



COMMODITY FUTURES TRADING COMMISSION

Agency Information Collection Activities: Notice of Intent to Renew Collection

Numbers 3038-0068 and 3038-0083: Confirmation, Portfolio Reconciliation,

Portfolio Compression, and Swap Trading Relationship Documentation

Requirements for Swap Dealers and Major Swap Participants

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (PRA), this notice announces that the Information Collection Request (ICR) abstracted below has been forwarded to the Office of Management and Budget (OMB) for review and comment. The ICR describes the nature of the information collection and its expected costs and burden.

DATES: Comments must be submitted on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may submit comments, identified by “Confirmation, Portfolio Reconciliation, Portfolio Compression, and Swap Trading Relationship Documentation Requirements for Swap Dealers and Major Swap Participants,” and Collection Numbers 3038-0068 and 3038-0083, by either of the following methods. Please identify the comments by “OMB Control Nos. 3038-0068 and 3038-0083”:

- By email addressed to: *OIRAsubmissions@omb.eop.gov*; or

- By mail addressed to: Office of Information and Regulatory Affairs, Office of Management and Budget, Attention: Desk Officer for the Commodity Futures Trading Commission, 725 17th Street, NW, Washington, DC 20503.

A copy of all comments submitted to OIRA should be sent to the Commodity Futures Trading Commission (the Commission) by one of the following methods. The copies should refer to “OMB Control No. 3038-0068 and 3038-0083.”

- Through the Commission’s website at <https://comments.cftc.gov>. Please follow the instructions for submitting comments through the website;
- By mail addressed to: Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581; or
- By Hand Delivery/Courier to the same address as specified for mail.

Please submit your comments to the Commission using only one method. A copy of the supporting statement for the collection of information discussed herein may be obtained by visiting <http://RegInfo.gov>.

All comments must be submitted in English, or if not, accompanied by an English translation. Comments will be posted as received to <https://www.cftc.gov>. You should submit only information that you wish to make available publicly. If you wish the Commission to consider information that you believe is exempt from disclosure under the Freedom of Information Act (FOIA), a petition for confidential treatment of the exempt information may be submitted according to the procedures established in § 145.9 of the Commission’s regulations.¹ The Commission reserves the right, but shall have no

¹ 17 CFR 145.9.

obligation, to review, pre-screen, filter, redact, refuse or remove any or all of your submission from <https://www.cftc.gov> that it may deem to be inappropriate for publication, such as obscene language. All submissions that have been redacted or removed that contain comments on the merits of the ICR will be retained in the public comment file and will be considered as required under applicable laws, and may be accessible under the FOIA.

FOR FURTHER INFORMATION CONTACT: Gregory Scopino, Special Counsel, Division of Swap Dealer and Intermediary Oversight, Commodity Futures Trading Commission, (202) 418-5175; email: gscopino@cftc.gov.

SUPPLEMENTARY INFORMATION:

Title: Confirmation, Portfolio Reconciliation, Portfolio Compression, and Swap Trading Relationship Documentation Requirements for Swap Dealers and Major Swap Participants (OMB Control Nos. 3038-0068 and 3038-0083).² This is a request for an extension of currently approved information collections.

Abstract: On September 11, 2012 the Commission adopted Commission regulations 23.500—23.505 (Confirmation, Portfolio Reconciliation, Portfolio Compression, and Swap Trading Relationship Documentation Requirements for Swap Dealers and Major Swap Participants)³ under sections 4s(f), (g) and (i)⁴ of the Commodity Exchange Act (“CEA”). The regulations require, among other things, that

² Historically, PRA Collections 3038-0068, 3038-0083, and 3038-0088, which impose interrelated requirements, were renewed as a consolidated collection. *See* 81 FR 6241 (Feb. 5, 2016). However, on April 1, 2019, the CFTC published an interim final rule (IFR), which allows uncleared swaps to retain its legacy status when transferred in connection with a no-deal Brexit. *See* 84 FR 12233. This IFR directly affects the calculation of burdens in PRA Collection 3038-0088. Accordingly, the proposed renewal now treats collections 3038-0068 and 3038-0083 as a consolidated collection, with collection 3038-0088 being considered separately.

³ 17 CFR 23.500—23.505.

⁴ 7 U.S.C. 6s(f), (g) & (i).

swap dealers (“SDs”)⁵ and major swap participants (“MSPs”)⁶ develop and retain written swap trading relationship documentation. The regulations also establish requirements for SDs and MSPs regarding swap confirmation, portfolio reconciliation, and portfolio compression. Under the regulations, swap dealers and major swap participants are obligated to maintain records of the policies and procedures required by the rules.⁷

Confirmation, portfolio reconciliation, and portfolio compression are important post-trade processing mechanisms for reducing risk and improving operational efficiency. The information collection obligations imposed by the regulations are necessary to ensure that each swap dealer and major swap participant maintains the required records of their business activities and an audit trail sufficient to conduct comprehensive and accurate trade reconstruction. The information collections contained in the regulations are essential to ensuring that swap dealers and major swap participants document their swaps, reconcile their swap portfolios to resolve discrepancies and disputes, and wholly or partially terminate some or all of their outstanding swaps through regular portfolio compression exercises. The collections of information are mandatory.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. On May 1, 2019, the Commission published in the *Federal Register* notice of the proposed extension of this information collection and provided 60 days for public comment on the

⁵ For the definition of SD, *see* Section 1a(49) of the CEA and Commission regulation 1.3, 7 U.S.C. 1a(49) and 17 CFR 1.3.

⁶ For the definitions of MSP, *see* Section 1a(33) of the CEA and Commission regulation 1.3, 7 U.S.C. 1a(33) and 17 CFR 1.3.

⁷ SDs and MSPs are required to maintain all records of policies and procedures in accordance with Commission regulation 1.31, including policies, procedures and models used for eligible master netting agreements and custody agreements that prohibit custodian of margin from re-hypothecating, repledging, reusing, or otherwise transferring the funds held by the custodian.

proposed extension, 84 FR 18521 (“60-Day Notice”). The Commission did not receive any relevant comments on the 60-Day Notice.

Burden Statement: The Commission is revising its estimate of the burdens for the collections to reflect the current number of respondents and estimated burden hours. The respondent burdens for the collections are estimated to be as follows:

- **OMB Control No. 3038-0068 (Confirmation, Portfolio Reconciliation, and Portfolio Compression Requirements for Swap Dealers and Major Swap Participants)**

Number of Registrants: 101.

Estimated Average Burden Hours Per Registrant: 1,274.5.

Estimated Aggregate Burden Hours: 128,724.5.

Frequency of Recordkeeping: As applicable.

- **OMB Control No. 3038-0083 (Orderly Liquidation Termination Provision in Swap Trading Relationship Documentation for Swap Dealers and Major Swap Participants)**

Number of Registrants: 101.

Estimated Average Burden Hours Per Registrant: 270.

Estimated Aggregate Burden Hours: 27,270.

Frequency of Recordkeeping: As applicable.

(Authority: 44 U.S.C. 3501 *et seq.*)

Dated: June 26, 2019.

Robert Sidman,

Deputy Secretary of the Commission.

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