

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the Commodity Futures Trading Commission on the Proposed Rule for Certain Swap Data Repository and Data Reporting Requirements

January 2020

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the Commodity Futures Trading Commission on the Proposed Rule for Certain Swap Data Repository and Data Reporting Requirements. GLEIF will focus its comments on the use of the Legal Entity Identifier (LEI) in the consultation.

First, GLEIF appreciates that the Part 45.6. of the Regulation already exclusively requires swap dealers, major swap participants, and non-swap dealer/major swap participants to be identified by their LEI in all recordkeeping and all swap data reporting.

As mentioned in the appendices to proposed amendments to the CFTC’s regulations relating to certain swap data repository and data reporting requirements, in line with the key trade reporting provisions laid out at the 2009 G20 Pittsburgh Summit and Dodd-Frank Act, SDR rules aim to increase transparency and identify risk in the swaps market, for which the unique identification of counterparties through the LEI play an essential role.

Given the CFTC has emphasized in this Proposed Rule that improving data quality would help to enhance the data’s usefulness, GLEIF would like to highlight that both the quality and accuracy of LEI data will be maintained as reporting entities renew and keep current their LEI entity and relationship data. GLEIF expects that over time the LEI will be used for multiple public and private purposes and for that reason only valid and renewed LEIs will ensure that the LEI becomes a broad public good as expected by the Financial Stability Board (FSB). Therefore, GLEIF also would like to propose that the CFTC consider requiring that only LEIs that are maintained, meaning duly renewed, would satisfy the reporting obligation.

Lastly, GLEIF would like to suggest the CFTC to add the LEI of the applicant into the “Form SDR”. Incorporation of the LEI record of the applicant in the Form would make “name under which business is or will be conducted, if different than name specified before”, “if name of business is being amended, state previous business name”, “contact information, mailing address”, “business organization” data fields unnecessary, while standardizing the reference to and access to the identities of these entities without input errors or the need to alias applicant names. This amendment could be also consistent with the Paper Reduction Act.