

MEMO# 29940

May 31, 2016

ICI Submits Comment Letter in Response to Swap Data Repository Rulebook

[29940]

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TO: DERIVATIVES MARKETS ADVISORY COMMITTEE No. 24-16
ICI GLOBAL TRADING & MARKETS COMMITTEE No. 21-16 RE: ICI SUBMITS COMMENT LETTER
IN RESPONSE TO SWAP DATA REPOSITORY RULEBOOK

ICI recently submitted a comment letter to the Securities and Exchange Commission ("Commission") in response to ICE Trade Vault's proposed rulebook for its security-based swap data repository ("SDR"). As previously reported, if a fund is a counterparty to a trade reported to ICE Trade Vault, the ICE Trade Vault rulebook would require that fund to enroll as a "Participant" of the SDR. As a "Participant," the fund would have various obligations under ICE Trade Vault's rulebook that the Commission did not contemplate when it adopted its reporting rules for security-based swaps ("Regulation SBSR") and SDR registration rules.

[\[*\]](#)

ICI's letter commends the Commission for recognizing that funds and other end users of security-based swaps typically will lack the infrastructure to report these transactions to SDRs and for adopting rules that generally recognize these limitations. The letter recommends that the Commission follow certain principles in reviewing and approving SDR rulebooks, including those of ICE Trade Vault, to fulfill the Commission's intention not to burden unduly or unreasonably funds and other end users that do not have the primary obligation to report security-based swaps.

Part I of our letter explains the legal requirements that the Commission imposed on funds and other end users of security-based swaps in Regulation SBSR and describes why the Commission should not allow SDRs to expand the scope of these requirements. Part II urges the Commission not to approve SDR rules that would condition a fund's ability to meet its reporting requirements under Regulation SBSR on the fund agreeing to become a participant of that SDR. Part III urges the Commission not to approve any SDR rule that would expand the scope of obligations placed on funds and other end users of security-based swaps. Part IV recommends that the Commission ensure that SDR rulebooks contain unambiguous and complete information to allow potential users to understand SDR operations.

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George M. Gilbert
Counsel

[Attachment](#)

endnotes

[*] See ICI Memorandum 29893, available at
https://www.ici.org/my_ici/memorandum/memo29893 (May 5, 2016)

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