

the counterparties to a security-based swap is not covered by these definitions, the Commission believes that any such entities would not be “small entities” as defined in Commission Rule 0-10. Feedback from industry participants and the Commission’s own information about the security-based swap market indicate that only persons or entities with assets significantly in excess of \$5 million participate in the security-based swap market.⁴²⁴ Given the magnitude of this figure, and the fact that it so far exceeds \$5 million, the Commission continues to believe that the vast majority of, if not all, security-based swap transactions are between large entities for purposes of the RFA.

In addition, the Commission believes that persons that are likely to register as SDRs would not be small entities. Based on input from security-based swap market participants and its own information, the Commission continues to believe that most if not all registered SDRs would be part of large business entities, and that all registered SDRs would have assets exceeding \$5 million and total capital exceeding \$500,000. Therefore, the Commission continues to believe that no registered SDRs would be small entities.

The proposed rules and rule amendments would apply to all platforms on which security-based swaps are executed and registered clearing agencies that clear security-based swaps. Based on the Commission’s existing information about the security-based swap market and the entities likely to be platforms and registered clearing agencies, the Commission preliminarily believes that these entities would not be small entities. The Commission preliminarily believes that most, if not all, of the platforms and registered clearing agencies would be large business

⁴²⁴ For example, as revealed in a current survey conducted by Office of the Comptroller of the Currency, 99.9% of CDS positions by U.S. commercial banks are held by those with assets over \$80 billion. See Office of the Comptroller of the Currency, “Quarterly Report on Bank Trading and Derivatives Activities First Quarter 2014” (2014).

