

Part 43 Reporting of Post-Trade Events: Trades with no prior Part 43 Reporting Suggested Operational Practice (“SOP”)

Summary of Challenge:

Prior to the Commodity Futures Trading Commission (“CFTC”) swap data reporting rule amendments to Part 43, 45 and 49¹ (“CFTC Rewrite”) compliance date, Action Type/Event type combinations² did not exist; a reporting counterparty (“RCP”) could send a Real-time (“RT”) message via transaction type that was not linked to the life-cycle of a Unique Transaction Identifier (“UTI”).

Post-CFTC Rewrite, a Swap Data Repository (“SDR”) has introduced additional event level validation rules, resulting in rejections on post-trade events for allocated trades in the scenario where the original NEW allocated trade was not RT reportable and therefore not reported.

The International Swaps and Derivatives Association (“ISDA”) Data & Reporting U.S. Compliance Working Group has discussed and agreed the following as an ISDA Suggested Operational Practice “SOP” on the approaches (e.g. for partial or full unwinds, partial or full novation, or partial or full exercises) for allocated trades, using the examples below³. To summarize, the general approach is to report the first Part 43 reportable post-trade event on an allocated trade with Action type⁴ “NEWT” and Event type⁵ “TRAD”. For simplicity, the example scenarios below assume only one allocation was applied to the full (pre-allocation/bunched order/block) position.

¹ <https://www.cftc.gov/PressRoom/PressReleases/8247-20>.

² See §F “Events: Valid Action type and Event type combinations for part 43 and part 45 reporting” of the [P43/P45 Technical Specifications v3.2 clean](#).

³ There may be additional scenarios where no prior Part 43 report exists for a trade in the SDR, in order for a post-trade event to be reported under Part 43. Examples include: Reporting of a Part 43 reportable event on a trade that (i) has been reported as a “live historical trade” under CFTC Part 46 when the CFTC trade reporting rules went live for the first time (e.g. end of 2012); (ii) is still live; and (iii) has a Part 43 reportable event (e.g. full or partial exercise of an option); or (iv) is a result of a compression exercise. The WG agrees it would make sense to apply the same approach as outlined in this SOP to these scenarios.

⁴ CFTC data element #26 (CFTC Technical Specifications v3.2).

⁵ CFTC data element #27 (CFTC Technical Specifications v3.2).

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Examples – Post Allocation Trades:

Scenario 1: Partial Unwind							
Part 45	Notional	Action	Event	UTI	Direction on the Report	Event TS (Field 30)	Original Ex TS (Field 96)
Block New	100	NEWT	TRAD	BlockUTI	Buy	9am	9am
Block Termination	100	TERM	ALOC	BlockUTI	Buy	10am	9am
Allocated	100	NEWT	ALOC	Allocated UTI	Buy	10am	10am
Partially Unwound 40 resulting in a position of 60	60	MODI	TRAD	Allocated UTI	Buy	1pm	10am
Full Termination ⁶	60	TERM	ETRM	Allocated UTI	Buy	3pm	10am
Part 43	Notional	Action	Event	UTI	Direction on the Report	Event TS (Field 30)	Original Ex TS (Field 96)
Block	100	NEWT	TRAD	BlockUTI	Buy	9am	9am
Block Termination	100	NOT REPORTED	NOT REPORTED	BlockUTI	Buy	10am	9am
Allocated	100	NOT REPORTED	NOT REPORTED	Allocated UTI	Buy	10am	10am
Partially Unwound 40 resulting in a position of 60	60	NEWT	TRAD	Allocated UTI	Buy	1pm	10am
Full Termination ⁷	60	TERM	ETRM	Allocated UTI	Buy	3pm	10am

Scenario 2: Full Unwind							
Part 45	Notional	Action	Event	UTI	Direction on the Report	Event TS (Field 30)	Original Ex TS (Field 96)
Block New	100	NEWT	TRAD	BlockUTI	Buy	9am	9am
Block Termination	100	TERM	ALOC	BlockUTI	Buy	10am	9am
Allocated	100	NEWT	ALOC	Allocated UTI	Buy	10am	10am
Full Termination	100	TERM	ETRM	Allocated UTI	Buy	3pm	10am
Part 43	Notional	Action	Event	UTI	Direction on the Report	Event TS (Field 30)	Original Ex TS (Field 96)
Block New	100	NEWT	TRAD	BlockUTI	Buy	9am	9am
Block Termination	100	NOT REPORTED	NOT REPORTED	BlockUTI	Buy	10am	9am
Allocated	100	NOT REPORTED	NOT REPORTED	Allocated UTI	Buy	10am	10am
Full Termination - Termination EVENT	100	NEWT	TRAD	Allocated UTI	Buy	3pm	10am

Scenario 3: Remaining Party - FULL Novation							
Part 45	Notional	Action	Event	UTI	Direction on the Report	Event TS (Field 30)	Original Ex TS (Field 96)
Block	100	NEWT	TRAD	BlockUTI	Buy	9am	9am
Block Termination	100	TERM	ALOC	BlockUTI	Buy	10am	9am
Allocated	100	NEWT	ALOC	Allocated UTI	Buy	10am	10am
Remaining Party Novation	100	TERM	ETRM	Allocated UTI	Buy	3pm	10am
	100	NEWT	NOVA	Novated UTI	Buy	3pm	3pm

⁶ This row is to indicate that subsequent post-trade events do not require any further adjustments.

⁷ Same as above.

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Part 43	Notional	Action	Event	UTI	Direction on the Report	Event TS (Field 30)	Original Ex TS (Field 96)
Block	100	NEWT	TRAD	BlockUTI	Buy	9am	9am
Block Termination	100	NOT REPORTED	NOT REPORTED	BlockUTI	Buy	10am	9am
Allocated	100	NOT REPORTED	NOT REPORTED	Allocated UTI	Buy	10am	10am
Remaining Party Novation	100	NEWT	TRAD	Allocated UTI	Buy	3pm	10am
	100	NEWT	NOVA	Novated UTI	Buy	3pm	3pm

Scenario 4: Remaining Party - Partial Novation							
Part 45	Notional	Action	Event	UTI	Direction on the Report	Event TS (Field 30)	Original Ex TS (Field 96)
Block	100	NEWT	TRAD	BlockUTI	Buy	9am	9am
Block Termination	100	TERM	ALOC	BlockUTI	Buy	10am	9am
Allocated	100	NEW	ALOC	Allocated UTI	Buy	10am	10am
Remaining Party Partial Novation for 50	50	MODI	NOVA	Allocated UTI	Buy	3pm	10am
	50	NEWT	NOVA	Novated UTI	Buy	3pm	3pm
Part 43	Notional	Action	Event	UTI	Direction on the Report	Event TS (Field 30)	Original Ex TS (Field 96)
Block	100	NEWT	TRAD	BlockUTI	Buy	9am	9am
Block Termination	100	NOT REPORTED	NOT REPORTED	BlockUTI	Buy	10am	9am
Allocated	100	NOT REPORTED	NOT REPORTED	Allocated UTI	Buy	10am	10am
Remaining Party Partial Novation	50	NEWT	TRAD	Allocated UTI	Buy	3pm	10am
	50	NEWT	NOVA	Novated UTI	Buy	3pm	3pm

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