

[Securities Regulation Daily Wrap Up, TOP STORY—Deutsche Bank fined \\$2.5 million for swaps reporting violations, \(Sept. 30, 2015\)](#)

Securities Regulation Daily Wrap Up

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In the first enforcement action of its kind, the CFTC announced that it sanctioned Deutsche Bank AG for failing to properly report its swaps transactions and implement an adequate system to supervise all activities related to compliance with swaps reporting. Deutsche Bank agreed to a fine of \$2.5 million and to undertake remedial efforts to improve its swaps reporting processes and procedures ([In the Matter of Deutsche Bank AG](#), September 30, 2015).

The CFTC said in a [press release](#) that the Deutsche Bank case is the agency's first action enforcing the new Dodd-Frank requirements that provide for the real-time public reporting of swap transactions and the reporting of swap data to swap data repositories (SDR).

According to the CFTC order instituting and settling the charges, Deutsche Bank failed to properly report cancellations of swap transactions in all asset classes, which "in the aggregate included between tens of thousands and hundreds of thousands of reporting violations and errors and omissions in its swap reporting."

Deutsche Bank was aware of the problem relating to its cancellation messages since its reporting obligations began in December 2012. Because of its reporting failure, misinformation was disseminated to the market through the real time public tape, as well as to the CFTC, according to the Order. Deutsche Bank did not diligently address and correct the reporting errors until the bank was notified of the CFTC's investigation, according to the Order.

Deutsche Bank is considered a provisionally registered swap dealer and is required to comply with certain disclosure, recordkeeping, and reporting requirements related to its swap transactions. Relevant regulations require real time public reporting, public availability of swap transaction and pricing data, and reporting of creation and continuation data.

The reporting failures were partly the result of deficiencies with its swaps supervisory system, according to the Order.

The CFTC recognized Deutsche Bank's significant cooperation during the investigation in accepting the offer of settlement.

The case is CFTC Docket [No. 15-40](#).

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