

31 May 2016

Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090
Via email

Re: Comments on Notice of Filing of Application by ICE Trade Vault LLC; File Number SBSDR-2016-01

Dear Secretary

Clarus Financial Technology ("Clarus") welcomes the opportunity to respond to the recent application by ICE Trade Vault for a Securities Based Swap Data Repository.

We at Clarus are strong proponents of transparency in OTC derivative markets. We have been providing the swaps industry with data tools to help increase the awareness and understanding of publicly disseminated data. All of our data products collect, cleanse, normalize, and enrich public data, as follows:

- SDRView: Cleansed SDR Data (CFTC part 43)
- SEFView: Cleansed SEF Data (CFTC part 16)
- CCPView: Cleansed clearing house data (generally not provided under regulatory requirement)

We would like to ensure the publicly disseminated data from SBSDR's builds on lessons learned from our experience with observing other public swaps data. I would like to begin by sharing our experience with existing publicly disseminated OTC data around the world, which can be summarized briefly as:

- International Regulatory ex-USA: Public data is generally of little use as it is aggregated at a very high level, for example notional amounts per currency per asset class, not even product type.
- International Industry groups: Public data is both very infrequent and aggregated at a high level
- CFTC Part 43 data: This public data ranges from poor to sometimes good quality trade level data

The issues with the CFTC Part 43 public data can be summarized as:

- Lack of Clearing House data field. We at Clarus consider this price-forming information.
- Lack of Inter-dealer or Dealer-to-Client flag
- Lack of sufficient data to describe less frequent yet common products. Examples are variable notional swaps, FX barrier and FX digital options.
- We often get asked for other data elements that would help assess the market:
 - Voice vs Electronic
 - Execution methods (RFQ or CLOB)

- Execution venue (SEF)
 - Package trade links & identifiers
- Quality of the data is often questionable. We are forced to exclude some data that is likely just mis-reported, for example with fixed and floating payment details that are likely “flipped”.
- There is no public forum or feedback loop for consumers of the data to report suggestions or errors to either the SDR or CFTC.

We would like to commend the commission and ICE Trade Vault on a number of initiatives in the law and proposed application:

- Verification for completeness and accuracy of reported data, and policies to correct such data
- Improved public data, for example the Dealer to Dealer Flag.
- Freedom for any SBSDR flag that the SBSDR feels appropriate. Our interpretation is that the SBSDR will make available, sanity check, require reconciliation for, and publicly disseminate enough data for the public to price each trade, and to have enough information to explain why some trades are not dealt at market prices. For example, we would expect the following as a sample of such fields:
 - CCP
 - Package Trade flags
 - Netting/Compression flags
 - Inter-Affiliate flags
- Positions reports for participants (not publicly disseminated)

We would like to comment on three explicit questions in the notice and make one general comment:

Q 17. Need for Participant Agreement.

We believe that for the industry to readily make sense of the disseminated data, the SBSDR needs to make data formats and descriptions publicly available, and not just for participants that have signed a participant agreement.

Q 21. Please offer any suggestions generally for how the publicly disseminated information could be made more useful.

We believe that the public and industry at large deserve full transparency into the economic details of each transaction, to an extent whereby the public can price each transaction (exclusive of counterparty related costs) with their own pricing model. We applaud the general catch-all of 901(c)(7) for conditional flags that are deemed relevant to the trade, however we believe there will be price-forming information maintained and reported under other sections of the Rules that will not be disseminated:

- 901(d)(3) – terms of fixed or floating payments, or other non-standard payment streams
- 901(d)(5) – any other terms of agreement required for determining market value

- 901(d)(6) – the name of the clearing house if not provided under 901(c)
- 901(d)(8) – settlement terms (Cash, Physical, and reference)
- 901(d)(9) – Platform ID / SEF

We believe by giving the industry enough data necessary to determine market value (ex-counterparty costs), the industry will be able to perform basic market analytics (such as market share, TCA) and will hence be able to obtain an un-distorted view of the market, and more effectively self-police it.

Q 24. Conditional Flags

We would like to confirm our understanding that the fields reported per Exhibit N.5 as “907(a)(4)(i)”, such as the inter-affiliate flag, are to be publicly disseminated. It is our belief, and our interpretation, that these will be reported, so as to allow a consumer of the data to have an appropriate view of the market.

We would further like to see execution related flags reported, as these aid in a clear view of the market:

- Voice / Electronic
- RFQ / CLOB

Other. Error Correction

We would like to commend the Commission and ICE Trade Vault for addressing Error correction in rule 905. We would like to suggest that the public be given a forum or other feedback method for public trade reports that seem to be in error, and for general suggestions to improvements in the reported data.

Regards,



Tod Skarecky
Vice President