

# FINANCIAL INFORMATION FORUM

November 5, 2024

## By email

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

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

**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, Ms. Miller and Mr. Garriott,

Financial Information Forum (“FIF”) is submitting this letter on behalf of the members of FIF in response to (i) the rule adopted by the Office of Financial Research of the U.S. Department of the Treasury (the “OFR”) to require reporting of non-centrally cleared bilateral repos (the “NCCBR rule”),<sup>1</sup> (ii) FAQs published by the OFR relating to the NCCBR rule titled “Frequently asked questions about NCCBR reporting”,<sup>2</sup> and (iii) other documentation published by the OFR relating to the NCCBR rule, as discussed below. Under the NCCBR rule, firms that meet specified activity thresholds (“covered reporters”) are required to report to the OFR specified data relating to non-centrally cleared bilateral repurchase agreement transactions (“repos”). FIF is submitting this letter as a supplement to the letters that FIF submitted to the OFR on June 20, July 17, August 22, September 12, September 24 and October 22, 2024.<sup>3</sup>

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

<sup>2</sup> U.S. Treasury Department, Office of Financial Research, “Frequently asked questions about NCCBR reporting”, available at <https://www.financialresearch.gov/data/collections/nccbr-faq/>.

<sup>3</sup> Letter from FIF to the OFR dated June 20, 2024, available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=2953:fif-letter-to-the-treasury-department-s-office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category>. Letter from FIF to the OFR dated July 17, 2024, available at <https://fif.com/index.php/working->

In this letter, FIF requests written guidance on various interpretive questions. If guidance provided by the OFR requires a covered reporter to change its current operational set-up in place for reporting, this could require significant work for the covered reporter. Accordingly, covered reporters that are required to change their current operational set-up in place for reporting based on the OFR's guidance will require a reasonable amount of time to implement any required changes.

## **1. Cash Lender Internal Identifier; Cash Borrower Internal Identifier**

Prior to September 25, 2024, the Reporting Instructions included the following directions for the Cash Lender Internal Identifier and Cash Borrower Internal Identifier fields: "If the Covered Reporter is the cash lender [cash borrower], then report 'Covered Reporter'". From September 25 to the current date, the Reporting Instructions no longer include these directions, and now include the following directions for these two fields: "Covered Reporters are free to develop their own internal identifiers for self-identification."<sup>4</sup>

FIF members request confirmation that a covered reporter can still report Covered Reporter for these fields as this would enable the OFR to more readily associate certain repos where the Covered Reporter is the borrower or lender, as applicable. FIF members also request confirmation that a covered reporter could report different internal identifiers (for itself) for different repos (for example, a covered reporter that is a bank could report different internal identifiers for different branches).

## **2. Reporting rates based on 360 or 365 days**

The NCCBR rule requires covered reporters to report the Rate for a repo "expressed as an annual percentage rate on an actual/360-day basis."<sup>5</sup> The NCCBR rule does not provide the same guidance for

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[groups/category/271-comment-letters?download=2967:fif-supplemental-letter-to-the-treasury-department-s-office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category](https://fif.com/index.php/working-groups/category/271-comment-letters?download=2967:fif-supplemental-letter-to-the-treasury-department-s-office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category). Letter from FIF to the OFR dated August 22, 2024, available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=2990:fif-second-supplemental-letter-to-the-treasury-department-s-office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category>. Letter from FIF to the OFR dated September 12, 2024, available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=3001:fif-third-supplemental-letter-to-the-treasury-department-s-office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category>. Letter from FIF to the OFR dated September 24, 2024, available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=3010:fif-fourth-supplemental-letter-to-the-treasury-department-s-office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category>. Letter from FIF to the OFR dated October 22, 2024, available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=3024:fif-fifth-supplemental-letter-to-the-treasury-department-s-office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category>.

<sup>4</sup> 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 (Sept. 25, 2024), available at <https://www.financialresearch.gov/data/collections/files/nccbr-reporting-instructions.pdf>, at 11.

<sup>5</sup> 12 CFR §1610.11(c)(3), Table 1.

the Spread field.<sup>6</sup> The standard market practice for rates in U.S. repos is actual/360; the standard market practice for rates in European repos is actual/365.

Some covered reporters are converting European repos from actual/365 to actual/360 for the Rate field but not for the Spread field. Other covered reporters are not converting European repos from actual/365 to actual/360 for either field.

FIF members request that the OFR provide written guidance on how the OFR wants covered reporters to report these two fields for repos priced based on actual/365 and actual/360.

### **3. Data validations for open variable trade**

An open variable trade with no benchmark could have the following rate changes over time:

- 1 October: 3%
- 5 October: 4%
- 12 October: 1%
- 19 October: -2%.

In this scenario, the repo would fail Data Element Validation Check #33 (If Close Leg Amount is greater than Start Leg Amount, then Rate should be equal to or greater than zero) for October 19 because the Close Leg Amount would be greater than the Start Leg Amount but the Rate would be less than zero. A similar issue arises in the reverse scenario where the rates change from negative to positive over time. In this scenario, the repo could fail Data Element Validation Check #32 (If Close Leg Amount is less than Start Leg Amount, then Rate should be less than zero).

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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](mailto: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

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<sup>6</sup> Ibid.