

MEMO# 32480

May 22, 2020

ICI Files Comment Letter with CFTC on Swap Data Reporting Proposals

[32480]

May 22, 2020 TO: ICI Members

Derivatives Markets Advisory Committee SUBJECTS: Derivatives

Investment Advisers

Trading and Markets RE: ICI Files Comment Letter with CFTC on Swap Data Reporting Proposals

On May 22nd, ICI filed a comment letter with the Commodity Futures Trading Commission on proposed amendments to the Commission's regulations regarding swap data reporting. The letter is attached and summarized below.

The CFTC's proposals would revise CFTC regulations for swap data reporting, dissemination, and public reporting requirements for market participants, and amend CFTC regulations related to swap data repositories (SDRs). Specifically, the Commission has (i) proposed amendments to its regulations under Part 43 regarding real-time public reporting and dissemination of swap data ("Real-Time Reporting Proposal"); (ii) proposed amendments to its regulations under Part 45 regarding swap data reporting and recordkeeping for SDRs and other swap data reporting parties; and (iii) reopened the comment period for its previously issued proposal on SDR and swap data reporting requirements ("Reopened Reporting Proposal").[\[1\]](#) ICI's comment letter focuses on the Real-Time Reporting Proposal and the Reopened Reporting Proposal.

In brief, ICI's comment letter:

- Supports the CFTC's proposed definition of "block trade," which would ensure consistent treatment of block trades and large notional off-facility swaps and would promote clarity and consistency across CFTC regulations.
- Supports the CFTC's approach to swap categories for purposes of determining appropriate minimum block size (AMBS) but encourages the Commission to consider whether to include an AMBS for equity swaps, based on data the Commission has received from SDRs since 2013.
- Questions the basis for the CFTC's proposal to raise the block size threshold from a 50-percent to a 67-percent notional amount and raise the cap size from a 67-percent to a 75-percent notional amount. We urge the Commission to more closely evaluate a

broader range of data that it has received from SDRs to determine the appropriate thresholds for block and cap sizes, and the costs and benefits to the marketplace as a whole of changing these thresholds.

- Does not take a position regarding the appropriate length of a block trade reporting delay but asserts that it is likely that a “one size fits all” approach will not sufficiently reflect differences in liquidity among different types of swaps. We recommend that the Commission more closely analyze the anticipated market impact of various potential reporting delays, based on swap asset classes.
- Supports the CFTC’s proposed approach to delay reporting for post-priced swaps, as it would provide greater clarity and consistency regarding reporting of these swaps and prevent a fund’s trading information from being prematurely disseminated into the market

Sarah A. Bessin
Associate General Counsel

[Attachment](#)

endnotes

[1] For a summary of the CFTC’s proposals, *please* see ICI [Memorandum No. 32276](#) (March 12, 2020)

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.