
OFR-FSOC Third Annual Conference

Swap and Trade Repositories: Data Standards and Data Gaps

Commissioner Scott D. O'Malia

U.S. Commodity Futures Trading Commission

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SWAP DATA REPOSITORIES: WHAT WE CAN SEE

- **Gross Notional Outstanding by Cleared Status**

	December 6	December 13	December 20	December 27	January 3
Total Interest Rate	330,112,957	370,754,708	368,660,208	367,274,928	342,535,726
Cleared	200,134,924	224,495,803	224,410,384	223,388,590	199,536,842
Uncleared	129,978,033	146,258,905	144,249,824	143,886,338	142,998,884

- **Gross Notional Outstanding by Participant Type**

	December 6	December 13	December 20	December 27	January 3
Total Interest Rate	660,225,913	741,509,415	737,320,415	734,549,856	685,071,453
SDs and MSPs	557,778,712	633,677,555	621,218,071	619,220,188	570,264,153
Other	102,447,202	107,831,860	116,102,345	115,329,668	114,807,299

WHAT SHOULD WE BE ABLE TO ACHIEVE?

IOSCO January 2012 Report on OTC Data Reporting and Aggregation

- **Assess systemic risk**
 - Bilateral portfolio exposure
 - Assess concentration & contagion risk and correlated asset exposure
- **Conduct market surveillance**
- **Enforcement**
- **Supervision of market participants**
- **Carry out resolution authorities**
- **Increase transparency of OTC markets**



CFTC OVERSIGHT CHALLENGES

- **HARMONIZE DATA:** Revise rules / improve SDR coordination
- **AGGREGATION:** Can the CFTC accomplish this effectively by using four SDRs? What are the challenges?
- **SDR PORTALS:** Are these optimal? What changes should be made to improve access to data?
- **HARDWARE / SOFTWARE:** What are technology requirements by Division (schedule and cost)?
 - High hopes for CFTC Strategic Plan
- **STAFFING:** Do we have the right skills and in the right offices? What are top priorities? Can we leverage OFR staff?



RULE-RELATED CHALLENGES

➤ ***INCONSISTENCY IN REPORTING***

- **Asset Taxonomy:** Without UPI or industry standards, inconsistencies undermine analytical capabilities

➤ ***REPORTING WORKFLOW***

- Who is reporting to which SDR and how is this being verified? Is the data accurate? Can the CFTC identify the complete trade in the data?
- \$55 Trillion Gross Notional Error in January 2014 Swaps Report
- Embargo Rule: A registered SEF slowed screen display by 500 ms (1/2 sec) to accommodate SDR reporting

➤ ***OVER/UNDER COMPLIANCE***



DIVISION STATUS REPORTS: DATA UTILIZATION

- **Market Oversight:** Drafted rules and oversee SDRs and SEFs, but what level of compliance with our rules is observed?
 - **Surveillance**—Lack of harmonization requires independent verification to determine data validity
- **Clearing & Risk:** Can we determine whether the mandatory clearing mandate is being met?
 - What about a collateral ID for uncleared trades (ESMA)?
- **Chief Economist:** Swaps report only provides data on 2 of 5 asset classes



INTERNATIONAL COORDINATION

- **Will the U.S. rely on international coordination to share data?**
 - U.S. substituted compliance determinations didn't even consider reporting comparability—despite 12 Feb 2014 start date in E.U.
 - No-action letters expire in March 2014 / December 2014
- **What impact will foreign blocking statutes have on U.S. reporting?**
 - Without TR data sharing → all non-U.S. SDs must report directly to both U.S. SDRs and E.U. TRs (beginning Feb 2014)
- **Does SDR indemnification impede international / domestic sharing of data? DFA § 728 / CEA § 21(d)**



DATA SOLUTIONS

- ❑ **TAC → Facilitate Standardization of SDR Data Reported to the CFTC**
 - Process must be accelerated (more fields / asset classes)
- ✓ **Establish Cross-Divisional Data Team to Fix Rules and Develop Solutions to Improve CFTC's Analytical Capacity**
- ❑ **Re-propose Data Rules: Part 43 (real time reporting), Part 45 (regulatory) & Part 49 (SDR)—also Part 16 (SEF)**
- ❑ **Improve Automation (Collection, Verification & Analysis)**
 - SDR access & downloading / SEF audit trail / Swap Reports
- ❑ **Identify Divisional Data Priorities and Target Resources**

