

SPEECHES & TESTIMONY

Statement of Chairman J. Christopher Giancarlo on Proposed Rule Amendments to The Commission's Regulations Relating to Certain Swap Data Repository and Data Reporting Requirements

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A critical component of the 2008 financial crisis was the inability of regulators to assess and quantify the counterparty credit risk of large banks and swaps dealers. To address this shortcoming, the Dodd-Frank Act gave the CFTC broad responsibility to enhance regulatory transparency and price discovery for market participants through trade reporting to swap data repositories (SDRs).

In 2011 and 2012, the CFTC adopted rules for swap data reporting, recordkeeping and SDRs. Unfortunately, these initial rules lacked technological detail and specification. Under my direction in 2017, CFTC staff began the process of assessing the effectiveness of the swap reporting rules in Parts 43, 45, and 49 of the CFTC's regulations. The 2017 Roadmap to Achieve High Quality Swaps Data (Roadmap) outlined a series of steps to improve data reporting requirements. The CFTC received a wide range of feedback on the Roadmap, via written comments and discussions with SDRs and market participants.

I am pleased to see the first part of the Roadmap, the proposed changes to Part 49, issued today. These proposed changes update the requirements for SDRs and swap counterparties to verify the accuracy and completeness of swap data reported to SDRs. Completion of these and the other changes proposed by the Roadmap will result in more complete, more accurate, and higher-quality data available to the CFTC and to the public; streamline data reporting; and help the CFTC perform its regulatory responsibilities. The time has come to revisit this important post-crisis reform and ensure the CFTC is fulfilling its commitments.