

FINANCIAL INFORMATION FORUM

June 20, 2024

By email

Office of Financial Research
U.S. Department of the Treasury
717 14th Street, NW
Washington, DC 20220

Attn: Michael Passante, Chief Counsel
Sriram Rajan, Associate Director of Financial Markets
Laura Miller Craig, Senior Advisor

Re: U.S. Department of the Treasury, Office of Financial Research, Ongoing Data Collection of Non-Centrally Cleared Bilateral Transactions in the U.S. Repurchase Agreement Market, 12 CFR Part 1610

Dear Mr. Passante, Mr. Rajan and Ms. Miller,

Financial Information Forum (“FIF”) is submitting this letter on behalf of the members of FIF in response to the rule recently adopted by the Office of Financial Research of the U.S. Department of the Treasury (the “OFR”) to require firms that meet specified activity thresholds (“Covered Reporters”) to report to the OFR specified data relating to non-centrally cleared bilateral repurchase agreement transactions (“NCCBR repos”).¹ In this letter, FIF members request that the OFR extend the compliance date for Category 1 Covered Reporters to February 2, 2026 and extend the compliance date for Category 2 Covered Reporters to May 4, 2026. FIF members also request clarification on various reporting requirements.

We refer to the final rule as the “NCCBR reporting rule”. We refer to the associated adopting release published by the OFR² as the “adopting release”. FIF members would like to thank the OFR for addressing many of the questions and comments that FIF and other commenting parties submitted to the OFR on March 9, 2023³ in response to the Notice of Proposed Rulemaking published by the OFR on

¹ 12 CFR §1610.11 (Non-centrally Cleared Bilateral Repurchase Agreement Data).

² 89 FR 37091 (May 6, 2024) (Ongoing Data Collection of Non-Centrally Cleared Bilateral Transactions in the U.S. Repurchase Agreement Market) (“Adopting Release”).

³ Letter from Financial Information Forum to the Office of Financial Research (Mar. 9, 2023), available at <https://fif.com/index.php/working-groups>.

January 5, 2023.⁴ FIF members would also like to thank the OFR for publishing detailed Reporting Instructions⁵ and Technical Guidance⁶, which provide guidance for firms in complying with the NCCBR reporting rule.

1. FIF members request that the OFR extend the compliance dates for Category 1 and Category 2 Covered Reporters

Extended compliance dates are appropriate for both Category 1 and Category 2 Covered Reporters when considering the multiple stages required for a new reporting obligation, particularly when taking into account other regulatory requirements that will be implemented by the same support teams and that fundamental open questions remain. Under the adopting release, Category 1 covered reporters will be left with 60 days from the Effective Date to when they are expected to begin testing “at least 90 days before their compliance date”. As described below, 60 days is insufficient to successfully implement a novel regulatory report.

FIF members request that the OFR extend the compliance dates for Covered Reporters because of conflicting regulatory implementation burdens

On December 13, 2023, the Securities and Exchange Commission (the “SEC”) adopted a rule to mandate centralized clearing of certain Treasury spot and repurchase agreement (“repo”) transactions that are not currently subject to centralized clearing.⁷ Subsequent to this rule adoption by the SEC, Fixed Income Clearing Corporation (“FICC”) submitted a series of rule filings to the SEC to implement the SEC’s new centralized clearing requirements.⁸ This is a major implementation project for market participants, including the evaluation of various new and updated clearing models proposed by FICC, changes to customer relationships and contracts, changes to firm and customer accounts, changes to margining and financial reporting, updating of legal agreements, and technology changes.

On October 13, 2023, the SEC adopted a new rule to mandate a new reporting system for firms to report individual securities loans on a daily basis.⁹ In the final rule, the SEC delegated to the Financial Industry Regulatory Authority (“FINRA”) the responsibility to design, develop and operate the new securities loan reporting system. On May 1, 2024, FINRA submitted a rule filing to the SEC setting forth details about

⁴ 88 FR 1154 (Jan. 9, 2023) (Collection of Non-Centrally Cleared Bilateral Transactions in the U.S. Repurchase Agreement Market).

⁵ Reporting Instructions for Preparation of the Report of Non-centrally Cleared Bilateral Transactions in the U.S. Repurchase Agreement Market, Office of Financial Research, Report OFR SFT-2 (May 6, 2024) (“Reporting Instructions”), available at <https://www.financialresearch.gov/data/collections/files/nccbr-reporting-instructions.pdf>.

⁶ Technical Guidance for Transmission of the Report of Non-centrally Cleared Bilateral Transactions in the U.S. Repurchase Agreement Market, Office of Financial Research, Report OFR SFT-2 (May 6, 2024) (“Technical Guidance”), available at <https://www.financialresearch.gov/data/collections/files/nccbr-technical-guidance.pdf>.

⁷ Securities Exchange Act Release No. 99149 (Dec. 13, 2023), 89 FR 2714 (Jan. 16, 2024).

⁸ See, for example, Securities Exchange Act Release No. 99817 (Mar. 21, 2024), 89 FR 21362 (Mar. 27, 2024).

⁹ Securities Exchange Act Release No. 98737 (Oct. 13, 2023), 88 FR 75644 (Nov. 3, 2023) (“Reporting of Securities Loans”).

the new Securities Lending and Transparency Engine (“SLATE”) reporting system.¹⁰ SLATE reporting is another major implementation project for market participants.

At many firms, functional support teams (i.e., Operations, Development, QA, Product Management, Project Management, IT, Compliance, Risk Management and Legal) that are working on implementation of NCCBR reporting are also working on other projects mandated by recent regulatory changes, including centralized clearing of Treasuries and SLATE. This is creating a significant resource challenge that the OFR did not contemplate when it published its proposing release for NCCBR repos. Based on the significant resource challenge presented by competing regulatory implementations, FIF members request that the OFR extend the compliance date for Category 1 Covered Reporters to February 2, 2026 and extend the compliance date for Category 2 Covered Reporters to May 4, 2026. FIF members consider these extensions to be appropriate and necessary given the burdens and costs being imposed on firms to implement these new regulatory mandates in simultaneous and overlapping periods. Given the competing regulatory implementations, FIF members are concerned about their ability to implement NCCBR repo reporting within the currently mandated implementation period. FIF members also are concerned that the requirement to implement NCCBR repo reporting within the currently mandated implementation period will impact the ability of firms to properly implement the competing regulatory mandates.

Covered Reporters require sufficient time for testing

Extension of the implementation time period also is important to ensure that Covered Reporters have sufficient time for testing. In the adopting release, the OFR “... encourages all covered reporters to test submissions as early as possible but at least 90 days before their compliance deadline.”¹¹ FIF members agree that 90 days is an appropriate testing period. FIF members understand that the currently scheduled testing period will commence on September 3, 2024 (90 days prior to the compliance date for Category 1 Covered Reporters, which FIF members understand would be December 2, 2024). Given the fact that commencement of the testing period is less than three months away, and given the other points discussed in this section (including the fact that industry members require further interpretive guidance on various reporting issues), many Covered Reporters will not have the opportunity to take advantage of this 90-day testing period. Accordingly, FIF members request that the OFR extend the compliance dates for NCCBR reporting as requested above to ensure that Covered Reporters can take advantage of a full 90-day testing period.

Extension of the compliance period is necessary because further clarification of various reporting requirements is necessary

FIF members are concerned that the current implementation schedule does not take account of the time required for Covered Reporters to seek and obtain guidance from the OFR on various interpretive questions, as set forth in this letter (for example, with respect to the reporting of bunched trades and allocations), as a prerequisite for Covered Reporters to move forward with implementation of the new

¹⁰ Securities Exchange Act Release No. 100046 (May 1, 2024), 89 FR 38203 (May 7, 2024) (“SLATE Rule Filing”).

¹¹ Adopting Release, at 89 FR 37105.

reporting requirement. The compliance periods should not start to run until the OFR has provided guidance on all requests for interpretive guidance that have been submitted on a timely basis.

The compliance period provided by the OFR is significantly shorter than the compliance periods provided by other regulators for other new reporting requirements and reporting changes

While the extensions requested by FIF members are justified based on the challenges that FIF members are facing with competing regulatory implementations, FIF members note that, even absent these competing implementations, the implementation time periods provided by the OFR for the reporting of NCCBR repos are significantly shorter than the time periods provided by other regulators for implementation of other new reporting requirements and reporting changes.

The following table compares the implementation period for the NCCBR reporting rule and other new reporting requirements and reporting changes:

Reporting Requirement	New / Updated	Regulator / SRO	Start Date	Initial Compliance Date	Implementation Period
Non-Centrally Cleared Bilateral Repos	New	OFR	May 6, 2024	December 2, 2024	6 months and 27 days
Reporting of Securities Loans ¹²	New	SEC; FINRA	January 2, 2025	January 2, 2026	Minimum of 12 months (see note below)
Short Position and Short Activity Reporting ¹³	New	SEC	October 13, 2023	January 2, 2025	13 months and 20 days
CFTC Large Trader Reporting ¹⁴	Updated	CFTC	April 30, 2024	June 3, 2026	25 months and 3 days
Disclosure of Order Execution Information ¹⁵	Updated	SEC	March 6, 2024	December 26, 2025	20 months and 20 days
Disclosure of Order Routing Information for OTC and NMS Securities ¹⁶	New	FINRA	See note below	See note below	12 months (see note below)
Reducing TRACE Reporting Timeframe to One Minute ¹⁷	Updated	FINRA	See note below	See note below	18 months (see note below)
Reducing RTRS Reporting Timeframe to One Minute ¹⁸	Updated	MSRB	See note below	See note below	18 months (see note below)

¹² Reporting of Securities Loans.

¹³ Securities Exchange Act Release No. 98738 (Oct. 13, 2023), 88 FR 75100 (Nov. 1, 2023).

¹⁴ Commodity Futures Trading Commission, Large Trader Reporting Requirements (Apr. 30, 2024).

¹⁵ Securities Exchange Act Release No. 99679 (Mar. 6, 2024), 89 FR 26428 (Apr. 15, 2024).

¹⁶ Securities Exchange Act Release No. 98047 (Aug. 2, 2023), 88 FR 53650 (Aug. 8, 2023) (“OTC Routing Reports”).

¹⁷ Securities Exchange Act Release No. 99404 (Jan. 19, 2024), 89 FR 5034 (Jan. 25, 2024) (“TRACE Reporting”).

¹⁸ Securities Exchange Act Release No. 99402 (Jan. 19, 2024), 89 FR 5384 (Jan. 26, 2024) (“RTRS Reporting”).

The following notes apply to the table above:

- **New / Updated.** This column indicates whether this is a new reporting requirement or an update to an existing reporting requirement.
- **Reporting of Securities Loans.** On May 1, 2024, FINRA submitted a draft rule filing to the SEC for the new SLATE reporting system.¹⁹ During May 2024, FINRA published draft specifications for the new SLATE reporting system.²⁰ According to the SEC’s adopting release, the final rule’s compliance dates require that FINRA’s rules for the securities lending reporting systems become effective by January 2, 2025 and that firms commence reporting securities loans to SLATE by January 2, 2026.²¹
- **Disclosure of Order Routing Information for OTC and NMS Securities.** In the SEC’s approval order for this FINRA rule change, the SEC writes that “... FINRA has stated that it will announce the effective date of the proposed rule change in a Regulatory Notice and the effective date will be no later than 365 days following publication of the Regulatory Notice.”²² While this passage provides for a period of up to 365 days, it is standard practice for FINRA to provide a period of at least 365 days for implementation of significant reporting changes, and FIF members expect that FINRA will provide a one-year implementation period for this new report.
- **Reducing TRACE Reporting Timeframe to One Minute.** In its Notice of Filing, the SEC writes that, “FINRA also intends to provide members with a sufficient implementation timeframe to make the changes necessary to comply with the reduced reporting timeframe (for example, approximately within 18 months from any SEC approval).”²³
- **Reducing RTRS Reporting Timeframe to One Minute.** In its Notice of Filing, the SEC writes, “Thus, if the proposed rule change is approved by the Commission, the MSRB would announce an effective date (for example, approximately within 18 months from such Commission approval) in a notice published on the MSRB website. Such effective date would be intended to maintain implementation of the proposed rule change on substantially the same implementation timeframe as the 2024 FINRA Proposed Rule Change.”²⁴

As the table above highlights, the period provided by the OFR for implementation of the NCCBR repo reporting requirement is significantly shorter than the implementation periods provided by other regulators for equivalent reporting requirements and reporting changes. FIF members request that the OFR provide sufficient time for Covered Reporters to implement NCCBR repo reporting consistent with the implementation periods provided by other regulators for other reporting requirements and changes.

¹⁹ SLATE Rule Filing.

²⁰ Participant Specification for Securities Lending and Transparency Engine (SLATE) (Version 1.0), available at [slate-participant-specification.pdf \(finra.org\)](https://www.finra.org/participant-specification.pdf).

²¹ Reporting of Securities Loans, at 88 FR 75691.

²² OTC Routing Reports, at 88 FR 53565.

²³ TRACE Reporting, at 89 FR 5046.

²⁴ RTRS Reporting, at 89 FR 5392.

2. Compliance dates and implementation

Reporting for the initial compliance date

FIF members request clarification as to how reporting applies for the initial compliance date. Are Covered Reporters required to report starting on the initial compliance date (by 11 am) the transactions that occurred on the Observation Date that is prior to the compliance date, or are Covered Reporters required to report starting on the first trading date that is after the initial compliance date (by 11 am) the transactions that occurred on the compliance date?

Technical transmission

The OFR provides in the Technical Guidance that the “Technical transmission requirements are contained in the DCU Onboarding Instructions, which will be provided once the onboarding process has been initiated.”²⁵ FIF members request that the OFR provide guidance on connectivity requirements as soon as possible.

Testing processes

FIF members request that the OFR provide additional detail about the planned processes for testing by Covered Reporters.

Testing period

FIF members appreciate and support the OFR’s decision to “... accept covered reporter data as of the Final Rule’s effective date.”²⁶ In the adopting release, the OFR “... encourages all covered reporters to test submissions as early as possible but at least 90 days before their compliance deadline.”²⁷ FIF notes that, given competing regulatory mandates and the short implementation period, it will be difficult for many FIF members to be ready to submit test files as of that date (which FIF members understand would be September 3, 2024). As discussed above, FIF members agree with the OFR that a testing period of at least 90 days is appropriate and request that the OFR extend the compliance dates for NCCBR reporting as requested above to ensure that Covered Reporters can take advantage of the full testing period. FIF members also request confirmation that there is no regulatory obligation for a Covered Reporter to test at least 90 days before the compliance deadline.

3. Change in Reporting Status

The Reporting Instructions provide that,

Any financial company that meets the Category 1 criteria after the effective date of the Final Rule “Ongoing Data Collection of Non-centrally Cleared Bilateral Transactions in

²⁵ Technical Guidance, at 2.

²⁶ Adopting Release, at 89 FR 37105.

²⁷ Ibid.

the U.S. Repurchase Agreement Market” [July 5, 2024] shall comply with the reporting requirements on the first business day of the fourth full calendar quarter following the calendar quarter in which such financial company becomes a Covered Reporter.²⁸

The Reporting Instructions contain a similar statement for Category 2 Covered Reporters except that the effective date is the first business day of the fifth full calendar quarter following the calendar quarter in which such financial company becomes a Covered Reporter.

Consistent with the request for an extension of the compliance dates as set forth above, FIF members further propose that the OFR clarify that a firm that first becomes a Covered Reporter after the effective date would become subject to reporting starting on (A) the later of (i) the first business day of the fourth full calendar quarter following the calendar quarter in which such financial company becomes a Covered Reporter, and (ii) February 2, 2026 (for a Category 1 Covered Reporter), or (B) the later of (i) the first business day of the fifth full calendar quarter following the calendar quarter in which such financial company becomes a Covered Reporter, and (ii) May 4, 2026 (for a Category 2 Covered Reporter) (unless the firm subsequent to qualifying as a Covered Reporter and prior to its commencement date for reporting fails to meet the reporting threshold for four consecutive calendar quarters).

4. Guarantees

Calculating whether a firm qualifies as a Covered Reporter

A firm is required to calculate whether it qualifies as a Covered Reporter based on its “... average daily outstanding commitments to borrow cash and extend guarantees ...” in NCCBR repos.²⁹ FIF members request clarification as to whether a firm is required, for purposes of this calculation, to include only guarantees where the firm guarantees the obligations of the borrower or whether a firm is required to include guarantees where the firm guarantees the obligations of either the borrower or the lender. If firms are required to include guarantees where the firm guarantees the obligation of the lender, how should the firm calculate the amount of the guarantee? For example, should this amount be based on the dollar value of the collateral, the dollar value of the amount loaned, or some other value? In addition, if the Covered Reporter only guarantees the lender’s obligations to the extent of the amount by which the lender is over-collateralized, how should the amount of the guarantee on behalf of the lender be calculated?

Reporting obligations for a guarantor

FIF members request clarification as to whether a Covered Reporter is only required to report the transactions where the Covered Reporter guarantees the obligations of the borrower or whether a Covered Reporter is required to report the transactions where the Covered Reporter guarantees the obligations of either the borrower or the lender. FIF members note that, if the OFR intends to require a Covered Reporter to report transactions where a Covered Reporter guarantees the obligations of either the borrower or the lender, it will be necessary for the OFR to update the file record layout to enable a

²⁸ Reporting Instructions, at 4.

²⁹ 12 CFR §1610.11(b)(2).

Covered Reporter to indicate whether the Covered Reporter is the guarantor of the borrower's or the lender's obligations.

5. Bunched trades and allocations

FIF members request guidance on reporting for the scenario where a dealer enters into a bunched trade with an investment adviser counter-party, and the investment adviser counter-party subsequently provides allocations for the bunched trade. FIF members request confirmation that, for this scenario, the dealer should report the allocated trades with the underlying accounts and not the bunched trade with the investment adviser. FIF members note that, in this scenario, the individual counter-party (rather than the investment adviser) will be the lender or borrower, as applicable, and for that reason the investment adviser should not be reported as the "lender" or "borrower" of a trade. In addition, a subsequent modification or termination could affect an individual repo without affecting all of the repos.

FIF members note that the Technical Guidance contains the following validation check: "When Guarantee = FALSE, Covered Reporter LEI = either Cash Borrower LEI or Cash Lender LEI."³⁰ With this validation check, if an adviser, as a Covered Reporter, reports a transaction between the adviser's counter-party and an underlying account of the investment adviser, the OFR system presumably would reject this transaction. FIF members believe that this validation should be removed because this validation would prevent an investment adviser from reporting a transaction between an underlying account (for which the adviser acts as agent) and a counter-party dealer.

FIF members further note that an investment adviser could provide allocations after the transaction date and request confirmation that it would be permitted for a Covered Reporter in this scenario to report the date of the allocation as the Trade Timestamp.

6. Scope of reporting

Transactions with counter-parties that are not financial companies

The General Instructions in the Reporting Instructions document provide that, "The OFR SFT-2 report is filed daily as provided below and contains data on repo transactions conducted between two financial companies without the involvement of a central counterparty or tri-party custodian."³¹ FIF members request clarification as to whether or not reporting is limited to transactions with other "financial companies".

Definition of "centrally cleared"

A firm, in determining whether it meets the applicable threshold for reporting, is required to take into account bilateral repos that are "non-centrally cleared."³² Further, Covered Reporters are only required

³⁰ Technical Guidance, at 7.

³¹ Reporting Instructions, at 3.

³² 12 CFR §1610.11(b)(2).

to report information with respect to bilateral repos that are “non-centrally cleared”.³³ For purposes of these provisions, is a transaction that is cleared through a central clearing facility other than FICC (for example, a transaction that is cleared through a central clearing facility outside the U.S.) considered to be centrally cleared, or is “centrally cleared” only referring to transactions that are cleared through FICC?

7. Non-U.S. entities

The OFR provides as follows in the adopting release:

As noted in the NPRM, the definition of “financial company” includes only entities that are incorporated or organized under Federal or state law, including subsidiaries. Entities that are not incorporated or organized under Federal or state law, or branches of entities that are not incorporated or organized under Federal or state law, are not subject to the Final Rule’s reporting requirements.³⁴

FIF members request confirmation that a non-U.S. entity and/or its U.S. branches (including a foreign bank, or a U.S. branch of a foreign bank, that files a Form G-FIN (Notice by Financial Institutions of Government Securities Broker or Government Securities Dealer Activities) with its appropriate regulatory agency in the U.S.³⁵) could not be a Covered Reporter.

8. Required information

Legal Entity Identifiers

The Reporting Instructions provide the following directions for reporting a Legal Entity Identifier (“LEI”): “Legal Entity Identifiers (LEIs) are required for identifying parties to a transaction. LEIs must be current and valid with a status code of ‘Issued’, ‘Pending Transfer’, or ‘Pending Archival’.”³⁶

Each LEI has an associated Entity Status and LEI Status. Entity Statuses include Active and Inactive. LEI Statuses include Issued, Lapsed and Retired. The Issued and Lapsed LEI Statuses apply to entities with an Entity Status of Active. The Retired LEI Status applies to entities with an Entity Status of Inactive. FIF members request confirmation that a Covered Reporter would be permitted to report an entity with an LEI Status of either Issued or Lapsed. The Lapsed status often means that an entity is late in paying its renewal fee, but the LEI still accurately identifies the entity. Accordingly, it would be beneficial to the OFR for a Covered Reporter to include the LEI for an entity with a Lapsed LEI Status. In addition, since the Covered Reporter is also required to report the entity’s name, there should be no harm for the OFR if the Covered Reporter also reports a lapsed LEI for the entity.

³³ 12 CFR §1610.11(c)(1).

³⁴ Adopting Release, at 89 FR 37101.

³⁵ See, 15 U.S.C. §78o-5(a)(1)(B).

³⁶ Reporting Instructions, at 7.

Trading Platform

FIF members request that the OFR provide a list of trading platforms and the associated value to be reported for each trading platform. FIF members note that for the SLATE system, “FINRA will make available a list of platforms / venues and their associated identifiers for reporting purposes.”³⁷

Trade Timestamp

The Reporting Instructions provide the following instructions for the Trade Timestamp field: “Report the date and time that the trade became an obligation of the Covered Reporter, or the Covered Reporter’s affiliate or subsidiary, in the YYYYMMDDThh:mm:ss.sssZ (ISO 8601) format.”³⁸

FIF members do not understand the reference to affiliates and subsidiaries in this sentence. FIF members are not aware of any requirement under the NCCBR reporting rule for a Covered Reporter to report on behalf of an affiliate or subsidiary. To the contrary, the rule, under certain circumstances, requires a Covered Reporter to report an affiliate or subsidiary as a counter-party to the Covered Reporter for an NCCBR repo, but the rule does not provide for a Covered Reporter to report on behalf of an affiliate or subsidiary.

Start Date and End Date

FIF members believe that the start and end times for an NCCBR repo should only be reportable for an intra-day repo and only where the start and end times are agreed between the parties and determine the interest period (i.e., the portion of the day for which interest accrues). If interest accrues on a daily basis, the parties typically would not document the start and end times for a transaction because this would not be required for the interest calculation. FIF members are opposed to requiring Covered Reporters to report the start and end times in the scenario where interest accrues on a daily basis because these terms would be fabricated and not reflect the actual agreement of the parties. It is also unclear how this fabricated data provides any surveillance or regulatory value. FIF members also are opposed to reporting estimated values and believe that reporting should be limited to actual terms that are agreed between the parties. FIF members further note that systems typically would not record the start and end times for an NCCBR repo if interest is accruing on a daily basis.

Based on the concerns set forth above, FIF members recommend that Covered Reporters have the option to report the Start Date and End Date fields with zeroes to represent the time values within these two fields, except that in the scenario where the start and end times are agreed between the parties and determine the interest period, Covered Reporters would be required to report the actual start and end times.

³⁷ SLATE Rule Filing, at 89 FR 38206.

³⁸ Reporting Instructions, at 9.

Cash Lender Internal Identifier and Cash Borrower Internal Identifier

If the Covered Reporter is the cash lender, is the Covered Reporter permitted to not report any value for the Cash Lender Internal Identifier field (as implied by Table 1 from paragraph (c)(3) of the rule), or is the Covered Reporter required to report “Covered Reporter” for this field (as indicated on page 10 of the Reporting Instructions)? If the Covered Reporter is the cash borrower, is the Covered Reporter permitted to not report any value for the Cash Borrower Internal Identifier field, or is the Covered Reporter required to report “Covered Reporter” for this field (as indicated on page 10 of the Reporting Instructions)?

Floating Rate Benchmark

FIF members request that the OFR provide a list of floating rate benchmarks and the associated value to be reported for each benchmark.

Securities Value and Securities Value at Inception

FIF members request confirmation that these two fields would be the same for overnight repos as both fields would reflect the end-of-day value of the securities at inception of the repo.

9. Corrections and cancels

The Reporting Instructions contemplate that, if a Covered Reporter has an error in a daily submission, the Covered Reporter is required to resubmit all records for the applicable date.³⁹ FIF members request that the OFR provide Covered Reporters the option, in this scenario, to either resubmit all records for the applicable date or to only resubmit the specific transaction or transactions that the Covered Reporter is correcting or cancelling. This approach would require adding one or more fields to the record layout to enable Covered Reporters to reference the prior record that is being corrected or cancelled.

10. Formatting of data

Should values be rounded or truncated? If rounding is required, should Covered Reporters round up or down for a value of .5?

11. OFR feedback process

The Reporting Instructions provide as follows:

OFR staff review data submitted on the OFR SFT-2 report. As a result of their review and analytical procedures, OFR staff may ask reporters to explain data conditions and if the previously submitted report contains errors, to submit a full amended report containing corrected information on all transactions related to that file observation date. Since

³⁹ Id. at 6.

these data are time sensitive, reporters should respond as quickly as possible to these requests.⁴⁰

The Technical Guidance provides that “Submissions that fail one or more data file validation checks will be immediately rejected, the Covered Reporter will be notified via email, and a resubmission will be required.”⁴¹ The Technical Guidance also provides that “Submissions with data elements that fail one or more data element validation checks may be rejected and be subject to resubmission.”⁴²

The manual process described above will impose an unreasonable operating overhead for Covered Reporters. Accordingly, FIF members request that the OFR provide an automated method for communicating feedback to Covered Reporters (i.e., a feedback file with documented formatting). FIF members request that this feedback identify any specific file or record-level errors or communicate that the Covered Reporter successfully submitted the file with no errors. FIF members also request that the OFR document the expected timeframes for the OFR to provide daily feedback to Covered Reporters and the expected timeframes for Covered Reporters to fix and resubmit errors.

12. Third-party processors

Submission from a single source

The Reporting Instructions provide that “The completed file must be consistently submitted from a single source”⁴³ FIF members request confirmation that the word “source” refers to a single file from a single submitting firm.

Advanced notice of change in submitter

The Reporting Instructions require a Covered Reporter to “... provide the Office at least 90 days advance notice of any proposed change to the submitter of the daily file.”⁴⁴ FIF members note that there could be an extenuating circumstance where a submitter is not able to submit a file for a period of time and that the Covered Reporter might need to submit directly or engage another submitter during that period.

13. Validations

FIF members believe that the description for Validation 49 (Haircut), should refer to the Haircut rather than the Spread.

⁴⁰ Ibid.

⁴¹ Technical Guidance, at 2.

⁴² Id. at 3.

⁴³ Id. at 5.

⁴⁴ Ibid.

14. Comment letters

It is difficult to locate comment letters submitted by market participants in response to the OFR's proposing release for NCCBR repo reporting and other OFR proposals. FIF members request that the OFR provide a link from the OFR page for NCCBR repos to the comment letters submitted by market participants in response to the OFR proposal.

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FIF and our members appreciate the OFR's attention to the items set forth in this letter. Please contact me at howard.meyerson@fif.com if you have any questions or would like further clarification as to any of the items above.

Very truly yours,

/s/ Howard Meyerson

Howard Meyerson
Managing Director, Financial Information Forum