CFTC Swap Data Reporting Amendments
45.14 and 43.3(e) Swap Data Error Correction Notification[1]
Suggested Operational Practice

Executive Summary

The International Swaps and Derivatives Association, Inc. (ISDA) utilized the following working groups to explore current institutional processes for approaching the Commodity Futures Trading Commission ("CFTC") Swap Data Reporting error correction notification requirement ("Error Notification") to the DMO[2] as part of the CFTC Trade Reporting Rule Amendments to Part 43, 45 and 49[3] (also known as the CFTC Rewrite), keeping within the regulatory framework.

- ISDA Data and Reporting U.S. Compliance Working Group ("WG")
- ISDA U.S. Compliance Working Group 45.14/43.3 Error Notification Form operational sub-WG

DMO Error Notification – Key Principles

The following principles were captured during a series of ISDA Data and Reporting U.S. Compliance WG and ISDA Data and Reporting U.S. Compliance sub-WG discussions in relation to Error Notification requirements from §45.14(a) and §43.3(e). These principles are available for consideration and designed to provide reporting parties with a baseline for deriving their internal process and procedures.

The objective is to ensure the operational baseline is meaningful and achievable given the timelines provided.

Suggested Operational Practice 1: Definition of Error

Principle

What constitutes an 'error' for swap reporting parties.

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[1] https://www.cftc.gov/csl/22-06/download

[2] or such other employee or employees of the Commission as the Director may designate from time to time.

[3] https://www.cftc.gov/PressRoom/PressReleases/8247-20

Description

An error is defined in Part 43.14(c) and Part 43.3(e) and exists if swap data is not completely and accurately reported to an SDR, e.g.:

(i)   the SDR record does not match internal books and records of the reporting counterparty ("RCP") (Misreporting)

(ii)   a swap should have been reported to an SDR but was not (Underreporting)*

(iii)   a swap has been reported to an SDR but has missing or incorrect data (Misreporting)

(iv)   a swap is no longer open but is still maintained by the SDR (Overreporting)

*Note: The industry WG raised a possible scenario where a swap could potentially be reported untimely but contain the correct details. If data has been reported by an RCP late (i.e. not within the time requirements of Part 43 (ASATP) and/or Part 45 (T+1)), there is only an Underreporting error with respect to the lateness of the reported data if the required Part 43 and/or Part 45 data is not submitted to the SDR within 7 Business Days of the discovery of the lateness.   Error Notification occurs if the remediation (i.e., the reporting) does not take place with the 7-business day timeframe.

Suggested Operational Practice 2: Definition of Discovery

Principle

Discovery is when the RCP becomes aware of an error, where awareness is dependent on the control process that identified it.

Description

Errors are typically identified through established control processes – this suggested operational practice seeks to align the moment of discovery into general control categories.

Suggested Operational Practice 3: Discovery of an error within control categorizations

Principle

Generally, an error can be identified via four control sources. This categorization is designed to account for most scenarios where an error can be identified.

Description

Control Sources where an error generally can be identified are:

(i)   Open Swaps Report Verification

(ii)   SDR NACK Receipt

(iii)   Communication from a Non-Reporting Counterparty ("NRCP") to a swap RCP has reported

(iv)   Other Controls methods applied by firms e.g., Reconciliation, Quality Assurance, Internal Testing etc.

Open Swaps Report

The SDR will make the Open Swaps Report available for review daily. The distinguishing regulatory requirement on this control is that a firm must verify this data at least once every 30 calendar days for registered Swap Dealers and once quarterly for Non-Swap Dealers. During this verification the definition of 'discovery' is related to the day the results become available for review e.g., if the process returns results on Monday but an error isn't identified (i.e., picked up by an analyst) until Wednesday, Day 1 of discovery is considered Monday.

SDR NACK Communication

An error is considered discovered at the point the NACK is received from the SDR. Such an error should be remediated ASATP but within 7-business days ("BD") of receipt.

Communication from the NRCP

§45.14 (a)(2) requires the "non-reporting counterparty that by any means becomes aware of any error in the swap data for a swap to which it is the non-reporting counterparty, shall notify the reporting counterparty for the swap of the error as soon as technologically practicable after discovery, but not later than three business days following discovery of the error."

§43.4(e)(2) requires the "that by any means becomes aware of any error in the swap transaction and pricing data for a swap to which it is the non-reporting counterparty, shall notify the reporting counterparty for the swap of the error as soon as technologically practicable after discovery, but not later than three business days following discovery of the error."

The point of receipt of a notification from an NRCP is when an error is considered discovered by the RCP (including SEF, DCM, DCO). To enable an RCP to properly identify and act on a communication from a NRCP that is an error notification under Part 45 ("P45") or Part 43 ("P43"), industry participants should follow best practices:

1.   To be considered a Part 45 or Part 43 "Error Notification" (starting the 7-business day period for timely correction by the RCP) the relevant NRCP communication needs to describe the error(s) with such clarity that the RCP (i) is put in a position to review the matter on its own (i.e. without further NRCP input) and (ii) take relevant action (without further NRCP input), as needed.
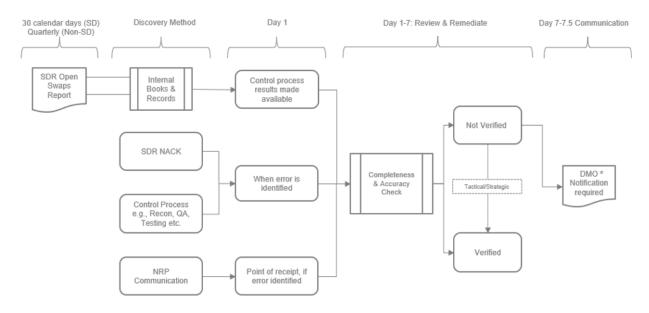
2. Not every communication from an RCP to an NRCP is necessarily an "Error Notification" under Part 45 or Part 43. To be considered an "Error Notification" the notice should be:

    (i)   in writing;

    (ii)   comply with the requirements to be sufficiently clear (as set forth in point 1 directly above);

    (iii) clearly labeled as an "Error Notification" (e.g. "Part 45 Error Notification" or "Part 43 Error Notification" or similar language); and

    (iv)   sent to the email address provided by the RCP to receive Part 45 or Part 43 Error Notifications.

While an NRCP is not required to reconcile or verify submissions made against it by an RCP (such submissions commonly referred to as 'Alleges'), where the NRCP identifies an error as part of its normal course of business it is required to inform the RCP no later than 3 business days of their discovery.

<u>Other Controls</u>

Error is considered discovered from the moment of error confirmation. Control exceptions may highlight potential issues that need further analysis, it is from the point this analysis confirms there is an error that the 7-business day remediation period commences. e.g., if the process returns results on Monday, a potential error is identified (i.e., picked up by an analyst) on Tuesday and then confirmed as an error on Wednesday, Day 1 of discovery is considered Wednesday.

*DMO Error Notification to be made within 12 hours of the 7-business day remediation period or from the moment the firm realizes that a remediation will not be possible within that timeframe.

Suggested Operational Practice 4: Error timeframe application

Principle

The correction of errors is applicable to Part 43 and Part 45 and to swaps regardless of state (including "dead") within the record retention period under §45.2 i.e., for a period of at least 5 years following the maturity or final termination of a swap.

Description

The requirement to correct any error applies regardless of the state of the swap that is the subject of CFTC trade reporting requirements, including a swap that has terminated, matured, or otherwise is no longer considered to be an open swap within the record retention period i.e., 5 years following the maturity or final termination of a swap.

Suggested Operational Practice 5: Timing and Communication of Error Notification

Principle

The Error Notification is to be made in the form and manner provided in CFTC Staff Advisory 22-06 issued on 10th June 2022 on the Swap Data Error Correction Notification Form ("Notification Form"). If the discovered error has not been (or cannot be) remediated within 7 business days, from the point in time it becomes apparent the remediation cannot take place within the 7 business day timeframe, firms have 12 hours to complete and submit to the CFTC the Error Notification.

Description

Once an error has been identified, remediation is to take place ASATP but within 7 business days after discovery. Failure to timely correct an error requires a notification to DMO or a delegate (per their requirement) detailing in the form and manner provided by DMO (i.e., the Notification Form) an initial assessment of the issue, initial remediation plan if one exists to be made within 12 hours of determination that the error will not be remediated (i.e., during but no longer than the 7-business day timeframe).

Notifications of errors in line with §45.14(a) and §43.3(e) are to be made to swapserrornotification@cftc.gov and shall include the full legal name of the party making the notification.

Summary table of Controls and Point of Discovery

Control Category	Point of Discovery
Daily Exception Management	
SDR NACK received	NACK receipt
Open Swaps Report Verification	
Error identified during the 30-calendar day Verification Process using SDR provided 'Open Swaps Report"	Start of verification process
Other Controls e.g., Reconciliation, Quality Assurance, Internal Testing etc.	
Error is considered discovered from the moment of error confirmation	Upon internal confirmation of Error
Communication from Non-reporting Counterparty ("NRCP Notification")	
Error(s) notification received from an NRCP	Receipt of Error Notification

Swap Data Error Correction Notification Form - Suggested Values

#	Required Data	ISDA 2022 subWG discussion/decisions	Example Values
1(a)	Date of notification	Align with date convention provided in section 1.2.1(6) of Technical Specification data element reporting specifications for "Format" YYYY-MM-DD	2022-05-27
1(b)	Name(s) of entit(ies)y making the notification	Full Legal Name(s). This can be more than one.	Bank ABC or Bank ABC; Bank 123
1(c)	Legal Entity Identifier(s) ("LEIs") of Notifying Entity	LEI(s). This can be more than one.	LEI….Bank A or LEI….Bank ABC; LEI…Bank 123
1(d)	Contact person(s) regarding notification	Name of contact person(s). This can be more than one depending on individual firms' preference	Frank Dodd or Frank Dodd; Jane Doe
1(e)	Contact person(s) email and phone number	Email and Phone number of contact person(s). This can be more than one depending on individual firms' preference	fdodd@bankabc.com, +12345678910 or fdodd@bankabc.com, +12345678910; jdoe@bankabc, +12345671089
2	Statement clarifying whether the notification concerns error(s) relating to:	Restate applicable number and statement	(i) swap data previously reported to an SDR
2(i)	swap data previously reported to a swap data repository ("SDR");		

#	Required Data	ISDA 2022 subWG discussion/decisions	Example Values
2(ii)	swap data that was not previously reported to an SDR; or		
2(iii)	both swap data previously reported and swap data not previously reported to an SDR		
3	If the notification concerns error(s) relating to data previously reported to an SDR, a listing of the Unique Swap Identifiers and/or Unique Transaction Identifiers ("USIs" and/or "UTIs") associated with swap reports that are representative of the error(s)	Where issue is identified under question 2 as (i) "swap data previously reported to an SDR" or (iii) "both swap data previously reported and swap data not previously reported to an SDR", populate one/many USIs/UTIs that relate to the Error OR Where issue is identified under question 2 as (ii) i.e. no USIs/UTIs value is available, populate 'No representative USIs/UTIs available'	UTI1234….XZY or Collateral Portfolio Code or "No representative USIs/UTIs available"
4	Swap asset class(es) to which the error(s) pertain	Until UPI is implemented, per Appendix 1 of P45/Technical Specifications use CR = credit, IR = rates, FX = foreign exchange, EQ = equities and CO = commodities	CR or CR; IR or CR; IR; FX; EQ; CO
5	SDR(s) to which the swap data was/should have been reported	Use full legal name of SDR	DTCC Data Repository (U.S.) LLC
6	Other parties, if any, that the Notifying Entity has alerted to the error(s) (e.g., SDR(s), National Futures Association, swap counterparties, etc.)	If any notification of the error has taken place report full legal name of that party. If no notification has taken place populate with 'None'	None or Full Legal Name of SEF; National Futures Association; Full Legal Name of Counterparty
7(a)	Number of transactions impacted by the error(s)	Provide the number of related swaps based on the control process where the error was identified or Alternatively provide 'Not known in the initial assessment'	# of USIs/UTIs flagged by control or "Not known in the initial assessment"
7(b)	Number of swap reports impacted by the error(s)	Provide what Swap Reports (messages) were impacted by the errors. Examples include: (A) If the response to 7(a) is 3 UTIs/USIs, where 2 reports are impacted (e.g. P43 and P45) persisting for 30 days and impacting 4 reportable events during that 30 day period (e.g. you might not P43/P45 report every day during the 30 day period – you might only send P43 reports for new trades and certain post trade events during that 30 day period, for example), then 7(b) would be 3*2*4 = 24.	Provide number or "Not known in the initial assessment"

#	Required Data	ISDA 2022 subWG discussion/decisions	Example Values
		(Not all events that are reportable under P45 are reportable under P43). (B) If the response to 7(a) is 1 UTI/USI where the valuation report is impacted, persisting for 10 business days, then 7(b) would be 1*1*10 = 10.	
7(c)	Time period during which error(s) occurred ("Relevant Time Period")	To be populated with the time period that the error was introduced using the date convention provided in section 1.2.1(6) of Technical Specification for "Format" YYYY-MM-DD or To be populated with an initial indication of timeframe that the error occurred or Alternatively provide "Not known in the initial assessment".	2020-01-13 to 2022-05-27 or 2022-05-27 or Initial indication that the error was introduced on YYYY-MM-DD / YYYY-MM or "Not known in the initial assessment"
7(d)	The percent of the Notifying Entity's reportable transactions impacted during the Relevant Time Period (i.e., (number of transactions impacted by the error(s) / number of transactions reported by Notifying Entity during the Relevant Time Period) * 100)	Baseline based on the total number of swaps reported at the point in time that the error in the associated control was run. E.g., total number of swaps in the Open Swaps Report the run date. Alternatively provide 'Not known in the initial assessment'	10% or Not known in the initial assessment
7(e)	The percent of the Notifying Entity's reportable transactions impacted during the Relevant Time Period for each impacted asset class (e.g., (Number of interest rate swap ("IRS") transactions impacted by the error(s) / number of IRS transactions reported by Notifying Entity during the Relevant Time Period) * 100)	Baseline based on the total number of swaps reported within the impacted Asset Class(es) at the point in time that associated control was run. E.g., total number of swaps within the impacted Asset Class(es) in the Open Swaps Report on its run date. Alternatively provide 'Not known in the initial assessment'	5% or "Not known in the initial assessment"
8	Date the Notifying Entity discovered the error(s)	Provide date in line the Control that discovered the error: For Open Swap Verification, provide date the results were made available; For SDR NACK, provide the date the NACK was received; For NRCP Notification, provide date the notification was received; For all other internal control processes, provide date the error was confirmed	YYYY-MM-DD

#	Required Data	ISDA 2022 subWG discussion/decisions	Example Values
9	Description of how the Notifying Entity discovered the error(s)	Confirm what Control process identified the Error	Open Swaps Report or SDR NACK or NRCP Communication or Other Control Process
10	Brief narrative description of the error(s)	Level of detail up to discretion of notifying firm	Level of detail up to discretion of notifying firm
11	Clarification regarding whether the issues underling the error(s) are still producing new error(s) as of the date of the notification	Yes/No confirmation that the Error identified been remediated on a go-forward basis from point of notification i.e., the error is only applicable to swaps reported before the notification date.	Yes or No
12(a)	Any initial or other remediation plan, including the estimated date(s) when the error(s) will be corrected	Provide remediation plan (including remediation date) details if available	Level of remediation plan detail up to discretion of notifying firm (using 'YYYY-MM-DD' format for any date communication) or Not yet known in initial assessment
12(b)	If no initial or other remediation plan exists, the date when the Notifying Entity expects to have a remediation plan to correct the error(s)	Required to be populated if 12(a) is 'Not yet known in initial assessment'	N/A if estimated date for error correction is provided in response to 12(a) or YYYY-MM-DD
13	An indication regarding whether the Notifying Entity has reviewed its swaps reporting processes to identify other potential reporting issues similar to that underlying the error(s)		Level of detail up to discretion of notifying firm or Not able to determine in the initial assessment
14	Clarification regarding whether the error(s) impacted the Notifying Entity's reporting obligations under Part 45, Part 43, or both Parts 45 and 43	Provide details of impact of Error to Part 43, Part 45 or both.	Part 43 or Part 45 or Part 43 and Part 45

Appendix

Potential DMO Notification Scenarios[4]

		Start of 7 business day timeline[5]	DMO notification?	At what point to notify DMO?
	BAU Exception Management			
	NACK is investigated and successfully resubmitted within 7 business days of receiving the NACK	NACK receipt	No	N/A
	NACK is investigated within 7 business days of receiving the NACK, confirmed as a legitimate issue, but cannot be successfully resubmitted within this window	NACK receipt	Yes	Within 12 hours after determination that break cannot be resolved within 7 BD
	NACK is received but cannot be fully investigated within 7 business days (could be a "false positive")	NACK receipt	Yes	Within 12 hours after determination that break cannot be resolved within 7 BD
Error Identification / Discovery	*NACK is received, is investigated within 7 business days and is confirmed as a "false positive" or otherwise not requiring resubmission*	NACK receipt	No	N/A
	An internal exception, generated by a pre-submission validation error on an issue that would have resulted in a NACK (e.g. missing or invalid data), is generated but cannot be fully investigated or resolved within 7 business days	Internal exception receipt	Yes	Within 12 hours after determination that break cannot be resolved within 7 BD
	An internal exception, generated by a pre-submission validation error on an issue that would have resulted in a NACK (e.g. missing or invalid data), is generated and is fully resolved and successfully resubmitted within 7 business days	Internal exception receipt	No	N/A
	An internal exception that would not have resulted in a NACK (e.g. accuracy discrepancy) is investigated, confirmed as a legitimate issue and cannot be successfully resubmitted within 7 business days of the exception being confirmed as an issue	When exception is confirmed as issue	Yes	Within 12 hours after determination that break cannot be resolved within 7 BD
	An internal exception is generated but cannot be fully investigated within 7 business days	When exception is confirmed as issue	Yes	Within 12 hours after determination that break cannot be resolved within 7 BD
	A previously notified issue is resolved in firm systems, but backreporting is pending on the impacted population	N/A	No	N/A
	A previously notified issue is resolved and all impacted trades resubmitted	N/A	No	N/A

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[4] Note that not all scenarios listed may require a 45.14/43.3e Notification Form to DMO.

[5] Also referred to in the industry as the start of the "shot clock."

	Start of 7 business day timeline[5]	DMO notification?	At what point to notify DMO?
An issue that was previously notified to the DMO and subsequently resolved has reoccurred and cannot be resolved within 7 business days	NACK/exception receipt	Yes	Within 12 hours after determination that break cannot be resolved within 7 BD
BAU Reconciliation Process			
Completeness/accuracy discrepancies are identified during routine reconciliation, but these are investigated and corrected within 7 business days of their identification	Completeness or accuracy break	No	N/A
Completeness/accuracy discrepancies can be investigated and confirmed as legitimate issues within 7 business days of their identification, but cannot be corrected within that timeframe	Completeness or accuracy break	Yes	Within 12 hours after determination that break cannot be resolved within 7 BD
Completeness/accuracy discrepancies cannot be fully investigated nor corrected within 7 business days of their identification (they could contain false positives)	When break is confirmed as an issue	Yes	Within 12 hours after determination that break cannot be resolved within 7 BD
Part 45.14 Verification Process			
Firms are able to investigate and correct all issues identified as part of Part 45.14 Verification within the 7 business day deadline	Start of rec process	No	N/A
Firms are able to investigate the issues identified as part of the 45.14 verification process within the 7 business day deadline but not able to correct them and backreport on time	Start of rec process	Yes	Within 12 hours after determination that break cannot be resolved within 7 BD
Firms are not able to investigate nor correct the breaks identified as part of Part 45.14 Verification process within the 7 business day deadline (the breaks may contain "false positives")	Start of rec process	Yes	Break + 7BD
Issues raised by NRCPs			
Discrepancies are notified to the RCP by a non-RCP. The RCP investigates and agrees with the error, and corrects it within 7 business days of the notification	Notification date	No	N/A
Discrepancies are notified to the RCP by a non-RCP. The RCP investigates and agrees with the error, but cannot correct it within 7 business days of the notification	Notification date	Yes	Within 12 hours after determination that break cannot be resolved within 7 BD
Discrepancies are notified to the RCP by a non-RCP. The RCP investigates within 7 business days but does not agree with the error	Notification date	No	N/A
Discrepancies are notified to the RCP by a non-RCP. The RCP is not able to prioritize investigation within 7 business days and these "errors" may be legitimate interpretation differences or false positives	Notification date	Yes	Within 12 hours after determination that break cannot be resolved within 7 BD

CFTC Swap Data Reporting Rule Text (excerpts)[6]

Rule section	Rule Requirement (sub)header	Rule requirement Description
17 CFR 43.3 (e)	Method and timing for real-time public reporting (Correction of errors)	Correction of errors
17 CFR 43.3 (e)(1)	Method and timing for real-time public reporting (Correction of errors)	Swap execution facilities, designated contract markets, and reporting counterparties. Any swap execution facility, designated contract market, or reporting counterparty that by any means becomes aware of any error relating to swap transaction and pricing data that it was required to report under this part shall correct the error. To correct an error, the swap execution facility, designated contract market, or reporting counterparty shall submit complete and accurate swap transaction and pricing data to the swap data repository that maintains the swap transaction and pricing data for the relevant swap, or completely and accurately report swap transaction and pricing data for a swap that was not previously reported to a swap data repository as required under this part, as applicable. Except as otherwise provided in this section, the requirement to correct any error applies regardless of the state of the swap that is the subject of the swap transaction and pricing data, including a swap that has terminated, matured, or otherwise is no longer considered to be an open swap.
17 CFR 43.3 (e)(1)(i)	Method and timing for real-time public reporting (Correction of errors)	Timing requirement for correcting errors. The swap execution facility, designated contract market, or reporting counterparty shall correct any error as soon as technologically practicable after discovery of the error. In all cases, errors shall be corrected within seven business days after discovery. Any error that a reporting counterparty discovers or could have discovered during the verification process required under § 45.14(b) of this chapter is considered discovered for the purposes of this section as of the moment the reporting counterparty began the verification process during which the error was first discovered or discoverable.
17 CFR 43.3 (e)(1)(ii)	Method and timing for real-time public reporting (Correction of errors)	Notification of failure to timely correct. If the swap execution facility, designated contract market, or reporting counterparty will, for any reason, fail to timely correct an error, the swap execution facility, designated contract market, or reporting counterparty shall notify the Director of the Division of Market Oversight, or such other employee or employees of the Commission as the Director may designate from time to time. The notification shall be in the form and manner, and according to the instructions, specified by the Director of the Division of Market Oversight, or such other employee or employees of the Commission as the Director may designate from time to time. Unless otherwise instructed by the Director of the Division of Market Oversight, or such other employee or employees of the Commission as the Director may designate from time to time, the notification shall include an initial assessment of the scope of the error or errors that were discovered, and shall include any initial remediation plan for correcting the error or errors, if an initial remediation plan exists. This notification shall be made within 12 hours of the swap execution facility's, designated contract

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		market's, or reporting counterparty's determination that it will fail to timely correct the error.
17 CFR 43.3 (e)(1)(iii)	Method and timing for real-time public reporting (Correction of errors)	Form and manner for error correction. In order to satisfy the requirements of this section, a swap execution facility, designated contract market, or reporting counterparty shall conform to a swap data repository's policies and procedures created pursuant to § 49.10 of this chapter for correction of errors.
17 CFR 43.3 (e)(2)	Method and timing for real-time public reporting (Correction of errors)	Non-reporting counterparties. Any non-reporting counterparty that by any means becomes aware of any error in the swap transaction and pricing data for a swap to which it is the non-reporting counterparty, shall notify the reporting counterparty for the swap of the error as soon as technologically practicable after discovery, but not later than three business days following discovery of the error. If the non-reporting counterparty does not know the identity of the reporting counterparty, the non-reporting counterparty shall notify the swap execution facility or designated contract market where the swap was executed of the error as soon as technologically practicable after discovery, but no later than three business days following the discovery. Such notice from the non-reporting counterparty to the swap execution facility, designated contract market, or reporting counterparty constitutes discovery under this section.
17 CFR 43.3 (e)(3)	Method and timing for real-time public reporting (Correction of errors)	Exception. The requirements to correct errors set forth in paragraph (e) of this section only apply to errors in swap transaction and pricing data relating to swaps for which the record retention period under § 45.2 of this chapter has not expired as of the time the error is discovered. Errors in swap transaction and pricing data relating to swaps for which the record retention periods under § 45.2 of this chapter have expired at the time that the errors are discovered are not subject to the requirements to correct errors set forth in paragraph (e) of this section.
17 CFR 43.3 (e)(4)	Method and timing for real-time public reporting (Correction of errors)	Error defined -
17 CFR 43.3 (e)(4)(i)	Method and timing for real-time public reporting (Correction of errors)	Errors. For the purposes of this part, there is an error when swap transaction and pricing data is not completely and accurately reported. This includes, but is not limited to, the following circumstances:
17 CFR 43.3 (e)(4)(i)(A)	Method and timing for real-time public reporting (Correction of errors)	Any of the swap transaction and pricing data for a swap reported to a swap data repository is incorrect or any of the swap transaction and pricing data that is maintained by a swap data repository differs from any of the relevant swap transaction and pricing data contained in the books and records of a party to the swap.
17 CFR 43.3 (e)(4)(i)(B)	Method and timing for real-time public reporting (Correction of errors)	Any of the swap transaction and pricing data for a swap that is required to be reported to a swap data repository or to be maintained by a swap data repository is not reported to a swap data repository or is not maintained by the swap data repository as required by this part.
17 CFR 43.3 (e)(4)(i)(C)	Method and timing for real-time public reporting (Correction of errors)	None of the swap transaction and pricing data for a swap that is required to be reported to a swap data repository or to be maintained by a swap data repository is reported to a swap data repository or is maintained by a swap data repository.
17 CFR 43.3 (e)(4)(i)(D)	Method and timing for real-time public reporting (Correction of errors)	Any of the swap transaction and pricing data for a swap that is no longer an open swap is maintained by the swap data repository as if the swap is still an open swap.

17 CFR 43.3 (e)(4)(ii)	Method and timing for real-time public reporting (Correction of errors)	Presumption. For the purposes of this section, there is a presumption that an error exists if the swap data or the swap transaction and pricing data that is maintained and disseminated by an SDR for a swap is not complete and accurate. This includes, but is not limited to, the swap data that the SDR makes available to the reporting counterparty for verification under § 49.11 of this chapter.
17 CFR 45.14	Correcting errors in swap data and verification of swap data accuracy (Correction of errors)	Correction of errors
17 CFR 45.14(a)	Correcting errors in swap data and verification of swap data accuracy (Correction of errors)	Correction of errors
17 CFR 45.14(a)(1)	Correcting errors in swap data and verification of swap data accuracy (Correction of errors)	Swap execution facilities, designated contract markets, and reporting counterparties. Any swap execution facility, designated contract market, or reporting counterparty that by any means becomes aware of any error relating to swap data that it was required to report under this part shall correct the error. To correct an error, the swap execution facility, designated contract market, or reporting counterparty shall submit complete and accurate swap data to the swap data repository that maintains the swap data for the relevant swap, or completely and accurately report swap data for a swap that was not previously reported to a swap data repository as required under this part, as applicable. Except as otherwise provided in this section, the requirement to correct any error applies regardless of the state of the swap that is the subject of the swap data, including a swap that has terminated, matured, or otherwise is no longer considered to be an open swap.
17 CFR 45.14(a)(1)(i)	Correcting errors in swap data and verification of swap data accuracy (Correction of errors)	Timing requirement for correcting errors. The swap execution facility, designated contract market, or reporting counterparty shall correct any error as soon as technologically practicable after discovery of the error. In all cases, errors shall be corrected within seven business days after discovery. Any error that a reporting counterparty discovers or could have discovered during the verification process required under paragraph (b) of this section is considered discovered for the purposes of this section as of the moment the reporting counterparty began the verification process during which the error was first discovered or discoverable.
17 CFR 45.14(a)(1)(ii)	Correcting errors in swap data and verification of swap data accuracy (Correction of errors)	Notification of failure to timely correct. If the swap execution facility, designated contract market, or reporting counterparty will, for any reason, fail to timely correct an error, the swap execution facility, designated contract market, or reporting counterparty shall notify the Director of the Division of Market Oversight, or such other employee or employees of the Commission as the Director may designate from time to time. The notification shall be in the form and manner, and according to the instructions, specified by the Director of the Division of Market Oversight, or such other employee or employees of the Commission as the Director may designate from time to time. Unless otherwise instructed by the Director of the Division of Market Oversight, or such other employee or employees of the Commission as the Director may designate from time to time, the notification shall include an initial assessment of the scope of the error or errors that were discovered, and shall include any initial remediation plan for correcting the error or

		errors, if an initial remediation plan exists. This notification shall be made within 12 hours of the swap execution facility's, designated contract market's, or reporting counterparty's determination that it will fail to timely correct the error.
17 CFR 45.14(a)(1)(iii)	Correcting errors in swap data and verification of swap data accuracy (Correction of errors)	Form and manner for error correction. In order to satisfy the requirements of this section, a swap execution facility, designated contract market, or reporting counterparty shall conform to a swap data repository's policies and procedures created pursuant to § 49.10 of this chapter for correction of errors.
17 CFR 45.14(a)(2)	Correcting errors in swap data and verification of swap data accuracy (Correction of errors)	Non-reporting counterparties. Any non-reporting counterparty that by any means becomes aware of any error in the swap data for a swap to which it is the non-reporting counterparty, shall notify the reporting counterparty for the swap of the error as soon as technologically practicable after discovery, but not later than three business days following discovery of the error. If the non-reporting counterparty does not know the identity of the reporting counterparty, the non-reporting counterparty shall notify the swap execution facility or designated contract market where the swap was executed of the error as soon as technologically practicable after discovery, but no later than three business days following the discovery. Such notice from the non-reporting counterparty to the swap execution facility, designated contract market, or reporting counterparty constitutes discovery under this section.
17 CFR 45.14(a)(3)	Correcting errors in swap data and verification of swap data accuracy (Correction of errors)	Exception. The requirements to correct errors set forth in paragraph (a) of this section only apply to errors in swap data relating to swaps for which the record retention period under § 45.2 has not expired as of the time the error is discovered. Errors in swap data relating to swaps for which the record retention periods under § 45.2 have expired at the time that the errors are discovered are not subject to the requirements to correct errors set forth in paragraph (a) of this section.
17 CFR 45.14(b)	Correcting errors in swap data and verification of swap data accuracy (Verification that swap data is complete and accurate)	Verification that swap data is complete and accurate. Each reporting counterparty shall verify that there are no errors in the swap data for all open swaps that the reporting counterparty reported, or was required to report, to a swap data repository under the requirements of this part, in accordance with this paragraph (b).
17 CFR 45.14(b)(1)	Correcting errors in swap data and verification of swap data accuracy (Verification that swap data is complete and accurate)	Method of verification. Each reporting counterparty shall utilize the mechanism for verification that each swap data repository to which the reporting counterparty reports swap data adopts under § 49.11 of this chapter. Each reporting counterparty shall utilize the relevant mechanism(s) to compare all swap data for each open swap for which it serves as the reporting counterparty maintained by the relevant swap data repository or repositories with all swap data contained in the reporting counterparty's internal books and records for each swap, to verify that there are no errors in the relevant swap data maintained by the swap data repository. Notwithstanding the foregoing, a reporting counterparty is not required to verify the accuracy and completeness of any swap data to which the reporting counterparty is not permitted access under the Act or Commission regulations, including, but not limited to, § 49.17 of this chapter.
17 CFR 45.14(b)(2)	Correcting errors in swap data and verification of swap data accuracy (Verification that	Verification policies and procedures. In performing verification as required by this paragraph, each reporting counterparty shall conform to each relevant swap data repository's verification policies and procedures created pursuant to § 49.11 of this chapter. If a reporting counterparty

	swap data is complete and accurate)	utilizes a third-party service provider to perform verification, the reporting counterparty shall conform to each relevant swap data repository's third-party service provider verification policies and procedures created pursuant to § 49.11 of this chapter and shall require the third-party service provider to conform to the same policies and procedures while performing verification on behalf of the reporting counterparty.
17 CFR 45.14(b)(3)	Correcting errors in swap data and verification of swap data accuracy (Verification that swap data is complete and accurate)	Correcting errors. Any and all errors discovered during the verification process shall be corrected in accordance with paragraph (a)(1) of this section.
17 CFR 45.14(b)(4)	Correcting errors in swap data and verification of swap data accuracy (Verification that swap data is complete and accurate)	Frequency. Each reporting counterparty shall perform verification at a minimum:
17 CFR 45.14(b)(4)(i)	Correcting errors in swap data and verification of swap data accuracy (Verification that swap data is complete and accurate)	If the reporting counterparty is a swap dealer, major swap participant, or derivatives clearing organization, once every thirty calendar days; or
17 CFR 45.14(b)(4)(ii)	Correcting errors in swap data and verification of swap data accuracy (Verification that swap data is complete and accurate)	If the reporting counterparty is not a swap dealer, major swap participant, or a derivatives clearing organization, once every calendar quarter, provided that there are at least two calendar months between verifications.
17 CFR 45.14(b)(5)	Correcting errors in swap data and verification of swap data accuracy (Verification that swap data is complete and accurate)	Verification log. Each reporting counterparty shall keep a log of each verification that it performs. For each verification, the log shall include all errors discovered during the verification, and the corrections performed under paragraph (a) of this section. This requirement is in addition to any other applicable reporting counterparty recordkeeping requirement.
17 CFR 45.14(c)	Correcting errors in swap data and verification of swap data accuracy (Error defined)	Error defined
17 CFR 45.14(c)(1)	Correcting errors in swap data and verification of swap data accuracy (Error defined)	Errors. For the purposes of this part, there is an error when swap data is not completely and accurately reported. This includes, but is not limited to, the following circumstances:
17 CFR 45.14(c)(1)(i)	Correcting errors in swap data and verification of swap data accuracy (Error defined)	Any of the swap data for a swap reported to a swap data repository is incorrect or any of the swap data that is maintained by a swap data repository differs from any of the relevant swap data contained in the books and records of a party to the swap.
17 CFR 45.14(c)(1)(ii)	Correcting errors in swap data and verification of swap data accuracy (Error defined)	Any of the swap data for a swap that is required to be reported to a swap data repository or to be maintained by a swap data repository is not reported to a swap data repository or is not maintained by the swap data repository as required by this part.
17 CFR 45.14(c)(1)(iii)	Correcting errors in swap data and verification of swap data accuracy (Error defined)	None of the swap data for a swap that is required to be reported to a swap data repository or to be maintained by a swap data repository is reported to a swap data repository or is maintained by a swap data repository.

17 CFR 45.14(c)(1)(iv)	Correcting errors in swap data and verification of swap data accuracy (Error defined)	Any of the swap data for a swap that is no longer an open swap is maintained by the swap data repository as if the swap is still an open swap.
17 CFR 45.14(c)(2)	Correcting errors in swap data and verification of swap data accuracy (Error defined)	Presumption. For the purposes of this section, there is a presumption that an error exists if the swap data that is maintained and disseminated by an SDR for a swap is not complete and accurate. This includes, but is not limited to, the swap data that the SDR makes available to the reporting counterparty for verification under § 49.11 of this chapter.