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BASV-00005	Missing Transaction Type	ALL	Error (NACK)

## How Does DDR Calculate Trade State?

DDR calculates the trade state for every trading party in DDR and for all UTIs present in the system. The trade states are summed to determine the party-counterparty position.

DDR calculates the trade state for a given UTI by summing the trade events that DDR receives for that particular UTI.

## How Does DDR Calculate Positions?

DDR receives certain data provided by reporting sides pursuant to SEC Rule 901(c), (d), and (e) for security-based swaps. Each security-based swap, distinguished by its unique transaction identifier ("UTI"), is referred to by DDR as a "trade."

Trade records are comprised of a series of messages, each referred to as a "transaction." Examples of transactions include, for example, terminations, amendments, and novations. DDR receives transaction data and records that information by UTI. Each transaction data report is incorporated into the full trade record for a UTI and, over the course of the life of a trade, subsequent lifecycle event reporting is added to the trade's record.

On a daily basis, for each open UTI, the standard position calculation algorithm reviews a trade's cumulative set of transactions to aggregate and net these discrete submissions to calculate the final end of day position for a specific trade. DDR refers to this information as a trade's "position."

DDR then consolidates individual trade position information into "aggregate positions" for all open trades for which DDR maintains records. This information is reported on a daily basis in the format below and allows for aggregation by the asset class-specific attributes noted in each table. Aggregate position reports are created once a day during the DDR batch cycle which starts at 04:00 EST in the US Data Center.

DDR's standard reports include header records containing both the business date for which the report was generated and also the actual date that the report ran. DDR daily reports provide the following aggregate position information for all reporting parties with security-based swaps:

Underlying Asset Identifier Type	Underlying Asset ID	Underlying Asset Name	Reporting Party	Buy Contracts	Sell Contracts	Buy Notional (USDEQ)	Sell Notional (USDEQ)	Gross Notional (USDEQ)	Net Notional (USDEQ)
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In order to calculate Positions, DDR requires reporting parties to provide all necessary information in order to establish the trade state for a specific swap ("Trade State").

Upon request, based on the data attributes available in DDR's databases, the DDR System is able to utilize the Trade States to allow for the calculation of specific Positions based on one or more of the following attributes:

- i. Underlying instrument, index, or reference entity;
- ii. Counterparty;
- iii. Asset class;
- iv. Long risk of the underlying instrument, index, or reference entity; and
- v. Short risk of the underlying instrument, index, or reference entity.

## How Do I Confirm, Verify or Dispute the Accuracy of a Security-Based Swap Transaction?

Data that has been submitted to DDR must be complete and accurate. DDR provides facilities reasonably designed to allow a reporting-sideReporting Party to confirm a position and the non-reporting User to verify a position in which they are a counterparty, in addition to providing Users the opportunity to effectively resolve disputes over the accuracy of transaction data and positions that are reported to DDR.

The SDR Services will make available trade detail reports that enable Users to view all records, including records submitted by the User and records submitted for a trade allegedly identifying the User as a counterparty to the trade. These reports will allow Users to reconcile the records in the SDR Services to their own risk systems.

The Users shall be responsible for resolving any disputes between themselves uncovered during the reconciliation process and, as appropriate, submitting correct information pursuant to the DDR Rulebook. The disputed status will remain until the Reporting Party updates the transaction. See the "Dispute" Section below for more information.

DDR's confirmation and pairing methodology and verification process (utilized by the non-reporting-sideNon-Reporting Counterparty User) are described below.

### Pairing Methodology to Confirm a Position

DDR will establish the pairing method using three key data elements: (1) identity of the entity submitting data to DDR, (2) confirmation type, and (3) confirmation status.

DDR obtains information regarding (1) and (2) from the entity that submits data to DDR. The entity that submits the data provides the confirmation type of "electronic," "non-electronic," or "non-confirmed." DDR derives the confirmation status based on a hierarchy applied to the submitting entity: Trusted Sources, an affirmation or confirmation platform, the submitting party indicates the trade was executed on an electronic trading facility and inter-affiliate trades are assigned a confirmation status of "confirmed". For all other types of entities that submit trade information to DDR, the confirmation status (confirmed or unconfirmed) is assigned based on the confirmation type provided by the submitter. If the confirmation type is "electronic" or "non-electronic," the confirmation status becomes "confirmed." If the confirmation type is "non-confirmed," then the confirmation status becomes "unconfirmed." DDR provides the confirmation status to Users on their position reports.

A trade may initially be submitted to DDR as unconfirmed, in which case it is the responsibility of the Reporting Party to update the confirmation type once the trade has been confirmed.

### Verification Methodology

The non-reporting-sideNon-Reporting Counterparty User is responsible for verifying the accuracy of the information submitted by the reporting-sideReporting Party. DDR employs the following methodology to indicate the verification status of a position:

- (1) **Verified** means the terms of the position are accurate.
  - (a) Trades received from a DDR Trusted Source, a recognized affirmation or confirmation platform, or was executed on a trading platform default to "verified."
  - (b) The verification status for inter-affiliate trades defaults to "verified."
  - (c) The non-reporting-sideNon-Reporting Counterparty User sends a verification message indicating that the position is "verified."

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- (2) **Disputed** means a position is not classified as (1)(a) or (1)(b) above and the ~~non-reporting side~~Non-Reporting Counterparty User has sent a verification message indicating that the position is "disputed."
- (3) **Pending Verification** means a position is not classified as (1)(a) or (1)(b) above and the ~~non-reporting side~~Non-Reporting Counterparty User has not taken any action to verify or dispute the position within 48 hours of DDR's position calculation.
- (4) **Deemed Verified** means a position is not classified as (1)(a) and (1)(b) above and the ~~non-reporting side~~Non-Reporting Counterparty User has not taken any action to verify or dispute the position after 48 hours of DDR's position calculation.

## Outreach to Non-User Counterparties

DDR will attempt to contact counterparties to a trade reported to DDR who are not Users (a "Non-User"), where such party's LEI is provided and there is email contact information available to DDR in the information or static data maintained by the DTCC trade repositories about their Users ("TR System User Database"), to notify the Non-User that a trade has been reported on which they may have been named a counterparty and they must on board to DDR to verify the accuracy of the information submitted and provide any missing information such as UICs, if applicable. Non-Users may contact DDR to provide UICs as described below, however, Non-Users cannot verify the accuracy of information submitted to DDR without onboarding.

## Contacting Users Regarding Missing UICs

Daily reports are available to all Users containing data for trades on which they are identified as a counterparty. These reports allow the User to review any record submitted by it or any entity naming the User as a counterparty to a submitted trade. DDR ~~expects~~requires the User to review their daily reports to identify any errors on the trade details, including should any fields appear blank, and promptly correct such error or blank field. In addition, daily reports can be reviewed to determine if any UICs are missing and ~~to cause, if so, the User must modify~~ the record ~~to be modified~~ to add the missing UICs via any message utilized by that User to submit data to DDR or by a UIC message as described in the Rulebook Rule 4.2.3.2. A Non-User may request its User counterparty provide these UICs on its behalf.

A Non-User may provide its Ultimate Parent ID, Affiliate ID and an email contact directly to DDR by emailing such information to DDR-Onboarding@dtcc.com. The subject line of the email must state "Non-User SEC Requirements". The body of the email must state the Non-User's legal name, email contact information, "Ultimate Parent ID – [insert LEI]" and "Affiliate ID [insert one LEI for each affiliate]". The Non-User is responsible for ensuring the continued accuracy of this information. DDR will not verify the accuracy of the information provided by the Non-User. DDR may use the email contact information to contact the Non-User as described below. All Non-User information provided pursuant to this paragraph will not be included in the automated DDR System, but will be provided to the SEC upon request..

## Disputes

The Users shall be responsible for resolving any disputes between themselves uncovered during the reconciliation process and, as appropriate, submitting correct information. In the event a User disputes a trade alleged to apply to it by the counterparty, or disputes any of the terms within the alleged transaction, the User shall register such dispute by indicating the position is disputed on the verification message. If such User fails to register such dispute within 48 hours of the relevant trade detail report being issued, the record will be deemed verified as described above. The disputed status will remain until the Reporting Party ~~or reporting side~~ updates the transaction. The non-reporting User may submit dispute messages in response to any new or updated trade.

All reports and Transaction Records provided to Designated Regulators will include the status of these Transaction Records, including dispute and verification status, thus making such disputes visible to the SEC and incentivizing the parties to the transaction to resolve the dispute. Where DDR has received conflicting or inconsistent Transaction Records from more than one submitter in respect of a particular transaction (such as from a SEF and a Reporting Party), DDR will maintain all such Transaction Records (unless cancelled or modified as described above) and will make such records available to the Designated Regulators in accordance .

## Reports

DDR provides regulators and Users with reports that are designed to provide visibility into positions and the status of submitted trades.

Reports are sent to Users via the channel elected by the User--either a) through direct computer-to-computer link, or b) to the User's Portal account.

Users and regulators must be configured with the proper authorizations in order to view reports. With the exception of the ACK / NACK and spreadsheet download reports which are created as soon as submissions are uploaded to the DDR, all reports are created once a day during the DDR batch cycle which starts at 04:00 EST in the US Data Center (USDC). All standard reports include header records containing both the business date for which the report was generated and also the actual date that the report ran. Having this information stated on all reporting output provides participants with the information needed to enable them to ensure that they use the latest reports available. Ad-hoc queries of specific data can be achieved by contacting the GTR operations team (email [GTR\\_Operations@dtcc.com](mailto:GTR_Operations@dtcc.com)).

## How are Users Notified of Changes to the DDR System?

There are often changes that need to be made to the DDR System to maintain compliance with the regulations, improve efficiencies, respond to industry best practices or address business changes determined by management and approved by the Board and regulators (if applicable). This may take the form of new fields or flags or changes to validations.

Prior to the dissemination of a SBS that is newly required to be reported, DDR will ascertain if a new flag is necessary by considering, among other things, identifying characteristic(s) of a security-based swap, or circumstances associated with the execution or reporting of the security-based swap, that could, in the fair and reasonable estimation of the registered security-based swap data repository, cause a person without knowledge of these characteristic(s) or circumstance(s), to receive a distorted view of the market. DDR then will determine whether to establish flags to denote such characteristic(s) or circumstance(s) and will direct participants that report security-based swaps to apply such flags, as appropriate, in their reports to the registered security-based swap data repository.

Such changes are reviewed internally and an initial course of action is determined. For changes that affect DDR Users, an external working group is engaged to determine if the chosen course of action meets the needs of the customers, the timing of the changes and to discuss any other issues. Once a course of action and dates are agreed with customers, the changes are scheduled to be made through coding and testing. If the changes are significant, the code for the changes will be placed in UAT for testing by the customers. The changes are also posted to the website in change management documents and updated specifications with change logs so that customers can determine any action needed on their part (build and/or testing). The website will also contain a timeline of when the changes will be entered into production. If needed, emails will also be used to alert customers to specific changes and the timing of the changes.