

August 30, 2017

Submitted via <https://www.sec.gov/rules/other.shtml>

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Comments regarding DTCC Data Repository (U.S.) LLC; Notice of Filing of Amended Application for Registration as a Security-Based Swap Data Repository (Release No. 34-81302; File No. SBSDR-2016-02)

Dear Secretary Fields,

The International Swaps and Derivatives Association, Inc. (“ISDA”)¹ appreciates the opportunity to provide comments to the U.S. Securities and Exchange Commission (“SEC” or “**Commission**”) on behalf of its members which may have obligations under *Regulation SBSR - Reporting and Dissemination of Security- Based Swap Information; Final Rule* (“SBSR”) with respect to the amended application of **DTCC Data Repository (U.S.) LLC** (“DTCC”) for registration as a security-based swap data repository (“SBSDR”).

While we express our general support for DTCC’s amended application, ISDA has included comments below regarding certain aspects of the application. References are made to the DTCC Rulebook (“**Rulebook**”) and other Form SDR Amended Application and Exhibits.

I. COMMENTS

As a general matter, ISDA has been a long-term advocate of the need for globally harmonized reporting requirements, including the use of aligned formats, definitions, and values for data fields, and globally recognized standards for product identification and transaction identification.

¹Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has more than 875 member institutions from 68 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association’s web site: www.isda.org.

We support the global initiatives undertaken by the Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions (“CPMI-IOSCO”) Harmonisation Group (“**Harmonisation Group**”) for the standardization and harmonization of the Unique Transaction Identifier (“**UTI**”), Unique Product Identifier (“**UPI**”), and Critical Data Elements (“**CDE**”). Further, we recommend that the Commission endorse the relevant global standards when the Harmonisation Group has completed their initiatives.

A. Streamlining functionality

ISDA believes that the requirements of SBSDRs which are recognized by the Commission should be harmonized to the greatest extent possible in order to promote build efficiencies and mitigate costs for sides that are required to onboard to more than one SBSDR to comply with their obligations under SBSR. ISDA supports SBSDR functionality for message types and data elements that can be used multi-jurisdictionally for reporting, including data elements recommended globally by the CPMI IOSCO Harmonisation Group for UTI, UPI, and CDE.

B. Unique Identification Codes

ISDA recommends that requirements for Unique Identification Codes (“**UICs**”) be as prescriptive as possible, to avoid reporting inconsistencies, including prescribing whether or not zeros will be permitted as padding in UIC codes. Consistent with feedback ISDA has provided to the CPMI-IOSCO Harmonisation Group in response to its consultations on reporting data elements, ISDA does not recommend padding with zeros since we believe it unnecessarily increases the volume of data reported. In line with this view, we request that DTCC specifications clarify that Users will not be required to use zeros (0) in order to fill places for any UICs.

Separately, we have provided additional comments below regarding the Transaction ID, Branch ID, Trader ID, and Trading Desk ID requirements.

1. Branch IDs

In July, 2016, the Legal Entity Identifier (“**LEI**”) Regulatory Oversight Committee (“**ROC**”) published a policy document *Including Data on International/Foreign Branches in the Global LEI System*² which put forth the policies, definitions, and conditions for issuance of LEIs for international branches. ISDA is a strong advocate of the global LEI work on international branches, however, implementation is currently ongoing.

Until the aforementioned implementation of LEIs for international branches is fully completed, SBSDRs will need an alternate approach to identifying branches. ISDA supports DTCC’s approach to branch IDs, using a prescribed format of the two digit ISO alpha country code and the two digit subdivision (city) code where the branch or other unincorporated office is located,³ until implementation of the global LEI standard for international branches is complete.

² https://www.leiroc.org/publications/gls/roc_20160711-1.pdf, (July 11, 2016).

³ <https://www.sec.gov/rules/other/2017/dtcc-data-repository-form-sdr-amended.htm>.

This position is consistent with ISDA’s recommendation in its August 22 letter regarding ICE TV.

2. Trader ID and Trading Desk ID

There are currently no industry standards for UIC codes for identifying traders. In the absence of an international standard endorsed by the Commission, §242.903(a) requires an SBSDR to assign UICs. For Trader ID field and Trading Desk ID, DTCC has proposed in Exhibit GG3 that each user is required to create the identifier in the prescribed format, and be responsible for maintaining the accuracy of the ID. ISDA supports this approach until such time as an international standard for the respective identifier is endorsed by the Commission.

In terms of prescribed format, DTCC requires Users to populate the Trader ID field and Trading Desk ID using an alphanumeric code with 10 characters or less. ISDA supports this approach, and reiterates that ICE TV harmonize Trader ID and Trading Desk ID specifications with that of DTCC’s.

3. Transaction IDs

The CPMI-IOSCO Harmonisation Group published its recommendations for the global UTI standard⁴ in February, 2017. ISDA supports CPMI-IOSCO’s harmonization efforts, and recommends that the Commission endorse the CPMI-IOSCO global UTI as the Transaction ID for SBSR. ISDA therefore supports and appreciates the amendments made in DTCC Exhibit GG3 to recognize the CPMI-IOSCO UTI as the Transaction ID in anticipation of global implementation and widespread adoption and availability of the global UTI.

C. Verification methodology

For the avoidance of doubt, we recommend that the DTCC verification methodology in 3.3.4.1 of the DTCC Rulebook be aligned with that of ICE TV⁵ to reflect that the non-Reporting side does not have an obligation to verify or dispute the accuracy of the trade information that has been submitted by the Reporting side.

⁴ *Harmonisation of the Unique Transaction Identifier Technical Guidance* (February 2017), <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD557.pdf>

⁵ The verification process proposed in the ICE TV Amended Guidebook Section 4.2.3 provides “Users that are non-Reporting Sides may (but are not obligated to) verify or dispute the accuracy of trade information that has been submitted by a Reporting Side to ICE Trade Vault where the non-Reporting Side is identified as the Counterparty by sending a verification message indicating that it verifies or disputes such trade information.”

D. Terminology

ISDA recommends that SBSDR documents, including DTCC’s SBSDR amended application and Exhibits, use terms relevant for SBSR, such as “platforms” as set forth in 242.900(v), or Security Based Swap Execution Facility (“SB SEF”) as set forth in the Securities Exchange Act §3(a)77⁶. Aligning terminology will reduce uncertainties, avoid confusion, and promote consistency of reporting under SBSR.

For example, certain Exhibits use terms which are more applicable for CFTC transaction reporting. We provide a few excerpts from Exhibit M to demonstrate, however this list is not all-inclusive.

- “...for a position submitted by a swap execution facility (“SEF”) or designated contract market (“DCM”), the User, who is not the SEF or DCM, for whom or on behalf of whom the trade is submitted...”
 - This excerpt from Exhibit M refers to SEFs and DCMs, which are terms used for CFTC trade reporting.
- “Notwithstanding anything to the contrary contained herein, a derivatives clearing organization, as such term is defined in the Commodity Exchange Act section 1(a)15 (a “Clearer”)...”
 - This excerpt from Exhibit M appears to refer to the CFTC derivatives clearing organization (“DCO”) in the definition for “Clearer.”

II. CONCLUSION

ISDA is committed to helping its members and the industry to prepare to meet their obligations under SBSR. We would like to thank the Commission for its consideration of the comments provided in this letter. ISDA reiterates its support for DTCC’s application as a SBSDR, and looks forward to the Commission’s recognition of DTCC.

Sincerely,



Eleanor Hsu
Director, Data and Reporting
International Swaps and Derivatives Association, Inc.

⁶ <https://www.sec.gov/about/laws/sea34.pdf>