



COMMODITY FUTURES TRADING COMMISSION

Agency Information Collection Activities: Proposed Collection, Comment Request: Governance Requirements for Derivatives Clearing Organizations

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice.

SUMMARY: The Commodity Futures Trading Commission (“CFTC” or “Commission”) is announcing an opportunity for public comment on the proposed collection of certain information by the agency. Under the Paperwork Reduction Act (“PRA”), Federal agencies are required to publish notice in the *Federal Register* concerning each proposed collection of information, including proposed extension of an existing collection of information, and to allow 60 days for public comment. This notice is being published concurrently with the publication and adoption of the final rule titled “Governance Requirements for Derivatives Clearing Organizations” (“Final Rule”).

DATES: Comments must be submitted on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments, identified by “Requirements for Derivatives Clearing Organizations OMB Control No. 3038-0076” by any of the following methods:

- *CFTC website:* <https://comments.cftc.gov/>. Follow the instructions for submitting comments through the website.
- *Mail:* Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581.

- *Hand Delivery/Courier:* Same as Mail, above.

Please submit your comments using only one method.

FOR FURTHER INFORMATION CONTACT: Joseph Opron, Special Counsel, Division of Clearing and Risk, Commodity Futures Trading Commission, (312) 596-0653; email: jopron@cftc.gov.

SUPPLEMENTARY INFORMATION: Under the PRA, 44 U.S.C. 3501 *et seq.*, Federal agencies must obtain approval from the Office of Management and Budget (“OMB”) for each collection of information they conduct or sponsor. “Collection of Information” is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3 and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA, 44 U.S.C. 3506(c)(2)(A), requires Federal agencies to provide a 60-day notice in the *Federal Register* concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, the CFTC is publishing notice of the proposed collection of information listed below. 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.

Title: Requirements for Derivatives Clearing Organizations, OMB Control No. 3038-0076. This is a request for a revision of a currently approved information collection.

Abstract: Concurrently with this notice, the Commission published the Final Rule adopting amendments that included new information collection requirements. The revised rules require a DCO to create and maintain minutes of each Risk Management Committee Meeting and to maintain written policies and procedures to make certain that its RMC includes at least two clearing member representatives and, if applicable, at least two representatives of customers of clearing members. The revised rules also require a DCO to adopt written policies and procedures related to the formation and role of each

RWG, and to include in those policies and procedures requirements for the DCO to document and provide to the RMC, at a minimum, a summary of the topics discussed and the main points raised during each meeting of the RWG.

With respect to each new collection of information, the CFTC invites comments on:

- Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have a practical use;
- The accuracy of the Commission's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Ways to enhance the quality, usefulness, and clarity of the information to be collected; and
- Ways to minimize the burden of collection of information on those who are to respond, including through the use of appropriate automated electronic, mechanical, or other technological collection techniques or other forms of information technology; e.g., permitting electronic submission of responses.

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, 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

¹ 17 CFR 145.9.

The Commission reserves the right, but shall have no 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 the Administrative Procedure Act and other applicable laws, and may be accessible under the Freedom of Information Act.

Burden Statement: The Commission is revising its burden estimate for OMB control number 3038-0076 to account for the amendments described above. Specifically, the Commission believes that the burden under this clearance will increase because the 15 DCOs subject to these requirements will be required under § 39.24(b)(11) to create and maintain minutes of each RMC meeting, and under § 39.24(b)(12) to document and provide to the RMC, at a minimum, a summary of the topics discussed and the main points raised during each meeting of the RWG. The Commission estimates a DCO will spend an average of four hours creating minutes of each RMC meeting and four hours documenting a summary of the topics discussed and the main points raised during each meeting of the RWG, which includes attending the meeting, taking notes, and putting the notes into the required format following the meeting. The Commission estimates that a DCO's RMC and RWG will each need to hold an average of six meetings per year to satisfy the § 39.24(b)(11) and (12) requirements that a DCO's RMC and RWG address all matters that could materially affect the risk profile of the DCO. Based upon the above, the estimated hour burden for this collection is calculated as follows:

Estimated number of respondents: 15.²

² The Commission notes that while new § 39.24(d) provides that a DCO may satisfy the requirements of paragraphs (b)(11), (b)(12), (c)(1)(iv), and (c)(3) by having rules that permit it to clear only fully collateralized positions, such DCOs are included in the total estimated number of respondents because these DCOs would still be required to develop and disclose governance arrangements required by the other provisions of § 39.24. The Commission's estimate is therefore conservative to the extent that these DCOs are not required to prepare and maintain minutes of each RMC meeting, and document and provide to the

Estimated number of reports per respondent: 18.

Average number of hours per report: 4.

Estimated gross annual reporting burden: 1,080.

There are no capital costs or operating and maintenance costs associated with this collection.

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

Dated: July 3, 2023.

Christopher Kirkpatrick,

Secretary of the Commission.

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