

May 27, 2016

Mr. Vincent McGonagle
Director, Division of Market Oversight
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Request for Division of Market Oversight Staff No-Action Letter Pursuant to CFTC Regulation 140.99: Valuation Data Reporting for Cleared Swaps (Part 45.4(b)(2)(ii))

Dear Mr. McGonagle:

The International Swaps and Derivatives Association, Inc.¹ (“ISDA”) is writing on behalf of its members that are “reporting counterparties”² (collectively, “Reporting Parties”) under the Commission’s Part 45 regulations (the “Reporting Rules”) to request an extension of relief from the requirement for swap dealers (“SDs”) and major swap participants (“MSP”) to provide valuation data for cleared swaps in accordance with §45.4(b)(2)(ii).

I. Background

On December 13, 2012, ISDA submitted its first request to staff of the CFTC’s Division of Market Oversight (“DMO”) requesting no-action relief on behalf of its members, and other similarly situated market participants, from the requirements of §45.4(b)(2)(ii) of the Reporting Rules.

¹ Since 1985, ISDA has worked to make the global over-the-counter (OTC) derivatives markets safer and more efficient. Today, ISDA has over 850 member institutions from 67 countries. These members include a broad range of OTC derivatives market participants including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure including exchanges, clearinghouses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's web site: www.isda.org.

² 17 CFR Part 45 Swap Data Recordkeeping and Reporting Requirements, 77 Fed. Reg. 2136 (Jan 13, 2012). CFTC regulation 45.1 defines the term “reporting counterparty” to mean “the counterparty required to report swap data pursuant to this [Part 45], selected as provided in §45.8.”

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In response to ISDA's request, DMO issued CFTC Letter No.12-55³ which granted conditional relief to SDs and MSPs from their obligations under Part 45.4(b)(2)(ii) until June 30, 2013. Subsequently, DMO extended such relief until June 30, 2014 under CFTC Letter No. 13-34⁴, until June 30, 2015 pursuant to CFTC Letter No. 14-90⁵, and most recently until June 30, 2016 under CFTC Letter No. 15-38⁶ ("NAL 15-38").

ISDA and its members are grateful for the relief granted by Commission staff with respect to Part 45.4(b)(2)(ii) to date. Unfortunately, the conditions that prompted the original request for relief, and the subsequent extensions, remain. Reporting Parties require certainty as to (i) their obligations with respect to valuation data reporting for cleared swaps and (ii) whether any such reporting of valuation data for cleared swaps may be sent to the Swap Data Repository ("SDR") of their choice or may be required to be sent to the SDR selected by the Derivatives Clearing Organization ("DCO"). Moreover, ISDA believes the cost and effort to comply with Part 45.4(b)(2)(ii) cannot be justified since additional valuation data provided by an SD or MSP does not provide a material benefit beyond that which is provided by the DCO.

Acknowledging the associated challenges and limited benefits of §45.4(b)(2)(ii), the Commission proposed to eliminate this requirement in *Amendments to Swap Data Recordkeeping and Reporting Requirements for Cleared Swaps; Proposed Rule*⁷ (the "Cleared Swap Rules"). In its comment letter regarding the Cleared Swap Rules⁸, ISDA supported this proposed amendment and looks forward to its adoption. However, until Commission action, Reporting Parties will need an extension of the relief currently afforded to them under NAL 15-38.

II. Relief request

In consideration of the conditions described above, ISDA respectfully requests that DMO further extend the relief granted pursuant to NAL 15-38 and thereby recommend that enforcement action not be taken against a Reporting Party which does not report valuation data for cleared swaps as required by §45.4(b)(2)(ii) of the Reporting Rules. We request an extension of such relief until further Commission action.

³ <http://www.cftc.gov/LawRegulation/CFTCStaffLetters/12-55>

⁴ <http://www.cftc.gov/LawRegulation/CFTCStaffLetters/13-34>

⁵ <http://www.cftc.gov/ucm/groups/public/@lrlettergeneral/documents/letter/14-90.pdf>

⁶ <http://www.cftc.gov/idc/groups/public/@lrlettergeneral/documents/letter/15-38.pdf>

⁷ 80 FR 52544

⁸ http://www2.isda.org/attachment/Nzk3NA==/ISDA_CFTC_ClearedSwaps_CommentLetter_30Oct2015_FINAL.pdf

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Thank you for your consideration of this request. Please contact me if you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Tara Kruse". The signature is fluid and cursive, with the first name "Tara" and last name "Kruse" clearly distinguishable.

Tara Kruse
Director, Co-Head of Data, Reporting & FpML
International Swaps and Derivatives Association, Inc.

cc: Dan Bucsa, Deputy Director, Division of Market Oversight

Certification Pursuant to Commission Regulation 140.99(c)(3)

As required by Commission Regulation 140.99(c)(3), I hereby (i) certify that the material facts set forth in the attached letter dated May 27, 2016 are true and complete to the best of my knowledge; and (ii) undertake to advise the Commission, prior to the issuance of a response thereto, if any material representation contained therein ceases to be true and complete.

Sincerely,

A handwritten signature in black ink, appearing to read "Tara Kruse". The signature is fluid and cursive, with the first name "Tara" and last name "Kruse" clearly distinguishable.

Tara Kruse
Director, Co-Head of Data, Reporting & FpML
International Swaps and Derivatives Association, Inc.