- ➤ **No-Action Letter 13-36**: CDS Clearing Related Swaps
- ➤ No-Action Letter 13-41: Privacy and Masking

Resources

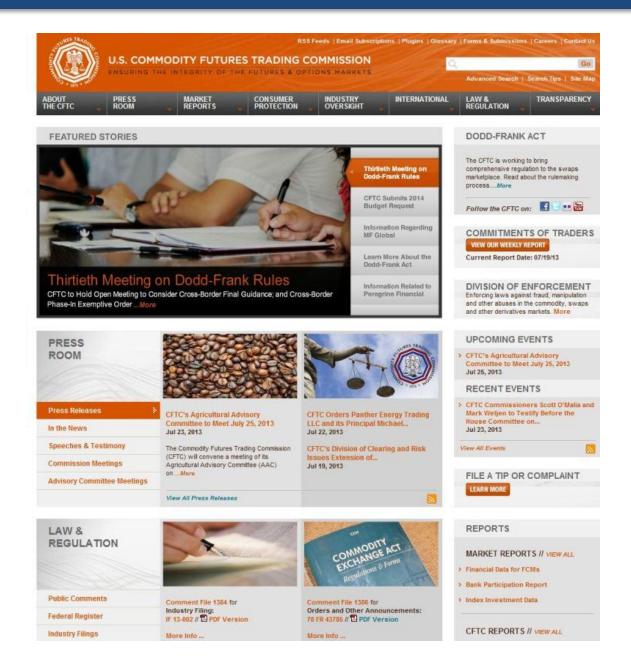
<u>Resources</u>- The Commission's Web Site provides access to not only the rules, but also the no-action letters, interpretive guidance, exemptive orders, FAQ, Q&As, Fact Sheets and more.

Commission Web site: www.cftc.gov

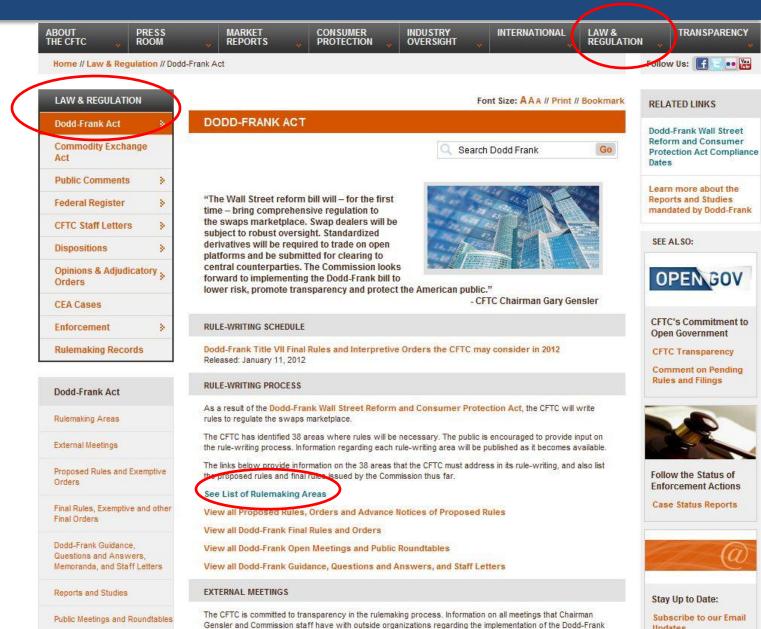
- Final Rules:
 - Part 43
 - Part 45
 - Part 46
- Provisionally Registered SDRS find which asset classes they support
 - ➤ CME
 - ➤ DTCC
 - ➤ Ice Trade Vault
- FAQs, Q&As, Fact Sheets
- Reporting Relief

The Best Resource - Commission Web Site

www.cftc.gov



The Best Resource - Commission Web Site 2



Wall Street Reform and Consumer Protection Act will be made public. The topics of the meetings, attendees,

summaries of the meetings and any materials presented to the CFTC are posted here.

See List of External Meetings

Compliance Dates

Updates

The Best Resource - Commission Web Site 3

RULEMAKING AREAS

CFTC RULEMAKINGS

As a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the CFTC will write rules to regulate the swaps marketplace. The CFTC has identified 38 areas where rules will be necessary. The public is encouraged to provide input on the rule-writing process. Information regarding each rule-writing area will be published as it becomes available.

Data:

Swap Data Repositories Registration Standards and Core Principle Rulemaking, Interpretation & Guidance

Data Recordkeeping & Reporting Requirements

Real-Time Reporting

Large Swaps Trader Reporting