

# Public Statements & Remarks

## Supporting Statement of Commissioner Brian Quintenz Regarding Amendments to the Commission's Regulations Relating to SDR and Data Reporting Requirements

September 17, 2020

I am pleased to support today's final rule that will improve the accuracy of data reported to, and maintained by, CFTC-registered swap data repositories (SDRs). Data collected by SDRs provides a crucial source of information to the CFTC as it discharges its statutory responsibilities to supervise regulated entities, monitor the derivatives markets, and enforce the Commodity Exchange Act. Today's rule makes sensible adjustments to how reporting counterparties submit swap data to SDRs and how SDRs fulfill their responsibilities as Commission registrants. These adjustments are based on the almost decade-long experience of the CFTC staff in supervising SDRs and reviewing swap data, as well as the public's informed comments to the proposal.

The focus of today's final rule concerns new requirements for the periodic verification of data submitted to SDRs and correction of errors.<sup>[1]</sup> While on the surface, this may sound like little more than routine, back-office clean-up, it is actually a well-thought program for significantly improving the reliability of data collected by SDRs. The requirements issued today differ from those that were proposed, in terms of the manner and frequency by which reporting counterparties, generally speaking Commission-registered swap dealers (SDs) or derivatives clearing organizations (DCOs), will verify swap data they have previously submitted to an SDR. Taking market participants' comments into account, the final requirements are more efficient than those proposed. They are partially based on an existing framework established by an SDR. In addition, verification will be required by SDs and DCOs on a monthly, rather than weekly, basis.<sup>[2]</sup>

Other aspects of the final rule that I believe will improve the ability of Commission staff to use swap data collected by SDRs concern how SDRs submit data to the Commission.<sup>[3]</sup> Like the new rules for verification and correction of errors, I believe these provisions are appropriately calibrated so as not unduly to burden the SDRs while enabling the Commission to obtain swap data more reliably and efficiently.

Finally, I would like to note that the amended SDR rules adopted today are largely consistent with the SEC's rules for security-based SDRs. I expect that this consistency will reduce costs and ease compliance burdens for entities registering as data repositories with both the agencies, as well as for reporting counterparties submitting data to both SDRs and security-based SDRs.

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[1] Regulations 43.3(e), 45.14, and 49.11.

[2] Regulation 45.14(b)(4).

[3] Regulations 49.9, 49.17, and 49.30.

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