

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the Commodity Futures Trading Commission (CFTC) on the Amendments to Compliance Requirements for Commodity Pool Operators on Form CPO-PQR

June 2020

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the Commodity Futures Trading Commission (CFTC) on the Amendments to Compliance Requirements for Commodity Pool Operators on Form CPO-PQR. GLEIF will focus its comments on the use of the Legal Entity Identifier (LEI) in the consultation.

GLEIF agrees with the Commission's assessment that the inclusion of LEIs in the Schedule A of the Form CPO-PQR will enable the Commission to more efficiently and accurately synthesize the various Commission data streams on an entity by-entity basis and enhance the Commission's aggregation of data from commodity pools. However, as highlighted by Commissioner Dan M. Berkovitz, the current Proposal does not require all reporting firms, such as those that do not trade swaps, to obtain and report LEIs. Limiting the LEI requirement to only those entities that have an LEI due to their swap activity would restrict the Commission's ability to gather granular, pool-specific data and hinder the Commission's understanding of the role these pools play in the markets. The existing Proposal with limited LEI reporting requirements would not allow the Commission to aggregate all derivatives transactions by pools under common control.

Within the year 2020, GLEIF responded to two other public consultations published by the Commission on the Swap Data Recordkeeping requirements. In those responses, GLEIF emphasized that improving data quality would help to enhance the data's usefulness. Therefore, 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.

GLEIF suggests that in addition to the "CPO's LEI" in the amended Schedule A, the Commission should consider requiring the LEI for "Third Party Administrator", "Broker", "Trading Manager" and "Custodian" fields for ensuring consistency in the report.

Lastly, GLEIF would like to highlight that consistent use of the LEI within and across Federal agencies is crucial for ensuring reporting consistency and requirements for reporting entities. In the Consultation, the Commission states that the National Futures Association (NFA) Form PQR may be revised to include questions regarding the LEI.

Therefore, GLEIF suggests the Commission consider to extend the LEI requirement for all reporting entities submitting the CPO-PQR for enhancing the Commission's data aggregation and risk assessment

capabilities. A consistent and standardized LEI requirement would also contribute to the harmonization of rules and standards across regulatory requirements.