

August 22, 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: ICE Trade Vault, LLC Notice of Filing of Amended Application for Registration as a Security-Based Swap Data Repository (Release No. 34-81223; File No. SBSDR-2017-01)

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 ICE Trade Vault, LLC’s (“**ICE TV**”) for registration as a security-based swap data repository (“**SBSDR**”).

Following are ISDA’s comments regarding aspects of ICE TV’s amended SBSDR application, with primary focus on Exhibit GG.2, the Security-Based Swap Data Repository Guidebook (“**Guidebook**”).

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.

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While we express our general support for ICE TV's amended application, we believe that certain requirements can be amended to improve clarity, promote data accuracy, and reduce unnecessary costs.

I. COMMENTS

A. *Not Applicable or N/A*

Section 4.2.5 of the Guidebook requires reporting counterparties to input "Not Applicable" or "N/A" where a data field is not applicable for: (1) a pre-enactment and transitional ("**Historical**") security-based swaps ("**SBS**") submission; and (2) an exotic SBS submission.

Requiring reporting counterparties to submit such terms:

- increases the size of reported messages, the scope of reported data, and costs without commensurate benefits.
- implies that the reporting counterparty has analyzed and determined that a certain data element does not apply, therefore implying a level of due diligence has been performed by the party.
- does not enhance regulatory oversight.²

Therefore, we ask that Section 4.2.5 be amended to eliminate this requirement for both Historical and exotic SBS.

Additionally we note that SEC Rule 242.901(i) requires the reporting of Historical SBS only to the extent that information about such transactions "is available." Requiring reporting counterparties to input and report "N/A" or "Not Applicable" for Historical SBS appears to run contrary to SEC Rule 242.901(i).

B. *Dispute functionality*

Section 4.2.3 of the Guidebook provides that non-reporting side may verify or dispute the accuracy of trade information that has been submitted by a reporting side to ICE TV by sending a verification message indicating that it verifies or disputes such trade information. Section 4.6.1 of the Guidebook further provides that "[u]sers are required to promptly notify ICE Trade Vault of trade information that is disputed."

We seek clarification that this requirement in Section 4.6.1 is only limited to cases where the non-reporting side, as part of the verification process, does not agree with the reported information and has elected to submit a dispute message via the processes outlined in Section 4.2.3 of the Guidebook.

² ISDA has voiced a similar view to both the CFTC and the CPMI-IOSCO Harmonisation Working Group. See https://www2.isda.org/attachment/ODk3Ng==/CPMI-IOSCO_CDE2_ISDA_Response_30_November_2016_PUBLIC.pdf

C. Transaction ID

Section 6.1(7) of the Guidebook provides that “Transaction IDs shall not be more than 54 characters, all letters should be upper cased.” This requirement differs from the Unique Transaction Identifier (“**UTI**”) technical specifications of the Committee on Payments and Market Infrastructures and the International Organization of Securities Commission Harmonisation Group (“**CPMI-IOSCO HG**”). The CPMI-IOSCO HG³ recommends that regulators mandate a global UTI which has a maximum of 52 characters in length, constructed from the upper-case alphabetic characters A–Z or the digits 0–9.

We ask that Section 6.1 be revised to align its Transaction ID specification standards with the UTI global standard to produce better quality data and reduces compliance costs for market participants.

In addition, we seek clarification as to whether ICE TV Transaction IDs are permitted to contain numerical digits (*i.e.*, 0-9) and characters that are “special.”

Separately, Section 6.1(6) of the Guidebook provides that “a multijurisdictional transaction should never have multiple Transaction IDs.” While ISDA is a strong advocate of a unique transaction identifier to be used in reporting of a particular derivative transaction globally, we recognize that the Financial Stability Board Working Group (“**FSB GUUG**”) on UTI and Unique Product Identifier (“**UPI**”) has not yet released its final recommendations for the global implementation of the UTI. Prior to adoption of the global UTI recommendations by individual jurisdictional reporting regulations, reporting entities should not be faced with potential non-compliance of 6.1(6). For this reason, we suggest amending 6.1(6) to say that after recognition of the CPMI-IOSCO global UTI by the Commission per §242.903, a multijurisdictional transaction should never have multiple Transaction IDs.

D. Product ID

Section 6.5 states that the SBSDR Service will create products based on a SEC or CPMI-IOSCO accepted UPI taxonomy. The Guidebook further states that where a SEC or CPMI-IOSCO accepted UPI taxonomy is not available, then the ICE TV will create products based on its own product taxonomy. As a general matter, ISDA and its members fully support product identification based on the CPMI-IOSCO global UPI standard, when the standard is available and globally implemented. However, in the interim, we believe that the ISDA OTC Taxonomy should be recognized as an acceptable product ID given that it is already supported by the majority of market participants and accepted by the CFTC and other global regulators. If an SBSDR requires a different Taxonomy in the interim, new implementation mechanisms will be needed for most reporting sides, market infrastructure providers, and SBSDRs. Additionally, market participants will have to build for the prescribed method, incurring additional costs.

³ <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD557.pdf>.

E. Branch ID, Trader ID, Trading Desk ID

Section 6.4 of the ICE TV Guidebook states that Branch IDs, Trader IDs, and Trading Desk IDs:

“must consist of alphanumeric characters and be less than 54 characters long that have been concatenated with their LEI to ensure uniqueness across Users. All letters will be upper-cased to prevent duplicate reporting.”

In the absence of an internationally recognized standards-setting system endorsed by the Commission for particular Unique Identification Codes (“UICs”)⁴, ISDA recommends that the prescribed format for Branch IDs, Trader IDs, and Trading Desk ID be the same for ICE TV as for DTCC Data Repository (“DTCC”).

As a general matter, ISDA believes that the format for a particular identifier should be consistent across SBSDRs in order to streamline reporting party workflows, avoid additional costs, and help facilitate meaningful data aggregation. We note that we plan to make similar comments in our response to the DTCC amended application.

In addition, we request clarification that Users are prohibited from using zeros (0) in order to fill places for the 54 alphanumeric characters required by Section 6.4. We believe this will help reduce reporting inconsistencies and reduce the volume of data reported.

Separately, we have the individual comments below regarding Branch ID requirements, Trader ID requirements, and Trading Desk ID requirements:

1. Branch IDs

ISDA generally encourages that requirements for identifiers follow appropriate global standards where available, and highlight the Legal Entity Identifier (“LEI”) Regulatory Oversight Committee (“ROC”) and the Global LEI Foundation policy statement⁵ for issuance of LEIs for international branches. In the time prior to full implementation of branch identifiers from the Global LEI System, we recommend that ICE TV adopt DTCC’s approach to branch identification.⁶ In sum, DTCC requires the User to provide the 2 digit ISO alpha country code and the 2 digit subdivision (*i.e.*, city) code where the branch or other unincorporated office is located. More complete specifications are provided in the exhibits of the DTCC amended application.⁷

⁴ §242.903

⁵ https://www.leiroc.org/publications/gls/roc_20160711-1.pdf.

⁶ <https://www.sec.gov/rules/other/2017/dtcc-data-repository-form-sdr-amended.htm>.

⁷ <https://www.sec.gov/rules/other/2017/dtcc-data-repository-form-sdr-amended.htm>.

2. Trader IDs

It is possible for a trader to occasionally trade for different trading desks within the same institution, for example if covering for another trader, or due to travel. Therefore, requiring the concatenation of the LEI may result in one trader being identified with two different Trader IDs, making it more difficult for authorities to analyze aggregated data accurately. Therefore, we recommend that Trader ID not concatenate the LEI. Further, we recommend that ICE TV harmonize the specifications of Trader ID with that of DTCC's to reduce costs of compliance. DTCC requires that Users populate the Trader ID field using an alphanumeric code with 10 characters or less. More complete specifications are provided in the exhibits of the DTCC amended application.⁸

3. Trading Desk ID

We appreciate the efforts to ensure uniqueness of IDs, however the volume of data required to report is also an important consideration. Since the LEI of the reporting side is already provided in the report submitted to the SBSDR using other data fields, a requirement to provide the LEI again as part of the Trading Desk ID is duplicative, and increases the volume of data reported without added benefit.

Therefore, in line with our recommendations for consistent data formats across SBSDRs to improve consistency and reduce the overall costs of compliance, we recommend that (a) the LEI not be required as part of the Trading Desk ID and (b) ICE TV harmonize Trading Desk ID specifications with that of DTCC's. DTCC requires that Users populate the Trading Desk ID field using an alphanumeric code with 10 characters or less. More complete specifications are provided in the exhibits of the DTCC amended application.

F. Counterparty IDs.

Section 6.2 states that in instances a Counterparty does not have an LEI at time of reporting, or is not eligible to obtain an LEI, ICE TV requires the User reporting the trade to provide written communication to ICE TV that describes why the counterparty is reporting without an LEI. In addition, ICE TV requires the completion of the document a minimum of two business days prior to reporting. It is operationally challenging to complete the document to fulfill the requirement since the User may not have transparency into why the Counterparty LEI is not available two days prior to reporting.

In addition, as a general matter, we do not believe that SBSDRs should implement requirements regarding LEIs that go beyond those of the applicable regulatory requirements, as this places an unfair burden on the reporting counterparties and may impair the ability of reporting counterparties to comply with their reporting deadlines under SBSR.

⁸ <https://www.sec.gov/rules/other/2017/dtcc-data-repository-form-sdr-amended.htm>.

G. Fees for Non-Reporting Side UIC Updates.

The ICE TV Service and Pricing Schedule reflects that when a reporting side submits UIC information on behalf of a non-reporting side, that reporting side will not be charged an additional reporting fee. Similarly, additional fees should not be charged in cases where a non-reporting counterparty itself submits missing UIC information to ICE TV; the Service and Pricing Schedule should also reflect this.

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 regarding the amended SBSDR application of ICE TV. ISDA reiterates its support for ICE TV's application as SBSDR, and looks forward to the Commission's recognition of ICE TV.

Sincerely,



Eleanor Hsu
Director, Data and Reporting