review of airplane maintenance records is acceptable in lieu of this inspection if the part number can be conclusively determined from that review.

(2) If any MOV actuator having P/N MA20A1001–1 is found during the inspection required by paragraph (h)(1) of this AD, prior to or concurrently with accomplishing the requirements of paragraph (g) of this AD, replace the MOV actuator with either a new or serviceable MOV actuator having P/N MA30A1001, MA30A1017, MA20A2027, or with an MOV actuator that meets the criteria specified in paragraphs (h)(2)(i) and (h)(2)(ii) of this AD; and, as applicable, measure the electrical resistance of the bond from the adapter plate to the airplane structure and, before further flight, do all applicable corrective actions. All actions specified in this paragraph for the left and right engine fuel spar valves must be done in accordance with the Accomplishment Instructions of Boeing Service Bulletin 777–28A0034, Revision 3, dated September 25, 2015.

(i) The replacement MOV actuator must be a Boeing part that is approved after the issuance of Boeing Service Bulletin 777–28A0034, Revision 3, dated September 25, 2015, by the Manager, Seattle Aircraft Certification Office (ACO), FAA; or the Boeing Commercial Airplanes Organization Designation Authorization (ODA) that has been authorized by the Manager, Seattle ACO, to approve the part.

(ii) The replacement MOV actuator must be fully interchangeable with the part specified in Boeing Service Bulletin 777–28A0034, Revision 3, dated September 25, 2015.

(i) Credit for Previous Actions

(1) This paragraph provides credit for the requirements of paragraph (g) of this AD, if those actions were performed before the effective date of this AD using Boeing Special Attention Service Bulletin 777–28–0061, dated October 25, 2010; or Boeing Special Attention Service Bulletin 777–28–0061, Revision 1, dated January 26, 2012; as applicable; which are not incorporated by reference in this AD.

(2) This paragraph provides credit for the requirements of paragraph (h) of this AD, if those actions were performed before April 25, 2013 (the effective date of AD 2013–05–03, Amendment 39–17375 (78 FR 17290, March 21, 2013), using Boeing Alert Service Bulletin 777–28A0034, dated August 2, 2007; or Boeing Alert Service Bulletin 777–28A0034, Revision 1, dated May 20, 2010; except that the replacement of MOV actuators of the left and right engine fuel spar valves must also include cap sealing the bonding jumper, as described in Boeing Service Bulletin 777–28A0034, Revision 2, dated September 20, 2010; and provided that the replacement is an MOV actuator identified in paragraph (i)(2)(i) or (i)(2)(ii) of this AD. Boeing Alert Service Bulletin 777–28A0034, dated August 2, 2007; and Boeing Alert Service Bulletin 777–28A0034, Revision 1, dated May 20, 2010; are not incorporated by reference in this AD.

(i) An MOV actuator that has P/N MA30A1001, MA30A1017, or MA20A2027.

(ii) An MOV actuator that has a part number other than P/N MA20A1001–1 and meets the criteria specified in paragraphs (h)(2)(i) and (h)(2)(ii) of this AD.

(3) This paragraph provides credit for the requirements of paragraph (h) of this AD, if those actions were performed before the effective date of this AD using Boeing Service Bulletin 777–28A0034, Revision 2, dated September 20, 2010, which was incorporated by reference in AD 2013–05–03, Amendment 39–17375 (78 FR 17290, March 21, 2013).

(j) Alternative Methods of Compliance (AMOCs)

(1) The Manager, Seattle Aircraft Certification Office (ACO), FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the ACO, send it to the attention of the person identified in paragraph (k)(1) of this AD. Information may be emailed to: *9-ANM-Seattle-ACO-AMOC-Requests@faa.gov.*

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

(3) An AMOC that provides an acceptable level of safety may be used for any repair, modification, or alteration required by this AD if it is approved by the Boeing Commercial Airplanes Organization Designation Authorization (ODA) that has been authorized by the Manager, Seattle ACO, to make those findings. To be approved, the repair method, modification deviation, or alteration deviation must meet the certification basis of the airplane and the approval must specifically refer to this AD.

(k) Related Information

(1) For more information about this AD, contact Georgios Roussos, Aerospace Engineer, Systems and Equipment Branch, ANM–130S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue SW., Renton, WA 98057–3356; telephone: 425–917–6482; fax: 425–917–6590; email: *georgios.roussos@faa.gov.*

(2) For service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P. O. Box 3707, MC 2H–65, Seattle, WA 98124–2207; telephone 206–544–5000, extension 1; fax 206–766–5680; Internet *https://www.myboeingfleet.com.* You may view this referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425–227–1221.

Issued in Renton, Washington, on December 11, 2015.

Michael Kaszycki,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2015–32081 Filed 12–22–15; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 240

[Release No. 34–76624; File No. S7–26–15]

RIN 3235–AL72

Establishing the Form and Manner with which Security-Based Swap Data Repositories Must Make Security-Based Swap Data Available to the Commission

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule.

SUMMARY: The Securities and Exchange Commission (''SEC'' or ''Commission'') is publishing for comment a proposed amendment to specify the form and manner with which security-based swap data repositories (''SDRs'') will be required to make security-based swap (''SBS'') data available to the Commission under Exchange Act Rule 13n–4(b)(5). The Commission is proposing to require SDRs to make these data available according to schemas that will be published on the Commission's Web site and that will reference the international industry standards Financial products Markup Language (''FpML'') and Financial Information eXchange Markup Language (''FIXML'').

DATES: Comments should be received on or before February 22, 2016.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/proposed.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number S7–26–25 on the subject line; or
- Use the Federal eRulemaking Portal (*http://www.regulations.gov*). Follow the instructions for submitting comments.

Paper Comments

- Send paper comments to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number S7–26–15. This file number should be included on the subject line if email is used. To help us process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/proposed.shtml*). Comments are also available for Web site viewing and

printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

Studies, memoranda, or other substantive items may be added by the Commission or staff to the comment file during this rulemaking. A notification of the inclusion in the comment file of any such materials will be made available on the SEC's Web site. To ensure direct electronic receipt of such notifications, sign up through the ''Stay Connected'' option at *www.sec.gov* to receive notifications by email.

FOR FURTHER INFORMATION CONTACT: Narahari Phatak, Branch Chief, at (202) 551–6693; Walter Hamscher, IT Project Manager, at (202) 551–5397; Yee Cheng Loon, Financial Economist, at (202) 551–3077; Hermine Wong, Attorney-Adviser, at (202) 551–4038; Christian Sabella, Associate Director, at (202) 551–5997; Michael Gaw, Assistant Director, at (202) 551–5602.

SUPPLEMENTARY INFORMATION: The Commission is proposing to amend Rule 13n–4(a)(5) under the Exchange Act (defining ''Direct electronic access'' to data stored by an SDR).

I. Introduction

On February 11, 2015, the Commission adopted Rules 13n–1 to 13n–11 under the Exchange Act (collectively, the ''SDR Rules''),[1] which govern SDR registration, duties, and core principles.[2] On the same day, the Commission adopted Rules 900 to 909 under the Exchange Act (collectively, ''Regulation SBSR''),[3] which govern the reporting to registered SDRs of SBS data and public dissemination by registered SDRs of a subset of that data.[4] In combination, these rules represent a significant step forward in providing a regulatory framework to promote transparency and efficiency in the OTC derivatives markets and assist relevant authorities in performing their market oversight functions.

Today, the Commission is proposing to amend the SDR Rules to specify the form and manner with which SDRs would be required to make SBS data available to the Commission. This rulemaking constitutes an important next step in the development of the SBS transaction reporting regime mandated by the Dodd-Frank Act.[5] The proposed rule would require that SBS data made available by SDRs be formatted and structured consistently to allow the Commission to accurately analyze the data made available by a single SDR, and to aggregate and analyze data made available by multiple SDRs.

A. Background

Rule 13n–4(b)(5) under the Exchange Act[6] requires an SDR to provide direct electronic access to the Commission (or any designee of the Commission, including another registered entity). Under Rule 13n–4(a)(5),[7] ''direct electronic access'' means ''access, which shall be *in a form and manner acceptable to the Commission,* to data stored by a security-based swap data repository in an electronic format and updated at the same time as the security-based swap data repository's data is updated so as to provide the Commission or any of its designees with the ability to query or analyze the data in the same manner that the security-based swap data repository can query or analyze the data'' (emphasis added). As discussed in detail below, the Commission is proposing to set out the form and manner for direct electronic access to SDRs that is acceptable to the Commission.

As the Commission noted in the SDR Adopting Release, a significant portion of the benefits of an SDR will not be realized if the Commission obtains direct electronic access to the data stored at an SDR in a form or manner that cannot be easily utilized by the Commission.[8] Furthermore, the form and manner with which an SDR provides the data to the Commission should not only permit the Commission to accurately analyze the data maintained by a single SDR, but also allow the Commission to aggregate and analyze data received from multiple SDRs.[9] The form and manner that will be acceptable to the Commission for an SDR to provide direct electronic access may vary on a case-by-case basis and may change over time, depending on a number of factors.[10] These factors could include the development of new types of security-based swaps or variations of existing security-based swaps that require additional data to accurately describe them.[11] Additionally, the extent to which the Commission encounters difficulty in standardizing and aggregating SBS data across multiple SDRs would be a factor in considering the nature of the direct access provided by an SDR to the Commission.[12]

In the SDR Adopting Release, the Commission also stated that, until such time as the Commission adopts specific formats and taxonomies, SDRs ''may provide direct electronic access to the Commission to data in the form in which the SDRs maintain such data.'' [13] Under this guidance, an SDR could provide direct electronic access to data in a form and manner that is not conducive to the Commission's ability to analyze the data or surveil the SBS market. For example, a particular SDR might provide direct electronic access to data in the same format in which the data were received from its participants. If participants report data to the SDR using different conventions, inconsistencies in data formats within the SDR might limit or impair the Commission's ability to accurately aggregate positions within the SDR or to compare the features of one market participant's transactions or positions to those of another market participant.

B. Overview of Proposed Amendment

The Commission proposes to amend Rule 13n–4(a) to specify the form and manner with which SDRs must provide direct electronic access to the Commission by requiring SDRs to comply with an appropriate schema as will be published on the Commission's Web site.

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[1] 17 CFR 240.13n–1 to 240.13n-11.

[2] *See* Securities Exchange Act Release No. 74246 (February 11, 2015), 80 FR 14437 (March 19, 2015) (''SDR Adopting Release'').

[3] 17 CFR 242.900 to 242.909.

[4] *See* Securities Exchange Act Release No. 74244 (February 11, 2015), 80 FR 14563 (March 19, 2015) (''Regulation SBSR Adopting Release'').

[5] Public Law 111–203, 124 Stat. 1376 (2010). The Dodd-Frank Act was enacted, among other reasons, to promote the financial stability of the United States by improving accountability and transparency in the financial system. *See* Public Law 111–203, Preamble. The 2008 financial crisis highlighted significant issues in the over-the-counter (''OTC'') derivatives markets, which experienced dramatic growth in the years leading up to the financial crisis and are capable of affecting significant sectors of the U.S. economy. Title VII of the Dodd-Frank Act provides for a comprehensive new regulatory framework for swaps and security-based swaps, by, among other things: (1) Providing for the registration and comprehensive regulation of swap dealers, security-based swap dealers, major swap participants, and major security-based swap participants; (2) imposing clearing and trade execution requirements on swaps and security-based swaps, subject to certain exceptions; (3) creating recordkeeping, regulatory reporting, and public dissemination requirements for swaps and security-based swaps; and (4) enhancing the rulemaking and enforcement authorities of the Commission and the Commodity Futures Trading Commission (''CFTC'').

[6] 17 CFR 240.13n–4(b)(5).

[7] 17 CFR 240.13n–4(a)(5).

[8] *See* 80 FR at 14474.

[9] *See id.*

[10] *See id.*

[11] *See id.*

[12] *See id.*

[13] *See id.* at 14475.

In the SDR Adopting Release, the Commission stated that it believed it was in the best position to aggregate data across multiple SDRs.[14] The Commission also stated that if it were to propose a particular format for the direct electronic access, it would propose detailed specifications of acceptable formats and taxonomies that would facilitate an accurate interpretation, aggregation, and analysis of SBS data by the Commission.[15] Any proposed format also would maximize the use of any applicable current industry standards for the description of SBS data.[16]

The Commission is currently aware of only two industry standards for representing SBS data: FpML[17] and FIXML.[18] The Commission is proposing to accommodate both industry standards by specifying that either of two distinct schemas[19] would satisfy the requirements of Rule 13n–4. One schema would rely on the FpML standard and the other schema would rely on the FIXML standard. Both schemas would articulate the same common data model, which is the logical representation of the data elements required to be reported under Regulation SBSR. The Commission preliminary believes that each schema would facilitate the consistent reporting of SBS transaction characteristics, such as the counterparties, associated other parties (*e.g.,* brokers), and corresponding terms of payments. In addition, validations associated with the schemas would help SDRs ensure that the data they make available to the Commission adhere to the common data model.

As discussed below in more detail, the Commission preliminarily believes that both industry standards already cover many of the data elements that must be reported to registered SDRs under Regulation SBSR. In the appendix, the Commission has highlighted clear cases where the schemas require additional elements that do not yet exist in FpML or FIXML to represent all data elements that must be reported under Regulation SBSR and that registered SDRs must accept and store.

This release solicits comment on the Commission's proposal concerning the form and manner with which SDRs provide the Commission with direct electronic access, including whether the Commission should accept both the FpML and FIXML standards, whether the Commission should accept only one or the other, whether the Commission should accept other protocols or standards, and whether the Commission's incorporation of validations into the schemas supports completeness of the SBS data.

II. Discussion of the Proposed Amendment

A. Discussion of Existing Industry Standards

Industry standards have evolved to enable participants in the SBS market to capture and communicate certain trade information. As discussed in more detail below, these standards have evolved for use in different contexts but inherently share features that are relevant for SBS data standardization and aggregation.

1. Background of Existing Industry Standards

The Commission is aware of two existing industry standards which are used by market participants to capture trade-related information: FpML and FIXML. FpML and FIXML are both international open industry standards, meaning that they are technological standards that are widely available to the public, royalty-free, and at no cost. In addition, they are both independent of the software and hardware used by participants, thus facilitating interoperability. Both FpML and FIXML have evolved for use in different contexts and they share features that are relevant for rendering SBS data compatible for the purposes of normalization, aggregation, and comparison.

FpML was developed under the auspices of the International Swaps and Derivatives Association (ISDA),[20] using the ISDA derivatives documentation as its basis. FpML maintenance and continued development is undertaken by the FpML Standards Committee, which operates under the auspices of ISDA and is made up of representatives from a range of financial market participants, including banks, brokers, central counterparties (CCPs), and other financial infrastructure providers. FpML was designed for the OTC derivatives industry to capture data elements that provide a complete and accurate representation of the contractual provisions of a trade in derivatives or structured products. FpML is used by market participants to communicate OTC transaction details to counterparties and post-trade processors, and is designed to facilitate validation of message contents. FpML is also designed to be useful within firms for the purposes of sharing OTC transaction information across systems.[21] The FpML Standards committee maintains FpML and updates it from time to time.[22]

In contrast to FpML's focus on post-trade communication of standardized derivatives contracts, Financial Information eXchange (FIX) is a messaging protocol developed for pre-trade communication and trade execution of standardized and bespoke contracts for multiple asset classes and markets. The FIX protocol enables electronic communication between broker-dealers and their institutional clients to deliver quotes, submit orders, and execute trades. Since its inception in 1992 as a standard used to trade equities, the use of FIX was further developed to include fixed income, derivatives, and foreign exchange, and the scope of FIX has been extended to include pre-trade, trade, and post-trade business processes[23] using FIXML, an eXtensible Markup Language (XML) based implementation of the FIX messaging standard. FIXML embeds FIX messages in an XML document that includes structures that are specific to the FIX protocol. The FIX messaging standard is owned, maintained, and developed through the collaborative efforts of the FIX Trading Community.[24]

Both FpML and FIXML were derived from the XML standard. Each standard uses an XML-based schema to impose structure on the order and content of, and relationships among, data elements, including the particular data types that correspond to each data element. FpML and FIXML mark up or ''structure'' data using standard but distinct definitions.

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[14] *Id.*

[15] *Id.* at 14474–75.

[16] *Id.* at 14475.

[17] FpML is a registered trademark of the International Swaps and Derivatives Association, Inc.

[18] FIXML is a registered trademark of Fix Protocol Limited.

[19] The term ''schema'' is generally applied to formal representations of data models.

[20] ISDA is a global organization of derivatives market participants. ISDA has developed standardized Master Agreements underlying derivatives transactions and manages the development of FpML. *See http://www2.isda.org/* (last visited Dec. 8, 2015).

[21] *See* FpML® Information, *https://dedicated.fpml.org/about/factsheet.html* (last visited Dec. 8, 2015).

[22] *See infra* note 82.

[23] Oxera Consulting Ltd., What are the benefits of the FIX Protocol? Standardising messaging protocols in the capital markets, at 5 (2009), *available at http://www.oxera.com/Oxera/media/Oxera/Benefits-of-the-FIX-Protocol.pdf?ext=.pdf.*

[24] FIX Trading Community is a non-profit, industry-driven standards body comprised of over 270 member firms from the global financial services industry. *See* Letter from FIX Trading Community to Commodity Futures Trading Commission (May 27, 2014), *available at http://comments.cftc.gov/PublicComments/ViewComment.aspx?id=59866&SearchText=.*

These data element definitions establish a consistent structure of identity and context so that the reported data can be recognized and processed by standard computer code or software (*i.e.,* made machine readable). For example, under Regulation SBSR, the title and date of agreements incorporated by reference in a SBS contract must be reported to a registered SDR for certain transactions.[25] To convey this information electronically, the data must be structured with the role of the agreement (such as master, collateral, or margin), the title of the agreement, and the date of the agreement.

The Commission notes that the bodies responsible for the maintenance of both FpML and FIXML have experience engaging with the regulatory community and have made enhancements specifically to support regulatory requirements. FpML currently supports several regulatory reporting requirements other than those imposed by the Commission as part of Regulation SBSR,[26] and has a working group currently considering SBS data reporting requirements.[27] The FIX Trading Community has enhanced FIXML to support the trade capture requirements of the CFTC.[28] FIXML is used for asset- and mortgage-backed securities trade reporting to FINRA.[29] The Australian Securities and Investments Commission published FIXML requirements for the disclosure and reporting of short sales.[30] The Investment Industry Regulatory Organization of Canada adopted FIXML for market surveillance and transactional reporting.[31]

The Commission preliminarily believes that both standards have been implemented by market participants and are widespread in use, and that the taxonomies for both standards for SBS reporting have developed sufficient coverage such that the Commission does not need to develop its own standard for the required data elements.[32] If the Commission were to adopt a rule that required SDRs to make SBS data available to the Commission using the FpML or FIXML standards, the Commission anticipates that its staff would keep apprised of relevant advances and developments with those standards and engage with each standard's working group regarding such developments, as appropriate.

2. Interoperability and Acceptance of Existing Standards

Interoperability is the ability of two or more systems to exchange data and for the data to be automatically interpreted. While FpML and FIXML both rely on XML to exchange data, they are not interoperable unless a common data model is built that allows a translation between the two standards. As a result, the Commission has developed a common data model that uses as a basis the existing overlap of the standards' current coverages of SBS data. The Commission's common data model is a representation of the SBS data elements required to be made available to the Commission. The Commission preliminarily believes that requiring SDRs to use either the FpML or FIXML schema will help achieve one of the key objectives of Regulation SBSR, which is to have a complete and intelligible record of all SBS transactions for oversight purposes. The common data model is represented by two separate schemas, one each for the FIXML and FPML standards. Accordingly, under the proposed amendment, SDRs can make SBS data available to the Commission using either the FIXML or FpML schema. The Commission describes both the common data model and the two schemas in greater detail below.

The Commission notes that ISDA and the FIX Community formed the FpML Collaboration Working Group in 2004 to support certain aspects of interoperability between FpML and FIXML.[33] For example, the group addressed the question of how swap execution facilities would handle the transformation of a FIX message into an FpML message for use in post-trade confirmation, clearing, and trade reporting with a solution that supports detailed FpML messages contained within a compact FIX message. The group also facilitated a common approach to data items for capture of interest rate and credit default swaps during the pre-trade and trade lifecycles. To date, the Commission's understanding is that this group has not generated a common data model as proposed in this release.

3. Proposed Amendment to Rule 13n–4(a)(5) To Specify the Format for Direct Electronic Access

The Commission is proposing to amend Rule 13n–4(a)(5) to specify the form and manner with which SDRs must provide direct electronic access to the Commission. In particular, under the proposal, SDRs must provide direct electronic access using either the FpML schema or the FIXML schema as published on the Commission's Web site. The Commission is also proposing to require that the SDRs use the most recent schema as published on the Web site as the Commission anticipates that the schemas will be updated periodically to reflect changes in the FpML and FIXML standards, or to reflect changes in industry practice or financial products covered by Regulation SBSR. As with the Commission's updates to other taxonomies and schemas,[34] Commission staff will post draft schemas on the Commission's Web site for the public to review and provide comment before posting any final schemas.

B. Commission Schemas

As mentioned above, the Commission has developed a common data model, which is the logical arrangement of the data elements that comprise a transaction report as described under Regulation SBSR and how those data elements relate to each other. The purpose of the common data model is to improve the consistency and reliability of the data made available to the Commission for analysis and aggregation along various dimensions, such as across SDRs, within an SDR, by counterparty, or by product. The Commission's common data model reflects the reporting requirements under Regulation SBSR. The Commission's schemas for SBS data are formal representations of the Commission's common data model.

For example, a schema representing the common data model would require that a transaction record made available to the Commission include the terms of any standardized fixed or floating rate payments that correspond exactly to Rule 901(c)(1)(iv). However, consistent with Regulation SBSR, such a schema would allow flexibility in how information may be reported to a registered SDR. For example, consistent with Rule 901(c)(1), a schema that represents the common data model

[25] 17 CFR 242.901(d)(4).

[26] *See* FpML Global Regulatory Reporting Mapping 2014 v9 (Feb 27) (Working Draft), *available at http://www.fpml.org/asset/40388bcb/6a20cde6.xlsx.*

[27] *See Reporting/Regulatory Reporting Working Group Charter, http://www.fpml.org/wgroup/rptwg/rptwgcharter.doc.*

[28] *See* Letter from FIX Protocol Limited to SEC (August 5, 2010), *available at http://www.sec.gov/comments/s7-11-10/s71110-32.pdf.*

[29] *Id.*

[30] *Id.*

[31] *Id.*

[32] *See* Appendix.

[33] *See 2012 FIX-FpML Collaboration WG Charter, http://www.fixtradingcommunity.org/mod/file/download.php?file_guid=46484.*

[34] *See, e.g., Rating History Files Publication Guide, http://xbrl.sec.gov/doc/rocr-publication-guide-draft-2014-12-15.pdf,* and *Release Notes for SEC Taxonomies 2015-Draft, http://xbrl.sec.gov/doc/releasenotes-2015-draft.pdf.*

would not require data elements to satisfy Rules 901(c)(1)(iv) if a product ID reported under Rule 901(c)(1) already includes the information that would be captured by data elements associated with Rules 901(c)(1)(iv) data elements.

To implement the common data model into an electronic format according to which SDRs could provide direct electronic access to the Commission, the Commission has developed two distinct schemas (computer code representations of the common data model), one based on the FpML standard, and the other based on the FIXML standard. Under the proposed amendment, an SDR could provide the Commission with direct electronic access by using either schema or both schemas. SBS transaction records structured according to one of the schemas could be immediately aggregated, compared, and analyzed by the Commission.

At this time, the Commission is aware of only the FpML and FIXML standards for representing SBS data. In its evaluation of the potential applicability of these two standards for the purpose of regulatory reporting of SBS transactions, Commission staff undertook a mapping exercise, the results of which are reported in the appendix, to determine how much of the Commission's common data model could be represented using the existing reporting elements within the two standards. Commission staff found that there exists significant overlap between the FpML and FIXML standards in their descriptions of SBS data, and that almost all concepts of the common data model can be represented with existing FpML and FIXML reporting elements.[35] In light of this and the SBS industry's current familiarity with and acceptance of these widely-used standards, the Commission believes that using FpML and FIXML schemas is an efficient and effective approach for satisfying the necessary form and manner of direct electronic access. Moreover, in light of prior engagement with the regulatory community and prior efforts to support regulatory requirements by the bodies that maintain both FpML and FIXML,[36] the Commission anticipates that the bodies responsible for maintaining each industry standard are likely to update these standards to incorporate any remaining data elements needed for the purpose of reporting under SBSR. In particular, Commission staff has identified concepts within the proposed common data model that do not currently have equivalent data elements in FpML or FIXML. As discussed further below, in cases where concepts within the common data model do not yet have equivalents in FpML or FIXML, the Commission's schemas use extensions of existing FpML and FIXML reporting elements that accommodate the kind of data required by the common data model's concept.

Both FpML and FIXML employ data models to logically arrange and organize their respective data elements in specific ways. These data models reflect each's' decisions regarding how to represent their data elements for reporting and communication purposes. The Commission's schemas would not require alteration of the standards' data models, but rather would incorporate each standard's data models as they are used to represent one of their data elements. As a result, the mapping of FpML and FIXML to the common data model does not necessarily reflect a one-to-one mapping between named data elements. In some instances, a single concept in the Commission's common data model maps to a group of data elements within FpML or FIXML. For example, FIXML models the terms of any standardized fixed rate payments by arranging multiple FIXML data elements that each represent a different attribute of a payment stream, including settlement currency, day count convention, and fixed rate. This FIXML data model composed of multiple data elements maps to a single concept in the common data model that corresponds to Rule 901(c)(1)(iv).[37]

1. Common Data Model Treatment of Broad Categories of Transaction Information

Below, we describe how Regulation SBSR provides the basis for the requirements of the common data model by examining how the schemas representing the common data model would treat broad categories of transaction information and how they would define relationships between specific data elements within those broad categories by placing restrictions on SBS data. The Commission notes that the concepts within the common data model are limited to those required to be reported to registered SDRs under Rules 901, 905, and 906 and required to be assigned by registered SDRs under Rule 907. The common data model also relies on definitions provided by Rule 900.

a. Primary Trade Information

Rule 901(c) sets forth the data elements of a security-based swap that must be reported to a registered SDR and will then be publicly disseminated by the registered SDR pursuant to Rule 902(a) (unless an exception applies). These data elements generally encompass the means of identifying the contract and the basic economic terms of the contract and include any standardized payment streams associated with a contract, the notional value of the contract, the transaction price, and other information necessary for interpreting transaction prices such as a variable that would indicate the intent to clear a transaction.

In order for the Commission to aggregate and analyze SBS data, Regulation SBSR requires reporting participants to report certain information about each security-based swap transaction. To provide a standardized means for identifying security-based swaps that share certain material economic terms, the Commission requires reporting participants to utilize a product ID of a security-based swap when one is available.[38] If the security-based swap has no product ID, or if the product ID does not include the information enumerated in Rules 901(c)(1)(i)–(v) of Regulation SBSR, then the information specified in subparagraphs (i)–(v) of Rule 901(c)(1) must be reported separately.[39] The FpML and FIXML schemas would allow these data elements described in Rules 901(c)(1)(i)–(v) to supplement product IDs, and validations in each schema would indicate an error if the product ID is not provided and none of these supplementary data elements are included. In addition, as contemplated by Rule 901(c)(1)(v), the common data model would include a ''custom swap flag'' that would indicate when the information provided pursuant to Rules 901(c)(1)(i)–(iv) does not provide all of the material information necessary to calculate the price of a security-based swap.

[35] *See* Appendix.

[36] *See* 0.

[37] *See* Appendix.

[38] *See* Regulation SBSR Adopting Release, 80 FR at 14570.

[39] Subparagraph (i) requires information that identifies the security-based swap, including the asset class of the security-based swap and the specific underlying reference asset(s), reference issuer(s), or reference index. Subparagraph (ii) requires the effective date. Subparagraph (iii) requires the scheduled termination date. Subparagraph (iv) requires the terms of any standardized fixed or floating rate payments, and the frequency of any such payments. Subparagraph (v) requires a bespoke condition flag if the security-based swap is customized to the extent that the information provided in subparagraphs (i)–(iv) of Rule 901(c)(1) does not provide all of the material information necessary to identify the customized security-based swap or does not contain the data elements necessary to calculate the price.

Rule 901(c) also requires reporting of certain details about an SBS transaction, including the execution time, price, and notional amount. The precise formats in which these elements can be provided have been determined by each industry standard. For example, the various FIXML data elements that express execution time are all expressed in coordinated universal time (UTC). Similarly, currencies that denominate price and notional amount are expressed using ISO 4217 currency codes.[40]

Finally, the common data model would include concepts that correspond to requirements in Rules 901(c)(5) and 901(c)(6) for flags that indicate inter-dealer transactions and transactions that counterparties intend to clear. In addition to these required flags, Rule 901(c)(7) requires that the person with a duty to report include any additional transaction flags as specified in the policies and procedures of the registered SDR to which they report.

b. Reportable Events and Transaction Identifiers

Rule 901(a) assigns reporting duties for the security-based swaps described in Rule 908(a), including new security-based swaps and those that result from the allocation, termination, novation, or assignment of other security-based swaps. Rule 901(e) requires reporting of life cycle events. Rule 901(i) requires reporting, to the extent the information is available, of security-based swaps entered into before the date of enactment of the Dodd-Frank Act and security-based swaps entered into after the date of enactment but before Rule 901 becomes fully operative. Finally, Rule 905 sets out procedures for correcting errors to previously submitted transaction information. The schemas would include requirements for all of these event types. Both FIXML and FpML currently support the reporting of both new transactions as well as most of the other types of events required to be reported under Regulation SBSR, and so the schemas would include explicit mappings between existing FIXML and FpML events and those included in the common data model as a result of reporting requirements under Regulation SBSR.

Under Rule 901(g), a registered SDR must assign a transaction ID to each new security-based swap that is reported to it or establish a methodology for doing so. Further, Rule 901(d)(10) requires reports of allocations, termination, novation, or assignment of one or more existing security-based swaps to include the transaction ID of the security-based swap that is allocated, terminated, novated, or assigned, while Rule 901(e)(2) requires reports of life cycle events to include the transaction ID of the original transaction. As the Commission discussed in the Regulation SBSR Adopting Release, requiring the use of a transaction ID in these instances would enable the Commission to update a transaction record to incorporate the life cycle event and map a new security-based swap to a corresponding prior transaction, even if the prior transaction was reported to a different registered SDR.[41] To ensure consistency in the use of transaction IDs and enable the Commission to link together related transactions even if stored at different SDRs, the schemas that represent the common data model would stipulate how transaction reporting would link new trade activity and life cycle events to existing transactions through the use of the transaction ID. Further, the schemas would stipulate how an SDR would include the original transaction ID on records that involve allocations, terminations, novations, or assignments.

c. Market Participant Identifiers

Rules 901(d)(1), 901(d)(2), 901(d)(9), 906(a), and 906(b) require reporting of the identity of each counterparty to a security-based swap as well as certain other persons who are affiliated with the counterparties or are otherwise involved in the transaction but who are not counterparties of that specific transaction. Because the Commission has recognized the Global Legal Entity Identifier System (GLEIS) as an Internationally Recognized Standard Setting System (IRSS) that assigns unique identification codes (''UICs'') to persons, these types of persons are required to obtain an LEI and registered SDRs are required to use these LEIs to identify these persons. Because the requirement to obtain an LEI does not apply to all persons enumerated in Rules 901(d)(1), 901(d)(2), 901(d)(9), 906(a), and 906(b), the schemas would accommodate identifiers that are not LEIs.[42]

Similarly, the schemas would accommodate LEI and non-LEI identifiers for execution agent IDs and broker IDs, since such persons might not have an LEI. Further, because no IRSS meeting the requirements of 903(a) has assigned or developed a methodology for assigning branch IDs, trader IDs, and trading desk IDs, the schemas would accommodate the identifiers or methodologies developed by the registered SDRs.

d. Cash Flows for Customized Contracts

Rule 901(d)(3) requires reporting of details regarding the payment terms, frequencies, and contingencies for non-standard, or bespoke, contracts. The schemas would accommodate these as separate data elements by including restrictions so that these data elements would be permitted only if the custom swap flag discussed in Section II.B.1.a is set by the registered SDR based on the transaction data that it receives from the reporting participant.

e. Agreements

Rule 901(d)(4) requires, for transactions that are not clearing transactions, the title and date of any master agreement, collateral agreement, margin agreement, or any other agreement incorporated by reference into the SBS contract. For example, to reflect these reporting requirements the schemas would include a flag to identify clearing transactions. For purposes of validation, if the clearing transaction flag is not set by the registered SDR, the registered SDR would be required to provide the agreement information provided by a reporting side under Rule 901(d)(4), if applicable, as separate data elements as well as provide the settlement details provided by reporting participants under Rule 901(d)(8). If instead the clearing transaction flag identifies a security-based swap as a clearing transaction, the associated transaction record would be valid even in the absence of the title and date of any master agreement, collateral agreement, margin agreement, or any other agreement incorporated by reference into the SBS contract because the Commission believes it could obtain this information from the registered clearing agency as necessary.[43] Additionally, if the clearing transaction flag is not set because of the exception in Section 3C(g) of the Exchange Act (15 U.S.C. 78c–3(g)) has been invoked, then an indication would be provided by the SDR.

f. Clearing

Under Rule 901(c)(6), the person with the duty to report must indicate with a flag whether there is an intent to clear a transaction. The schemas would include such a flag. Rule 901(d)(6) also requires reporting of the name of the

[40] *See* ISO 4217—Currency Codes, *http://www.iso.org/iso/home/standards/currency_codes.htm* (last visited Dec. 8, 2015).

[41] *See* Regulation SBSR Adopting Release, 80 FR at 14589.

[42] *See id.* at 14632.

[43] *See* Regulation SBSR Adopting Release, 80 FR at 14586.

clearing agency to which the swap will be submitted for clearing. Therefore, if the reporting participant [44] has included an ''intent to clear'' flag, then expression of the intent to clear within the common data model would require the registered SDR to also include the name of the clearing agency to which the security-based swap will be submitted for clearing.

2. Required Reporting Elements That Do Not Exist in FpML or FIXML

As mentioned earlier, some concepts within the common data model do not currently have existing equivalents within FpML or FIXML. These include:

- Custom swap flag; [45]
- the currencies of any upfront payment,[46] if applicable;
- a description of the settlement terms; [47]
- inter-dealer swap flag; [48]
- the title of any margin agreement; [49] and
- the date of any margin agreement.[50]

In these cases, the schemas would require specific extensions of existing FpML and FIXML reporting elements. For flags required by Rule 901(c)(7), the Commission's schemas would require registered SDRs to populate the section with the flags identified within their own policies and then to select from those. As we discuss in Section III.C.2, both FpML and FIXML undergo regular updates. To the extent that the FpML and FIXML standards address the common data model as part of their periodic updates, the Commission expects that the standards will create defined elements to replace the initial use of extensions. When the Commission periodically updates its schemas, each schema will reflect the most recent version of each standard.

3. Validations

As mentioned above, the schemas would incorporate validations. These validations are restrictions placed on the form and manner of the reported SBS data that help ensure that the data SDRs make available to the Commission adhere to the appropriate schema. In particular, the validations test for completeness of the data and for appropriate format. As a result, the validations will enhance the Commission's ability to normalize and aggregate the data. These validations are effective at testing for whether the SBS data conforms to the technical specifications of the schema. However, these validations will not test for whether the SBS data accurately reflects the transaction that took place. By using the incorporated validations, SDRs will help ensure that their stored data adheres to the appropriate schema, thereby providing the Commission with direct electronic access pursuant to Rule 13n–4(b)(5).

4. Regulatory and Technical Coordination

In developing these proposed rules, we have consulted and coordinated with the CFTC and the prudential regulators [51] in accordance with the consultation mandate of the Dodd-Frank Act.[52] We have also incorporated the past experiences of the CFTC regarding their swap data collection efforts, and consulted with both the CFTC and U.S. Department of the Treasury's Office of Financial Research regarding draft technical documentation, including the FIXML and FpML schemas. More generally, as part of the Commission's coordination efforts, Commission staff continue to participate in bilateral and multilateral discussions, task forces, and working groups on data harmonization and the regulation of OTC derivatives.

C. Request for Comment

- The Commission has developed two interoperable schemas so that SDRs can make SBS transaction data available to the Commission using already existing standards in a form and manner that can be easily utilized by the Commission for analysis and aggregation. Are there other ways to provide for the representation of SBS transactions that could be easily utilized by the Commission? If so, what are they? What are their strengths and weaknesses?
- Should the Commission require direct electronic access be provided by SDRs using only an FpML schema? Should the Commission require direct electronic access be provided by SDRs using only an FIXML schema? Is there another standard that the Commission should consider as acceptable? If so, which characteristics about that standard should make it acceptable to the Commission and how does that standard affect the Commission's ability to normalize, aggregate, and analyze the SBS data?
- Does the Commission's approach to providing for direct electronic access using either the FpML or FIXML schemas allow for the accurate representation of SBS transactions as described in Regulation SBSR? If not, why not?
- Are the FpML and FIXML standards sufficiently developed to require either one of them to be used by SDRs to provide access to the required SBS data? What factors or indicators should the Commission use to determine when an SBS-related standard has become sufficiently developed to require its use for providing the Commission with direct electronic access to SBS data?
- Should the Commission allow SDRs to develop their own standards or leverage other standards to provide access to the Commission? How would the Commission's ability to normalize, aggregate, and analyze the data be affected if SDRs used different standards and developed different schemas for representing the SBS data?
- Instead of leveraging industry standards, such as FIXML and FpML, should the Commission create a new standard or contract with a third-party to create a new standard? Why or why not?
- Are there other approaches to developing or using a standard that the Commission should consider? Please explain in detail.
- What would be the costs to an SDR to provide data in either FpML or FIXML standard? Are there other ways that SBS data should be provided to the Commission? Are there other standards that would cost less but still allow the Commission to similarly normalize, aggregate, and analyze the data?
- Should the Commission institute a test phase for providing this information in either an FpML or FIXML standard? If so, how long should this test phase last?
- Other than using schemas, is there another effective mechanism for SDRs to provide direct electronic access to the Commission that still achieves similar or better aggregation and consistency results?
- The Commission intends to incorporate validations into its schemas to help ensure the quality and completeness of the SBS data that SDRs

[44] *See* § 242.901(a).

[45] *See* § 242.901(c)(1)(v).

[46] *See* § 242.901(c)(3).

[47] *See* § 242.901(d)(8).

[48] *See* § 242.901(c)(5).

[49] *See* § 242.901(d)(4).

[50] *See id.*

[51] The term ''prudential regulator'' is defined in section 1a(39) of the Commodity Exchange Act, 7 U.S.C. 1a(39), and that definition is incorporated by reference in section 3(a)(74) of the Exchange Act, 15 U.S.C. 78c(a)(74). Pursuant to the definition, the Board of Governors of the Federal Reserve System (''Federal Reserve Board''), the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Farm Credit Administration, or the Federal Housing Finance Agency (collectively, the ''prudential regulators'') is the ''prudential regulator'' of a security-based swap dealer or major security-based swap participant if the entity is directly supervised by that regulator.

[52] Section 712(a)(2) of the Dodd-Frank Act provides in part that the Commission shall ''consult and coordinate to the extent possible with the Commodity Futures Trading Commission and the prudential regulators for the purposes of assuring regulatory consistency and comparability, to the extent possible.''

make available to the Commission. Is there another effective mechanism that would help ensure completeness and still achieve similar or better aggregation and consistency results?

• How should the common data model support reporting requirements that do not yet have equivalents in FpML or FIXML, while preserving the ability to normalize, aggregate, and analyze the data? As discussed in Section II.B.2, the Commission's schemas would require specific extensions of existing FpML and FIXML reporting elements. Is there a better alternative? Specifically, how would the alternative affect SDRs, the Commission, and market participants?

III. Economic Analysis

On February 11, 2015, the Commission adopted the SDR Rules,[53] which govern SDR registration, duties, and core principles,[54] and Regulation SBSR, which governs the reporting to registered SDRs of SBS data and public dissemination by registered SDRs of a subset of that data.[55] In combination, these rules represent a significant step forward in providing a regulatory framework to promote transparency and efficiency in the OTC derivatives markets and assist relevant authorities in performing their market oversight functions. As noted earlier in Section I.A, the Commission is concerned that SDRs might provide direct electronic access to data in a form and manner that is not conducive to the Commission's ability to analyze the data or surveil the SBS market. Under the proposed amendment, the Commission would specify the form and manner with which SDRs must provide direct electronic access to the Commission by requiring SDRs to comply with the appropriate schema as will be published on the Commission's Web site.

The Commission is sensitive to the economic effects of the rules that it proposes, including implications for efficiency, competition, and capital formation. The Commission preliminarily believes that the proposed rule would provide a number of benefits and result in certain costs. Section 23(a)(2) of the Exchange Act[56] requires the Commission, when making rules under the Exchange Act, to consider the impact that any new rule would have on competition. In addition, Section 23(a)(2) prohibits the Commission from adopting any rule that would impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. Furthermore, Section 3(f) of the Exchange Act[57] requires the Commission, when engaging in rulemaking pursuant to the Exchange Act where it is required to consider or determine whether an action is necessary or appropriate in the public interest, to consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.

In many instances the potential benefits and costs of the proposed amendment are difficult to quantify. In particular, the Commission does not have precise estimates of the monetary benefits arising from the anticipated improvement in the Commission's ability to accurately analyze data made available by a single SDR, and the anticipated improvement in the Commission's ability to aggregate and analyze data made available by multiple SDRs. Benefits may arise from these improvements indirectly to the extent that facilitating the Commission's oversight of SBS market activity reduces the likelihood of abuse in the SBS market and risks to financial stability emanating from the SBS market, however the Commission does not have data that would enable it to estimate the magnitude of either of these effects.

Similarly, the Commission also does not have the data to estimate the potential costs that might be associated with reduced competition in the SDR industry that could result from the proposed approach. As we discuss in more detail below, a potential result of reduced competition among SDRs is that SDRs increase prices for their services or decrease the quantity or quality of their services. While the Commission acknowledges these potential costs, it does not have information about SDR services that would be necessary to estimate changes in prices, quality of service, or quantity of service that might result from reduced competition. One reason for this lack of information is that, to date, no SDRs have registered with the Commission. Where possible, we provide quantitative estimates of the potential costs of the proposed amendments. We provide discussions of a qualitative nature when quantification is not possible.

A. Economic Baseline

To examine the potential economic effects of the proposed amendments, our analysis considers as a baseline the rules adopted by the Commission that affect regulatory reporting and public dissemination, particularly those rules adopted as part of Regulation SBSR and the SDR Rules. The baseline includes our current understanding of international industry standards and market practices, including how those standards and practices have been influenced by the actions of other regulators. This section begins by summarizing the economic implications of regulatory reporting and public dissemination under the Commission's current regulatory framework for the SBS market and describing the data currently made available to the Commission on a voluntary basis. Following this discussion, the section describes the number of SDRs likely to be affected by the proposed amendments before examining the current state of the FIXML and FpML standards.

1. The SDR Rules and Regulation SBSR

As mentioned above, the Commission recently adopted the SDR Rules and Regulation SBSR. Together, the rules seek to provide improved transparency to regulators and the markets through comprehensive regulations for SBS transaction data and SDRs.[58] As the Commission envisioned in the SDR Adopting Release, SDRs will become an essential part of the infrastructure of the SBS market.[59] Persons that meet the definition of an SDR will be required by the SDR Rules to maintain policies and procedures relating to data accuracy and maintenance, and will be further required by Regulation SBSR to publicly disseminate transaction-level data, thereby promoting post-trade transparency in the SBS market.

Additionally, as a result of the SDR Rules and Regulation SBSR, increased quality and quantity of pricing and volume information and other information available to the Commission about the SBS market may enhance the Commission's ability to respond to market developments. To help inform its understanding of the SBS market, the Commission currently relies upon data on individual CDS transactions voluntarily provided by the Depository Trust and Clearing Corporation (''DTCC'') Trade Information Warehouse (''TIW''). This information is made available to the Commission in accordance with an agreement between the DTCC–TIW and the OTC Derivatives Regulators' Forum (''ODRF''), of which the Commission is a member.

[53] *See supra* note 1.

[54] *See supra* note 2.

[55] *See supra* notes 3–4.

[56] 15 U.S.C. 78w(a)(2).

[57] 15 U.S.C. 78c(f).

[58] *See* SDR Adopting Release, 80 FR at 14440.

[59] *See id.* at 14528.

The DTCC–TIW data provides sufficient information to identify the types of market participants active in the SBS market and the general pattern of dealing within that market. However, as the Commission noted in the SDR Adopting Release, the DTCC–TIW data does not encompass CDS transactions that both: (i) do not involve any U.S. counterparty, and (ii) are not based on a U.S. reference entity.[60] Furthermore, because counterparties to CDS transactions voluntarily submit data to DTCC–TIW to support commercial activities, the data are not necessarily suited to support the Commission's needs, the legal requirements underlying the rules (*e.g.,* the Dodd-Frank Act) or regulatory needs. For example, the transaction records captured by DTCC–TIW allow the Commission to identify trade execution dates but do not provide data to determine trade execution times.[61] Both Regulation SBSR and the SDR Rules will assist the Commission in fulfilling its regulatory mandates such as detecting market manipulation, fraud, and other market abuses by providing it with access to more detailed SBS information than that provided under the voluntary reporting regime.

2. Swap Data Repositories

In the SDR Adopting Release, the Commission estimated that 10 persons may register with the Commission as SDRs.[62] The Commission notes that in the swap market, only four persons have been provisionally registered with the CFTC for regulatory reporting in the swap market as SDRs thus far: BSDR LLC, Chicago Mercantile Exchange, Inc., DTCC Data Repository, and ICE Trade Vault.[63] BSDR LLC and DTCC Data Repository currently allow reporting participants to submit transaction data using FpML.[64] Intercontinental Exchange, the parent of ICE Trade Vault, uses FpML,[65] while Chicago Mercantile Exchange, Inc. allows reporting participants to submit transaction data using FIXML.[66] Accordingly, the Commission continues to preliminarily believe that approximately 10 persons would register with the Commission as SDRs.

3. FIXML and FpML

As previously discussed in Section II.A, there are two international industry standards for representing SBS data: FpML and FIXML.[67] Both are open standards, meaning that they are technological standards that are widely available to the public at no cost. In addition, both standards are independent of the software and hardware used by market participants, thus facilitating interoperability. Representatives from the financial industry, including those in the SBS market, and market participants are involved in maintaining, developing, and updating both standards to support, among other things, market practices and regulatory reporting requirements. FpML maintenance is undertaken by the FpML Standards Committee, which is made up of representatives from a range of financial market participants including banks, brokers, CCPs, and other financial infrastructure providers. FIX is owned, maintained, and developed through the collaborative efforts of the FIX Trading Community, which is a non-profit, industry-driven standards body comprised of over 270 member firms from the global financial services industry.[68]

Based on the fact that there is substantial industry involvement in the development of both standards, the Commission preliminarily believes that the majority of transactions reportable under Regulation SBSR would include at least one counterparty that is familiar with communicating transaction details using FpML or FIXML or currently supports such communication. Further, most market participants will have familiarity with using FpML and/or FIXML for transaction reporting, including reporting to meet reporting obligations under the rules of other jurisdictions. For example, the FpML Regulatory Reporting Working Group has developed a draft mapping document that relates data elements required by seven regulators other than the Commission, in various jurisdictions, to corresponding FpML fields.[69] The FIX Community has similarly provided documentation to show how data represented in FIX corresponds to certain regulatory reporting requirements.[70] These efforts provide evidence that the groups responsible for developing FIX and FpML are already responding to regulatory reporting requirements by updating their reporting elements, and that market participants that use these standards would likely be able to use these standards to discharge reporting obligations.

As noted in Section II.B.1, the schemas would include data elements that correspond to concepts defined in Rule 900 and required to be reported to registered SDRs by Rule 901. It would also include certain data elements derived from obligations of registered SDRs under Rule 907. Based on a mapping exercise conducted by Commission staff, the Commission preliminarily believes that both the FpML and FIMXL reporting standards already include defined data elements that can be used to cover many of the concepts in the common data model. However, the Commission staff has identified several instances of concepts within the proposed common data model that do not yet have equivalently defined data elements in FpML or FIXML. In those cases, the schemas published on the Commission's Web site would provide extensions of existing FpML and FIXML reporting elements. To the extent that the FpML and FIXML standards address the common data model as part of their periodic updates, the Commission expects that the standards will create defined elements to replace the initial use of extensions. If the Commission were to adopt a rule that required SDRs to make SBS data available to the Commission using the FpML or FIXML standards, the Commission anticipates that its staff would keep apprised of

[60] *See* SDR Adopting Release, 80 FR at 14445.

[61] *See* Memorandum by the Staffs of the Division of Trading and Markets and the Division of Economic and Risk Analysis of the U.S. Securities and Exchange Commission, Inventory risk management by dealers in the single-name credit default swap market (Oct. 17, 2014), *available at http://www.sec.gov/comments/s7-34-10/s73410-184.pdf.*

[62] *See* SDR Adopting Release, 80 FR at 14521.

[63] *See* U.S. Commodity Futures Trading Commission, Swap Data Repository Organizations, *http://sirt.cftc.gov/sirt/sirt.aspx?Topic=DataRepositories* (last visited Dec. 8, 2015).

[64] *See* Bloomberg Swap Data Repository, BDSR APIs, *http://www.bloombergsdr.com/api* (describing trade submission methods available to participants reporting to BDSR) (last visited Dec. 8, 2015). *See also* DTCC, US DDR SDR, *http://www.dtcc.com/data-and-repository-services/global-trade-repository/gtr-us.aspx* (describing submission formats supported by DTCC Data Repository) (last visited Dec. 8 2015).

[65] *See* ISDA FpML Survey Annex 1 (January 2011), *http://www.isda.org/media/press/2011/pdf/isda-fpml-user-survey.pdf* (listing ICE as an FpML user).

[66] *See* CME Group, Submitting Trades to the CME Swap Data Repository, *http://www.cmegroup.com/trading/global-repository-services/submitting-trades-to-cme-repository-service.html* (detailing data submission requirements for the CME Swap Data Repository) (last visited Dec. 8, 2015).

[67] The Commission is aware that market participants may also use proprietary XML representations of transactions data.

[68] Updates to FpML are regularly announced at *www.fpml.org,* while updates to the FIX protocol, including updates to FIXML are regularly announced at *http://www.fixtradingcommunity.org/pg/structure/tech-specs/fix-protocol* (last visited Dec. 8, 2015).

[69] *See supra* note 26.

[70] *See, e.g.,* FIX Protocol, Limited, *Global Technical Committee and Futures Industry Association, CFTC Part 43 & 45 Gap Analysis III Foreign Exchange,* (Jan. 3, 2013), *available at http://www.fixtradingcommunity.org/mod/file/view.php?file_guid=46985.*

relevant advances and developments with those standards and engage with each standard's working group regarding such developments, as appropriate.

B. Benefits

The Commission preliminarily believes that the proposed amendment, by specifying the form and manner with which SDRs would be required to make SBS data available to the Commission, provide for the accurate analysis of data made available by a single SDR, and the aggregation and analysis of data made available by multiple SDRs. In particular, the proposed amendment would enable the aggregation of SBS data by the Commission.

In the SDR Adopting Release, the Commission recognized that the benefits associated with SDR duties, data collection and maintenance, and direct electronic access may be reduced to the extent that SBS market data are fragmented across multiple SDRs.[71] Fragmentation of SBS market data may impose costs on any user of this data associated with consolidating, reconciling, and aggregating this data. Without a common data model expressed in specific formats, SDRs might, for example, make available to the Commission SBS data that are formatted using a variety of standards including FpML, FIXML, or other distinct proprietary standards or methods. Such an outcome could significantly increase the complexity of data aggregation, or perhaps even render data aggregation impractical because the Commission would have to map each standard to the common data model and might need to transform data from each SDR to meaningfully aggregate data across SDRs. Adding to the complexity of data aggregation, the Commission would have to repeat the mapping exercise and update data transformations each time an SDR chooses to update its standard, which could be disruptive to the Commission's monitoring and surveillance efforts.

By limiting SDRs' flexibility to a choice between FpML and FIXML, the Commission seeks to facilitate data aggregation and analysis by specifying the form and manner with which SDRs would be required to make SBS data available to the Commission. Adherence by SDRs to the schemas when providing direct electronic access should enhance the Commission's ability to analyze the data maintained by a single SDR, and allow the Commission to more effectively aggregate and analyze data received from multiple SDRs. Furthermore, the proposed amendment also simplifies the aggregation task because the Commission would determine the permitted formatting standards and schemas, not the SDRs. As a result, the process of data aggregation will not be complicated or disrupted by SDRs' decisions to update their formatting standards for reasons unrelated to regulatory requirements. The proposed amendment affords a simpler data aggregation process compared to an alternative in which SDRs exercise full discretion over the choice of formatting standard for providing direct electronic access and the timing for using the chosen standard.

As discussed above, the schemas would incorporate validations.[72] These validations are restrictions placed on the form and manner of the SBS data made available by SDRs to the Commission that help ensure that the data SDRs make available to the Commission adhere to the appropriate schema. In particular, the validations test whether the data are complete and appropriately formatted and will likely enhance the Commission's ability to normalize and aggregate the data. While validations incorporated into the schemas will be effective for checking data completeness and appropriate formatting, schema validations will not test for whether the SBS data accurately reflects the transaction that took place.

The proposed amendment may also indirectly improve the quality of regulatory reporting in a number of ways. First, by specifying the form and manner with which SDRs must make SBS data available to the Commission, the proposed amendment might provide SDRs an incentive to limit the range of ways that their participants can report SBS transaction data to them. If the proposed amendment results in clearer policies and procedures of registered SDRs, then the result could be more efficient reporting. Second, by leveraging existing industry standards, the proposed amendment may indirectly improve SBS data quality by eliminating the need for SDRs to reformat data already structured in FpML or FIXML in some different Commission specific format, thus reducing the likelihood that SDRs introduce errors in the process of reformatting data.

C. Costs

The Commission has preliminarily identified three potential sources of costs associated with the proposed amendment. The first potential source is SDRs' implementation of the proposed amendment, the second potential source is the extension of existing standards to meet the Commission's reporting requirements and the updating of those standards if necessary, and the third potential source arises from limiting the flexibility of SDRs in making SBS data available to the Commission.

1. Implementation Cost to SDRs

As the Commission noted in the SDR Adopting Release, the cost imposed on SDRs to provide direct electronic access to the Commission should be minimal as SDRs likely have or will establish comparable electronic access mechanisms to enable market participants to provide data to SDRs and review transactions to which such participants are parties.[73] Further, as the Commission noted in Section III.A, many of the entities likely to register with the Commission as SDRs already accept transactions data from reporting persons who submit trade information using the FpML and FIXML standards.

Nevertheless, the Commission acknowledges that, as a result of the proposed amendment, SDRs may decide to implement policies, procedures, and information systems to ensure that SBS data made available to the Commission is in a form and manner that satisfies the requirements laid out in the schemas. The Commission preliminarily believes that the costs of implementing such policies, procedures, and information systems are likely to be related to conforming their data models to one of the Commission's schemas and are likely to be smaller for those SDRs that already employ FIXML or FpML. The Commission preliminarily believes that these costs, which are in addition to the internal costs related to information technology systems, policies, and procedures the Commission estimated in the SDR Adopting Release,[74] would be approximately $127,000 in one-time costs per SDR, on average,[75] for an

[71] *See* SDR Adopting Release, 80 FR at 14538.

[72] *See* Section II.C.3 of this release.

[73] *See* SDR Adopting Release, 80 FR at 14539.

[74] *See id.*

[75] The Commission preliminarily estimates that an SDR will assign responsibilities for modifications of information technology systems to an Attorney, a Compliance Manager, a Programmer Analyst and a Senior Business Analyst and responsibilities for policies and procedures to an Attorney, a Compliance Manager, a Senior Systems Analyst and an Operations Specialist. Data from SIFMA's Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead, suggest that the cost of a Compliance Manager is $283 per hour, a Programmer Analyst is $220 per hour, a Senior Systems Specialist is $260 per hour, a Senior Business Analyst is $251 per hour, and an

expected aggregate one-time cost of approximately $1,270,000.[76] To arrive at these estimates, we assume that each SDR will first compare the data model it currently employs to the common data model represented by the schemas and subsequently make necessary modifications to information technology systems and policies and procedures.

To the extent that SDRs decide to modify their policies, procedures, and information technology systems, the Commission preliminarily believes that modifications that would be needed to support compliance with the proposed amendment are unlikely to change the marginal burden of providing direct electronic access to transaction records to the Commission. This is because the only additional costs would be costs incurred by SDRs to use policies, procedures, and information systems they would have already established to ensure that each additional transaction record that is made available to the Commission is in a form and manner that meets the requirements of the schemas.

The Commission also preliminarily believes that certain of these costs may be mitigated to the extent that the proposed amendment promotes enhancements to FpML and FIXML in support of regulatory reporting to registered SDRs. If the schemas, by identifying and closing gaps between reporting requirements and existing standards, encourage the use of FpML and FIXML by reporting persons instead of other formatting standards, then SDRs could incur a lower burden of conforming SBS data to one of the Commission's schemas because SDRs will be limited to FpML or FIXML when making the data available to the Commission.

The Commission recognizes that while SDRs may directly bear the implementation costs discussed above, these costs may be shared among market participants other than SDRs in several ways and will likely be passed through to SBS market participants, potentially in the form of higher costs for participants of registered SDRs, which in turn could result in higher transactions costs for counterparties, potentially impairing, albeit indirectly, efficiency in the SBS market and capital formation by SBS market participants. For example, the implementation costs incurred by registered SDRs could be passed on to reporting participants in the form of higher fees for reporting transactions. Consider the situation in which a registered SDR takes on reporting participants as clients before it implements the policies, procedures, and information systems needed to ensure that SBS data made available to the Commission is in a form and manner that satisfies the requirements laid out in the schemas. This registered SDR could offset this implementation cost by levying higher service charges on its participant base.

The ability of SDRs to pass through costs to their participants depends in part on the market power of SDRs. As discussed in the economic baseline, the Commission preliminarily believes that a limited number of persons would register with the Commission as SDRs. If there is only one registered SDR serving all reporting participants, then this SDR would have a greater ability to shift implementation costs that could arise as a consequence of the proposed amendment to its users. By contrast, a competitive SDR industry would likely mean that registered SDRs had less market power, rendering them less able to pass through such costs to reporting participants.

As an alternative to imposing higher fees on participants, registered SDRs could pass through a portion of the implementation costs to their participants by requiring reporting parties to report SBS data using FpML or FIXML in the same manner that the Commission is proposing to require that SDRs utilize for making data accessible to the Commission under the Commission's schemas. Under Rule 907(a)(2), a registered SDR is required to establish and maintain written policies and procedures that specify one or more acceptable data formats (each of which must be an open-source structured data format that is widely used by participants), connectivity requirements, and other protocols for submitting information. In response to the proposed amendment, registered SDRs might elect to establish policies and procedures that would facilitate conforming transaction data submitted by reporting participants to the schemas, pursuant to which the registered SDRs would be required to make the data accessible to the Commission. In particular, a registered SDR might elect to establish policies and procedures that mandate reporting of data elements under Rules 901(c) and 901(d) in the same form and manner that the Commission is proposing to require of registered SDRs, or levy fees for reformatting SBS transaction data reported in other formats to conform to one of the schemas. In this scenario, the registered SDR's participants could incur costs associated with: (i) modifying their reporting systems to transmit data to the registered SDR in a FIXML or FpML format that conforms to one of the schemas; or (ii) the registered SDR's reformatting of data to conform to one of the schemas. The registered SDR could subsequently make the data available to the Commission with minimal resources in ensuring that the data conforms to one of the schemas.

Efficiency in the SBS market and capital formation by SBS market participants may be impaired, albeit indirectly, by registered SDRs' decisions to require reporting parties to report SBS data using FpML or FIXML under the Commission's schemas. If the technologies required to implement the proposed amendment have scale economies, then an outcome in which reporting participants independently modify their reporting systems potentially represents an inefficient use of resources for the SBS market as a whole, even if it results in lower costs to SDRs, and particularly if reporting participants that do not otherwise have a frequent duty to report also modify their reporting systems. While acknowledging the potential for these inefficiencies, the Commission preliminarily believes they are unlikely to manifest for a number of reasons. First, because FpML and FIXML are currently international industry standards,[77] it is likely that a significant proportion of reporting participants already use either FpML or FIXML. Participants with reporting obligations include SBS dealers; the Commission has also proposed reporting obligations for clearing agencies.[78] Commission staff has determined that all four clearing agencies currently clearing index and single name CDS use either FpML or FIXML,[79] and at least fourteen

Operations Specialist is $125 per hour. Thus, the total initial estimated dollar cost will be $126,736.50 per SDR. This reflects the sum of the costs of modifying information technology systems ($110,810) and the cost of modifying policies and procedures ($15,926.50). Costs of modifying information technology systems are calculated as follows: (Attorney at $380 per hour for 70 hours) + (Compliance Manager at $283 per hour for 80 hours) + (Programmer Analyst at $220 per hour for 200 hours) + (Senior Business Analyst at $251 per hour for 70 hours) = $110,810. Costs of modifying policies and procedures are calculated as follows: (Attorney at $380 per hour for 21.75 hours) + (Compliance Manager at $283 per hour for 19.25 hours) + (Senior Systems Analyst at $260 per hour for 5.75 hours) + (Operations Specialist at $125 per hour for 5.75 hours) = $15,926.50.

[76] Aggregate costs are calculated as $126,736.50 x 10 SDRs = $1,267,365.

[77] *See* Sections II.A.1 and III.A of this release.

[78] *See* Regulation SBSR Adopting Release, 80 FR at 14730. *See also* Securities Exchange Act Release No. 74245 (February 11, 2015), 80 FR 14740, 14802 (March 19, 2015) (''SBSR Amendments Proposing Release'').

[79] ICE Clear Credit, ICE Clear Europe, CME, and LCH.Clearnet currently clear index and single name

Continued

of the fifteen major dealers recognized by ISDA use either FpML or FIXML [80]. Reporting participants that already use FpML or FIXML could potentially adapt policies, procedures, and information systems to report transactions using one of the schemas at a lower cost than reporting participants that use a standard other than FpML or FIXML. Second, the potential inefficiencies may be muted if there are multiple SDRs that accept SBS data in each asset class. To the extent that multiple SDRs compete within an asset class, one potential competitive outcome is that one or more SDRs may strive to attract business from reporting participants by exploiting the scale economies associated with implementation and offering to accept data in whatever formats they currently accept from reporting participants and reformatting this data to conform to the common data model. In the case of a registered SDR that chooses to levy a fee for reformatting SBS data to conform to one of the schemas, competition between SDRs may limit the fees an SDR has the ability to charge.

Taken together, scale economies for implementation and competition among SDRs might compel all SDRs to permit reporting participants to submit SBS data to SDRs using a variety of formats, thereby eliminating the inefficiencies associated with modification of systems by reporting parties.

Finally, participants that report infrequently or do not use FpML or FIXML could reduce their burden by engaging with third-party entities to carry out reporting duties incurred under Regulation SBSR as well as satisfy data formatting requirements specified by registered SDRs.[81] Third-party entities may offer reporting services if they are able to make SBS data available in a form and manner consistent with the schemas at a lower cost than SDRs and SDR participants. Such a cost advantage might arise if a third-party entity uses FpML or FIXML to process SBS data as part of its existing business activities and has acquired technical expertise in using FpML or FIXML. Further, the availability of third-party entities that can convert SBS data to meet formatting requirements specified by registered SDRs may place an upper limit on the fees levied by SDRs to reformat data to conform to a Commission schema.

2. Costs of Extending and Updating Standards

At present, FpML and FIXML do not have a complete set of defined reporting elements that address all Regulation SBSR reporting requirements. Market participants may choose to extend these standards to fully reflect Regulation SBSR reporting requirements through the industry bodies that maintain FpML and FIXML (working groups).[82] As discussed earlier, both standards undergo regular updates.

While the Commission acknowledges the costs of extending and updating these standards, these are indirect costs, in that they are not costs required to be incurred by the proposed amendment, but costs that may be incurred voluntarily by industry bodies. Further, the Commission preliminarily believes that extension costs would be modest. An analysis undertaken by Commission staff suggests that each standard currently has the defined reporting elements required to capture almost all of the data elements contemplated by Regulation SBSR.[83] The Commission also preliminarily believes that the update costs would be limited because any update needed to support possible future changes in Regulation SBSR reporting requirements would likely be implemented as part of the routine updates undertaken by the working groups. The Commission reviewed the time taken to revise both FpML and FIXML and estimated that a revision requires on average 304 days.[84] A working group is estimated to be 29-member strong based on the size of the working group charged with revising FpML to define data elements to be used for reporting OTC derivative positions between market participants and to regulators.[85] The Commission assumes that the one-time extension and a periodic update of each standard will require only a fraction of the time required for a revision of a standard, with an extension requiring more time than a periodic update. Thus, the one-time cost of extending each standard is estimated to be $1,410,560 for a total cost of $2,821,120 for both standards, while the cost of a periodic update to one standard is estimated to be $282,112 for a total cost of $564,224 for both standards.[86] The Commission

CDS. *See* SBSR Amendments Proposing Release 80 FR at 14775. Section III.A.2 of this release discusses the formatting standards used by ICE and CME. LCH.Clearnet allows reporting participants to submit transactions data using FpML. *See* LCH.Clearnet Ltd, *ClearLink Messaging Specification* 4 (June 2013), *available at http://www.lchclearnet.com/documents/515114/515787/Clearlink+Technical+Requirements/004bb402-1b77-4561-88d7-c0e7e90b7363.*

[80] The fifteen major derivatives dealers identified in the 2013 ISDA Operations Benchmarking Survey are Barclays Capital, BNP Paribas, Bank of America-Merrill Lynch, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan, Morgan Stanley, Nomura, Royal Bank of Scotland, Societe Generale, UBS, Wells Fargo. *See* International Swaps and Derivatives Association, Inc., *2013 ISDA Operations Benchmarking Survey* 29 (Apr. 2013), *available at https://www2.isda.org/attachment/NTUzOQ==/OBS%202013%20FINAL%200425.pdf.*

We use the FIX Trading Community Membership listing to identify dealers that use FIXML. *See* Premier Global Members, *http://www.fixtradingcommunity.org/pg/group-types/sellside-broker-dealers-public* (last visited Dec. 8, 2015). We rely on a dealer's membership in the FpML Standards Committee as an indication of the dealer's use of FpML. *See* Standards Committee, *http://www.fpml.org/committees/standards/* (last visited Dec. 8, 2015). Because both the FIX Membership listing and FpML Standards Committee participation are voluntary, our estimates present a lower bound of the number of major dealers that use either FpML or FIXML.

[81] The Commission acknowledged in Regulation SBSR that reporting requirements could present a barrier to entry for smaller firms but noted that firms that are reluctant to acquire and build reporting infrastructure could engage with third-party service providers to carry out reporting duties under Regulation SBSR. *See* Regulation SBSR Adopting Release, 80 FR at 14702.

[82] The FIX Protocol is updated by actions of its Global Technical Committee via a formal process in which working groups formulate a gap analysis and technical proposal. The gap analysis and proposal documents are posted on the FIX Web site and accessible to the public prior to Global Technical Committee review. Approved proposals are published to the technical specification page as an ''extension'' or ''errata/service'' release, depending on their scope. Extensions to the FIX protocol apply to both FIX's native format and FIXML. *See* FIX Protocol, Limited, *FPL Technical Gap Analysis Approval Process* (Jan. 20, 2006), *available at http://www.fixtradingcommunity.org/pg/file/fplpo/read/1437402/gap-analysis-specification-proposal-process.*

FpML is updated by actions of its Standards Committee via a formal process in which working groups produce documents that define extensions or other technical matters which must proceed through stages as working drafts, last call working drafts, trial recommendations and recommendations. Extensions to FpML that reach trial recommendation status are assigned an incremented version number, so that the latest recommendation may be FpML 5.7 while the trial recommendation is FpML 5.8. All public specifications are published on the FpML Web site. *See* FpML Standards Committee, *Standards Approval Process—Version 2.1—June 2009, available at http://www.fpml.org/asset/49a6b038/7545553a.pdf.*

[83] *See* Section II.C and Appendix.

[84] Using the release dates for versions 4.1 through 5.7 of FpML, we estimate the average time taken to update each version to be 154 days. Using the release dates for versions 4.0 through 5.0 of FIXML, we estimate the average update time to be 454 days. We take the average of these two estimates to arrive at the final estimate of 304 days. The Commission preliminarily believes that these estimates are upper bounds on the time required to make extensions as a result of the proposed amendment because they represent an average of major and minor changes and because these changes likely represent a mix of changes in response to market practice and changes in response to regulatory requirements.

[85] *See* Section III.A.3 of this release. *See also* FpML, *Regulatory Reporting Working Group, http://www.fpml.org/wgroup/rptwg/* (last visited Dec. 8, 2015).

[86] Because members of a working group are professionals from various organizations, we treat each member as an outside professional for this analysis and use a $400 per hour cost. We assume

preliminarily believes that, while these costs would be directly incurred by working group members, they would likely be passed through to market participants, potentially in the form of higher transactions costs.

3. Limiting Formatting Flexibility of SDRs

In the SDR Adopting Release, the Commission required SDRs to provide direct electronic access, but did not specify the form and manner of the direct electronic access. As the Commission noted in the SDR Adopting Release, until such time as the Commission adopts specific formats and taxonomies, ''SDRs may provide direct electronic access to the Commission to data in the form in which the SDRs maintain such data.'' [87] The proposed amendment, by specifying the form and manner of direct electronic access, potentially curtails the flexibility in formatting choices that SDRs enjoy in the absence of the proposed amendment. The Commission is aware that such curtailment potentially represents a cost of the proposed amendment, but does not believe it can quantify this cost with any degree of precision as it depends on the different means by which each SDR could potentially make data available to the Commission electronically in the absence of the proposed amendment.

Additionally, the proposed amendment could entail costs if FpML and FIXML no longer reflect SBS market conventions. As the SBS market evolves, FpML and FIXML may cease to reflect SBS market practices or products. If more efficient standards other than FpML or FIXML emerge, the proposed amendment would not permit SDRs to take advantage of those standards in providing direct electronic access to the Commission, though the proposed amendment would not preclude SDRs from using those standards for other purposes. The magnitude of this economic effect is difficult to estimate as we would require information about future SBS market practices and products, as well as efficiency improvements in currently existing and new formatting standards. Moreover, the Commission preliminarily believes that potential reductions in future flexibility will be limited for a number of reasons. First, as previously discussed in Section II.A, representatives from the financial industry, including those in the SBS market, are involved in maintaining, developing, and updating FpML and FIXML to support, among other things, market practices and regulatory reporting requirements. Periodic updating reduces the likelihood that FpML and FIXML will fail to reflect changes to SBS market practices or products. Further, the Commission preliminarily believes that industry involvement and periodic updating make it less likely that a more efficient alternative to FpML or FIXML will emerge. Second, by specifying schemas based on both FpML and FIXML, the proposed amendment provides redundancy in case one standard falls into disuse and no longer reflects SBS market practices or products.

D. Competition Among SDRs

The Commission is also sensitive to the effects on competition among SDRs that might arise as a result of the proposed amendment. The Commission preliminarily believes that the impact of the proposed amendment is likely to be limited. The Commission views the effect of the proposed amendment as further specifying the form and manner of data already required to be made available to the Commission under Rule 13n–4(b)(5). The Commission understands that the implementation costs associated with meeting minimum requirements for form and manner under the proposed amendment could represent a barrier to entry for entrants into the SDR industry that, in the absence of the proposed amendment, would choose to make data available to the Commission in a lower cost form and manner.

To the extent that the proposed amendment deters new firms from entering the SDR industry, competition between SDRs could be reduced. A less competitive SDR industry could see incumbent registered SDRs increasing fees charged to reporting participants, reducing the quantity and quality of services provided to reporting participants, or both. Further, a less competitive SDR industry could make it easier for incumbent registered SDRs to shift a bigger portion of their implementation cost to reporting participants. As noted above, such a shift could represent an inefficient allocation of implementation costs if it results in duplicative investment in software and systems by a large number of reporting parties to conform data to the schemas.[88]

The Commission preliminarily believes that any deleterious effect on competition that results from the proposed amendment might be limited for a number of reasons. First, because the Commission is selecting the FpML and FIXML standards which are widely available to the public at no cost, new entrants would not incur any cost associated with the creation of new standards. Second, should extension and updating costs be necessary, such costs are expected to be modest and would likely be shared among various market participants, including SDRs. Thus, the actual portion of these costs incurred by a new entrant would be limited.

E. Alternative Approaches

The Commission has considered two alternatives to the approach contemplated in the proposed amendment. In this section, we discuss each alternative in turn and the reasons why each alternative approach was not proposed.

1. Developing a New Standard

The first alternative would involve development of a new information formatting standard specifically designed to support regulatory reporting of SBS data. The Commission could implement this alternative in one of two ways. First, the Commission could develop a new standard on its own and require SDRs to use this standard. The key advantage of such an approach is that it would give the Commission the ability to tailor definitions of data elements to precisely match those in Regulation SBSR. However, this approach suffers from a number of drawbacks. The Commission would likely expend significant resources to (i) develop an information formatting standard for SBS data, (ii) stay informed of the various practices of the SDRs, (iii) provide guidance on the standard's use, and (iv) update the standard on a regular basis to incorporate innovations in the SBS market and additional reporting requirements as determined by future Commission action. Further, under this approach market participants could incur costs associated with supporting an additional information formatting standard that is not useful except for purposes of satisfying Title VII requirements.

In the absence of an existing standard for SBS data, it would be appropriate for the Commission to develop a new

an eight hour work day for each member of the working group. For the one-time extension of a standard, we assume a workload of 5% of each working group member's work day. Given these assumptions, the cost of extending one standard = $304 \times 29 \times 8 \times 400 \times 0.05 = \$1{,}410{,}560$. The cost of extending both standards is = $1{,}410{,}560 \times 2 = \$2{,}821{,}120$. For the periodic update of a standard, we assume a workload of 1% of each working group member's work day due to the incremental and limited nature of a periodic update. Thus, the cost of a periodic update to one standard = $304 \times 29 \times 8 \times 400 \times 0.01 = \$282{,}112$, and the cost for both standards is = $282{,}112 \times 2 = \$564{,}224$.

[87] *See* SDR Adopting Release, 80 FR at 14475.

[88] *See* Section III.C.1 of this release.

standard specifically designed to support regulatory reporting of SBS data. However, because FpML and FIXML are existing standards that are widely used by market participants, the Commission preliminarily believes it would be more efficient to leverage these standards that have been designed with input from market participants, that communicate information about financial contracts, and that can be updated and maintained with the assistance of dedicated industry working groups. Further, the Commission preliminarily believes that the proposed approach reduces the likelihood that SDRs introduce errors to SBS data in the process of reformatting data structured in FpML or FIXML to conform to a new standard developed specifically for regulatory reporting. Thus, the Commission has not chosen to develop its own standard in the proposed amendment.

2. FpML or FIXML as the Sole Schema Standard

A second alternative would be to use either FpML or FIXML as the sole schema standard. The Commission preliminarily believes that using only a single standard would impose an additional burden on an SDR that currently uses a standard other than the selected standard. Because FpML and FIXML are both widely used and accepted in the financial industry, it is possible that some SDRs use FpML while others use FIXML. As noted in the economic baseline, among the persons that could potentially register as SDRs for security-based swaps, BSDR LLC, DTCC Data Repository, and ICE are FpML users, while Chicago Mercantile Exchange, Inc. is a FIXML user. By selecting either FpML or FIXML as the sole standard, the Commission would be requiring an SDR that did not use the proposed standard to incur costs to change its policies, procedures, and information systems to accommodate the proposed standard. In addition, selecting a sole standard could increase the likelihood of introducing errors to SBS data caused by an SDR that uses the non-permissible standard when reformatting its data to conform to the selected standard. A greater likelihood of errors could potentially reduce the quality of SBS data made available to the Commission. Further, allowing both FpML and FIXML instead of allowing just one of these standards would afford some measure of redundancy in case one standard falls into disuse (due, for example, to the cessation of industry support) and no longer reflects current market practices.

F. Request for Comment

The Commission seeks commenters' views and suggestions on all aspects of its economic analysis of the proposed amendment. In particular, the Commission asks commenters to consider the following questions:

- What additional information sources can the Commission use to calibrate the cost of setting up and implementing policies, procedures, and information systems to format and submit SBS transaction data in accordance with the Commission's schemas?
- What fraction of reporting participants already use FpML or FIXML to format SBS data?
- What fraction of reporting participants use proprietary XML representations of SBS?
- What additional information sources can the Commission use to calibrate (a) the cost of extending FpML and FIXML and (b) the cost of periodically updating these standards?
- Are there costs associated with the proposed amendment that the Commission has not identified? If so, please identify them and if possible, offer ways of estimating these costs.

IV. Paperwork Reduction Act

The Commission is required to take into account those provisions of any proposed amendments that contain ''collection of information requirements'' within the meaning of the Paperwork Reduction Act of 1995 (''PRA'').[89] In this release, the Commission is proposing to specify the form and manner with which SDRs will be required to make SBS data available to the Commission under Exchange Act Rule 13n–4(b)(5). Specifically, the Commission is proposing to amend Rule 13n-4(a)(5) to require SDRs to provide direct electronic access using either the FpML schema or the FIXML schema as published on the Commission's Web site. The Commission is also requiring that the SDRs use the most recent schema published on the Web site, as the Commission may make periodic updates to reflect changes in the FpML and FIXML standards or changes in industry practice.

As is discussed in greater detail below, the Commission preliminarily believes that the proposed amendments to Rule 13n–4(a)(5) would result in a collection of information burden. To the extent that this collection of information burden has not already been accounted for in the adoption of the SDR Adopting Release and Regulation SBSR,[90] such burden is discussed below. The purpose of the proposed amendments to Rule 13n–4(a)(5) is to specify the form and manner with which SDRs would be required to make SBS data available to the Commission. By doing so, the Commission seeks to ensure that the SBS data made available by SDRs are formatted and structured consistently so that the Commission can accurately analyze the data maintained by a single SDR, and so that the Commission can also aggregate and analyze data maintained by multiple SDRs. Collection of the underlying data, however, is already covered by existing collections.

The Commission's SDR Rules (OMB Control Number 3235–0719) consist of Rules 13n–1 to 13n–12 under the Exchange Act governing SDRs, and a new form, Form SDR, for registration as a security-based swap data repository. Among other things, Rule 13n–4(b) sets forth requirements for collecting and maintaining transaction data that each SDR will be required to follow. The SDR Adopting Release described the relevant burdens and costs that complying with Rule 13n–4(b), as well as the other companion rules, will entail. The Commission estimated that the one-time start-up burden relating to establishing the systems necessary to comply to the SDR Rules (including Rule 13n–4(b)) would be 42,000 hours and $10 million in information technology costs for each SDR, for a total one-time start-up burden of 420,000 hours and $100 million.[91] The Commission further estimated that the average ongoing annual burden of these systems would be 25,200 hours and $6 million per SDR, for a total annual ongoing annual burden of 252,000 hours and $60 million.[92] The Commission preliminarily believes that there would be additional burdens on top of those already discussed in connection with the SDR Rules as a result of the proposed amendments. The Commission is submitting the collection of information to the Office of Management and Budget for review in accordance with 44 U.S.C. 3507 and 5 CFR 1320.11. The title of the collection of information the Commission is proposing to amend is ''Form SDR and Security-Based Swap Data Repository Registration, Duties, and Core Principles.'' An agency may not conduct or sponsor, and a person is not required to respond to, a collection of

[89] 44 U.S.C. 3501 *et seq.*

[90] *See* SDR Adopting Release, 80 FR 14437; Regulation SBSR Adopting Release, 80 FR 14673.

[91] *See* 80 FR at 14523.

[92] *Id.*

information unless it displays a currently valid OMB control number.

Regulation SBSR (OMB Control No. 3235–0718), among other things, sets forth the primary and secondary SBS trade information that must be reported to a registered SDR and, with some exceptions, disseminated by a registered SDR to the public. The burdens associated with the reporting and dissemination of SBS trade information are discussed in Regulation SBSR. These burdens include those related to a registered SDR to time-stamping information that it receives, assigning a unique transaction ID to each security-based swap it receives (or establishing or endorsing a methodology for transaction IDs to be assigned by third parties), disseminating transaction reports related to SBSs, issuing notifications regarding closing hours and system availability, establishing protocols for correcting errors in SBS information, obtaining UICs as necessary, establishing and maintaining compliance with certain policies and procedures, and registering as a securities information processor. In this release, the Commission has not proposed changes to the information that must be reported to a registered SDR or the information that must be disseminated by a registered SDR to the public. The Commission therefore preliminarily believes that there would be no additional burden beyond those already discussed in connection with Regulation SBSR.

The Commission believes, as is discussed in greater detail above in Section II.A., that the participants in the SBS market generally already employ two industry standard formats: FpML and FIXML. The Commission expects, but Regulation SBSR does not require, that registered SDRs will accept SBS trade information in one or both of these industry standard formats. In preparation for compliance with Regulation SBSR and the SDR Adopting Release, the Commission expects that registered SDRs will have established systems capable of collecting—and indeed likely have already collected SBS trade information—in one of these two industry standards formats. However, the Commission does acknowledge that, as a result of the proposed amendment, SDRs may incur burdens associated with implementing policies, procedures, and information systems to ensure that SBS data made available to the Commission is in the form and manner that satisfies the requirements laid out in the schema.

A. Summary of Collection of Information

Rule 13n–4(b)(5) requires SDRs to provide direct electronic access to the Commission or its designees. Rule 13n–4(a)(5), as proposed to be amended, requires ''direct electronic access'' to be made using ''the most recent version of either the FpML schema or the FIXML schema for security-based swap data repositories as published on the Commission's Web site.'' The proposed amendments do not alter or amend the information that must be collected and maintained by a registered SDR, but do impact the manner in which such information is made available to the Commission.

B. Use of Information

Rules 13n–4(b)(5) requires that an SDR provide the Commission, or any designee of the Commission, with direct electronic access. The information made available to the Commission, or its designee, will help ensure an orderly and transparent SBS market as well as provide the Commission with tools to help oversee this market.

C. Respondents

The direct electronic access requirements of Rule 13n–4(b)(5) apply to all SDRs, absent an exemption. Thus, for these provisions, the Commission continues to estimate that there will be 10 respondents.

D. Total Initial and Annual Reporting and Recordkeeping Burden

As discussed above, Rule 13n–5(b)(5) requires SDRs to provide direct electronic access to the Commission or its designees. Rule 13n–4(a)(5), as proposed to be amended, would require ''direct electronic access'' to be made available to the Commission using ''the most recent version of either the FpML schema or the FIXML schema for security-based swap data repositories as published on the Commission's Web site.''

The Commission preliminarily believes that registered SDRs are likely to already accept transaction data from reporting persons who submit trade information using FpML and FIXML reporting standards. However, the Commission preliminarily believes that, as a result of the proposed amendment, registered SDRs may incur certain burdens associated with implementing policies, procedures, and information systems to ensure that SBS data made available to the Commission is in a form and manner that satisfies the requirements laid out in the schemas. The Commission preliminarily believes that these incremental burdens are likely to be related to ensuring that the data elements that constitute the common data model are represented using the appropriate FIXML or FpML reporting elements and are likely to be smaller for those SDRs that already employ FIXML or FpML. The Commission preliminarily estimates that each registered SDR will incur an initial, one-time burden of 472.5 hours,[93] for an aggregate one-time burden of 4,725 hour for all registered SDRs.[94] The Commission expects that each SDR will comply with the proposed rule by first comparing the data model it currently employs to the common data model represented by the schemas and subsequently making necessary modifications to information technology systems and policies and procedures.

Once the policies, procedures, and information systems required to comply with the proposed amendment are in place, the Commission preliminarily does not believe that there will be any additional paperwork burden placed upon SDRs to make transaction records accessible in a form and manner that satisfies the requirements of the schemas. The Commission preliminarily believes that the burdens related to SDRs using their policies, procedures, and information systems they would have already established have been accounted for in the previously adopted SDR Rules. Furthermore, the Commission preliminarily believes that the annual burdens associated with maintaining the SDRs policies and procedures, as well as the annual burdens associated with modifications of information technology systems have already been accounted for in the previously approved SDR Rules.

E. Collection of Information Is Mandatory

The collection of information relating to direct electronic access is mandatory for all SDRs, absent an exemption.

[93] The Commission preliminarily estimates that an SDR will assign responsibilities for modifications of information technology systems to an Attorney, a Compliance Manager, a Programmer Analyst and a Senior Business Analyst and responsibilities for policies and procedures to an Attorney, a Compliance Manager, a Senior Systems Analyst and an Operations Specialist. The Commission estimates the burden of modifying information technology systems to be as follows: 70 hours (Attorney) + 80 hours (Compliance Manager + 200 hours (Programmer Analyst) + 70 hours (Senior Business Analyst) = 420 burden hours. The Commission estimates the burden of modifying policies and procedures to be as follows: 21.75 hours (Attorney) + 19.25 (Compliance Manager) + 5.75 hours (Senior Systems Analyst) + 5.75 hours (Operations Specialist) = 52.5 burden hours.

[94] The aggregate burden is calculated as follows: (420 hours + 52.5 hours) × 10 registered SDRs = 4,725 burden hours

F. Confidentiality

Because these proposed amendments do not impact the scope or nature of the information required to be made available to the Commission, the Commission does not expect to receive confidential information as a result of these proposed amendments. However, to the extent that the Commission does receive confidential information pursuant to this collection of information, such information will be kept confidential, subject to the provisions of applicable law.

G. Recordkeeping Requirements

Rule 13n–7(b) under the Exchange Act requires an SDR to keep and preserve at least one copy of all documents, including all documents and policies and procedures required by the Exchange Act and the rules or regulations thereunder, correspondence, memoranda, papers, books, notices, accounts, and other such records as shall be made or received by it in the course of its business as such, for a period of not less than five years, the first two years in a place that is immediately available to representatives of the Commission for inspection and examination. This requirement encompasses any documents and policies and procedures established as a result of the proposed amendments.

H. Request for Comments

Pursuant to 44 U.S.C. 3505(c)(2)(B), the Commission solicits comment to:

- Evaluate whether the proposed collection of information is necessary for the proper performance of our functions, including whether the information will have practical utility;
- Evaluate the accuracy of our estimate of the burden of the proposed collection of information;
- Determine whether there are ways to enhance the quality, utility, and clarity of the information to be collected; and
- Evaluate whether there are ways to minimize the burden of collection of information on those who are to respond, including through the use of automated collection techniques or other forms of information technology.

Persons submitting comments on the collection of information requirements should direct them to the Office of Management and Budget, Attention: Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Washington, DC 20503, and should also send a copy of their comments to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090, with reference to File Number S7–26–15. Requests for materials submitted to OMB by the Commission with regard to this collection of information should be in writing, with reference to File Number S7–26–15 and be submitted to the Securities and Exchange Commission, Office of FOIA/PA Operations, 100 F Street NE., Washington, DC 20549–2736. As OMB is required to make a decision concerning the collections of information between 30 and 60 days after publication, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication.

V. Regulatory Flexibility Act Certification

Section 3(a) of the Regulatory Flexibility Act of 1980 (''RFA'')[95] requires the Commission to undertake an initial regulatory flexibility analysis of the proposed amendment on ''small entities.'' Section 605(b) of the RFA[96] provides that this requirement shall not apply to any proposed rule or proposed rule amendment which, if adopted, would not have a significant economic impact on a substantial number of small entities. Pursuant to 5 U.S.C. 605(b), the Commission hereby certifies that the proposed amendment to Rule 13n–4(a)(5) would not, if adopted, have a significant economic impact on a substantial number of small entities. In developing this proposed amendment the Commission has considered its potential impact on small entities. For purposes of Commission rulemaking in connection with the RFA, a small entity includes: (1) When used with reference to an ''issuer'' or a ''person,'' other than an investment company, an ''issuer'' or ''person'' that, on the last day of its most recent fiscal year, had total assets of $5 million or less;[97] or (2) a broker-dealer with total capital (net worth plus subordinated liabilities) of less than $500,000 on the date in the prior fiscal year as of which its audited financial statements were prepared pursuant to Rule 17a–5(d) under the Exchange Act,[98] or, if not required to file such statements, a broker-dealer with total capital (net worth plus subordinated liabilities) of less than $500,000 on the last day of the preceding fiscal year (or in the time that it has been in business, if shorter); and is not affiliated with any person (other than a natural person) that is not a small business or small organization.[99]

The Commission believes, based on input from SBS market participants and its own information, that persons that are likely to register as SDRs would not be small entities. Based on input from SBS market participants and its own information, the Commission believes that most if not all registered SDRs would be part of large business entities, and that all registered SDRs would have assets exceeding $5 million and total capital exceeding $500,000.

The Commission encourages written comments regarding this certification. The Commission solicits comment as to whether the proposed amendment to Rule 13n–4(a)(5) could have an effect on small entities that has not been considered. The Commission requests that commenters describe the nature of any impact on small entities and provide empirical data to support the extent of such impact.

VI. Small Business Regulatory Enforcement Fairness Act

For purposes of the Small Business Regulatory Enforcement Fairness Act of 1996 (''SBREFA)[100] the Commission must advise the OMB whether the proposed regulation constitutes a ''major'' rule. Under SBREFA, a rule is considered ''major'' where, if adopted, it results or is likely to result in: (1) An annual effect on the economy of $100 million or more; (2) a major increase in costs or prices for consumers or individual industries; or (3) significant adverse effect on competition, investment or innovation.

The Commission requests comment on the potential impact of the proposed amendment on the economy on an annual basis. Commenters are requested to provide empirical data and other factual support for their views to the extent possible.

Pursuant to the Exchange Act, and particularly Sections 13(n) and 23(a) thereof, 15 U.S.C. 78m(n) and 78w(a), the Commission is proposing to amend rule 13n–4(a)(5), under the Exchange Act.

List of Subjects in 17 CFR Part 240

Reporting and recordkeeping requirements.

Text of Proposed Amendment

For the reasons stated in the preamble, the SEC is proposing to amend Title 17, Chapter II of the Code of the Federal Regulations as follows:

[95] 5 U.S.C. 603(a).

[96] 5 U.S.C. 605(b).

[97] 17 CFR 240.0–10(a).

[98] 17 CFR 240.17a–5(d).

[99] 17 CFR 240.0–10(c).

[100] Public Law 104–121, Title II, 110 Stat. 857 (1996) (codified in various sections of 5 U.S.C. and 15 U.S.C. and as a note to 5 U.S.C. 601).

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

■ 1. The general authority citation for part 240 continues to read as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z–2, 77z–3, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78c–3, 78c–5, 78d, 78e, 78f, 78g, 78i, 78j, 78j–1, 78k, 78k–1, 78l, 78m, 78n, 78n–1, 78o, 78o–4, 78o–10, 78p, 78q, 78q–1, 78s, 78u–5, 78w, 78x, 78ll, 78mm, 80a–20, 80a–23, 80a–29, 80a–37, 80b–3, 80b–4, 80b–11, 7201 *et seq.*; and 8302; 7 U.S.C. 2(c)(2)(E); 12 U.S.C. 5221(e)(3); 18 U.S.C. 1350; and Pub. L. 111–203, 939A, 124 Stat. 1376 (2010), unless otherwise noted.

* * * * *

■ 2. Amend § 240.13n–4(a)(5) by adding a second sentence to read as follows:

§ 240.13n–4 Duties and core principles of security-based swap data repository.

(a) * * *

(5) * * * Direct electronic access must be made available to the Commission using the most recent version of either the FpML schema or the FIXML schema for security-based swap data repositories as published on the Commission's Web site.

* * * * *

By the Commission.

Brent J. Fields,

Secretary.

The following will not appear in the CFR.

Appendix

Mapping of Common Data Model Concepts to FIXML and FpML Data Elements

The common data model is informed by the current versions of the FpML and FIXML standards. Commission staff has mapped concepts in the common data model to existing data elements in both FpML and FIXML. Table 1 depicts the result of this mapping exercise for FpML version 5.9, which is considered current for the purposes of this proposal. Table 2 repeats this exercise for FIX version 5.0, Service Pack 2, which shall be considered current for the purposes of this proposal.

TABLE 1—MAPPING OF COMMON DATA MODEL DATA CONCEPTS TO FPML DATA ELEMENTS

[When the FpML column includes a list of terms, this means that FpML expresses the concept as a combination of data elements from that list. Blank entries mean that the concept does not presently have an exact equivalent in FpML.]

§ 901 ref.	Common data model concept	FpML data elements
(c)(1)	Product ID	productId. primaryAssetClass. secondaryAssetClass. productType. embeddedOptionType.
(c)(1)(i)	Asset Class	primaryAssetClass. secondaryAssetClass.
(c)(1)(i)	Underlying Reference Asset(s)	underlyingAsset.
(c)(1)(i)	Underlying Reference Issuer(s)	referenceEntity.
(c)(1)(i)	Underlying Reference Index	index.
(c)(1)(ii)	Effective Date	effectiveDate.
(c)(1)(iii)	Scheduled Termination Date	scheduledTerminationDate.
(c)(1)(iv)	Terms of any standardized fixed rate payments	calculationPeriodAmount or fixedAmountCalculation. paymentDates.
(c)(1)(iv)	Frequency of any fixed rate payments	calculationPeriodFrequency.
(c)(1)(iv)	Terms of any standardized floating rate payments	calculationPeriodAmount. paymentDates. resetDates.
(c)(1)(iv)	Frequency of any floating rate payments	calculationPeriodFrequency.
(c)(1)(v)	Custom Swap Flag	nonStandardTerms.
(c)(2)	The date and time, to the second, of execution, expressed using Coordinated Universal Time (UTC);	executionDateTime.
(c)(3)	The price	quote. value.
(c)(3)	The currency in which the price is expressed	currency.
(c)(3)	The amount(s) of any up-front payments	additionalPayment. paymentType.
(c)(3)	The currenc(ies) of any up-front payments	currency.
(c)(4)	The notional amount(s)	notional. amount.
(c)(4)	The currenc(ies) in which the notional amount(s) is expressed	currency.
(c)(5)	Inter-Dealer Swap Flag	
(c)(6)	Intention To Clear Flag	intentToClear.
(c)(7)	If applicable, any flags pertaining to the transaction that are specified in the policies and procedures of the registered SDR to which the transaction will be reported.	
(d)(1)	The counterparty ID [on the reporting side]	onBehalfOf. partyId.
(d)(1)	The execution agent ID [on the reporting side], as applicable	partyId. partyRole.
(d)(1)	The counterparty ID [on the non-reporting side]	partyId. partyRole.
(d)(1)	The execution agent ID of each counterparty, as applicable	partyId. partyRole.
(d)(1)	[As applicable] the branch ID of the direct counterparty on the reporting side	relatedBusinessUnit. role.
(d)(1)	[As applicable] the broker ID of the direct counterparty on the reporting side	relatedBusinessUnit. role.

TABLE 1—MAPPING OF COMMON DATA MODEL DATA CONCEPTS TO FPML DATA ELEMENTS—Continued

[When the FpML column includes a list of terms, this means that FpML expresses the concept as a combination of data elements from that list. Blank entries mean that the concept does not presently have an exact equivalent in FpML.]

§ 901 ref.	Common data model concept	FpML data elements
(d)(1)	[As applicable] the execution agent ID of the direct counterparty on the reporting side.	relatedBusinessUnit. role.
(d)(2)	[As applicable] the trader ID of the direct counterparty on the reporting side	relatedBusinessUnit. role.
(d)(2)	[As applicable] the trading desk ID of the direct counterparty on the reporting side	relatedBusinessUnit. role.
(d)(3)	the terms of any fixed or floating rate payments, or otherwise customized or non-standard payment streams.	genericProduct.
(d)(3)	the frequency of any fixed or floating rate payments, or otherwise customized or non-standard payment streams.	paymentFrequency. resetFrequency.
(d)(3)	the contingencies of any fixed or floating rate payments, or otherwise customized or non-standard payment streams.	feature.
(d)(4)	title of any master agreement	masterAgreement. masterAgreementId.
(d)(4)	the date of any master agreement	masterAgreement. masterAgreementDate.
(d)(4)	the title of any collateral agreement	creditSupportAgreement. identifier.
(d)(4)	the date of any collateral agreement	creditSupportAgreement. date.
(d)(4)	the title of any margin agreement	
(d)(4)	the date of any margin agreement	
(d)(4)	the title of any other agreement	contractualTermsSupplement, et al. identifier.
(d)(4)	the date of any other agreement	contractualTermsSupplement, et al. date.
(d)(5)	any additional data elements included in the agreement between the counterparties that are necessary for a person to determine the market value of the transaction;	
(d)(6)	the name of the clearing agency to which the security-based swap will be submitted for clearing.	partyId. partyRole.
(d)(7)	whether they have invoked the exception in Section 3C(g) of the Exchange Act (15 U.S.C. 78c–3(g));	endUserException.
(d)(8)	a description of the settlement terms	cashSettlementTerms.
(d)(8)	whether the security-based swap is cash-settled or physically settled	physicalSettlementTerms.
(d)(8)	the method for determining the settlement value	valuationMethod.
(d)(9)	The platform ID, if applicable	partyId. partyRole.
(d)(10)	the transaction ID of an allocated security-based swap	originatingEvent. originatingTradeId. allocationTradeId.
(d)(10)	the transaction ID of a terminated security-based swap	terminatingEvent. originatingTradeId.
(d)(10)	the transaction ID of a novated security-based swap	novation. originatingTradeId.
(d)(10)	the transaction ID of an assigned security-based swap	novation. originatingTradeId.
(e)(1)(i)	A life cycle event, and any adjustment due to a life cycle event, that results in a change to information previously reported pursuant to paragraph (c), (d), or (i) of this section shall be reported by the reporting side [except that the reporting side shall not report whether or not a security-based swap has been accepted for clearing].	originatingEvent. trade.
(e)(1)(ii)	Acceptance for clearing	
(e)(2)	All reports of life cycle events and adjustments due to life cycle events shall, within the timeframe specified in paragraph (j) of this section, be reported to the entity to which the original security-based swap transaction will be reported or has been reported and shall include the transaction ID of the original transaction.	originatingTradeId.
(f)	Time stamp, to the second, its receipt of any information submitted to it pursuant to paragraph (c), (d), (e), or (i) of this section.	timestamps. nonpubliclyReported.
(g)	A transaction ID to each security-based swap, or establish or endorse a methodology for transaction IDs to be assigned by third parties.	originatingTradeId.

TABLE 2—MAPPING OF COMMON DATA MODEL DATA CONCEPTS TO FIXML DATA ELEMENTS

[When the FIXML column includes a list of terms, this means that FIXML expresses the concept as a combination of data elements from that list. Blank entries mean that the concept does not presently have an exact equivalent in FIXML.]

§ 901 ref.	Common data model concept	FIXML data elements
(c)(1)	Product ID	Prod. SecTyp. PxDtrmnMeth. SettlMeth. SwapClss. SwapSubClss.
(c)(1)(i)	Asset Class	CFI.
(c)(1)(i)	Underlying Reference Asset(s)	Undly.
(c)(1)(i)	Underlying Reference Issuer(s)	Issr.
(c)(1)(i)	Underlying Reference Index	NdxSeries.
(c)(1)(ii)	Effective Date	EfctvDt.
(c)(1)(iii)	Scheduled Termination Date	TrmntDt.
(c)(1)(iv)	Terms of any standardized fixed rate payments	PmtStrm. CalcDts. Rt. Amt. Ccy.
(c)(1)(iv)	Frequency of any fixed rate payments	PmtDts.
(c)(1)(iv)	Terms of any standardized floating rate payments	ResetDts.
(c)(1)(iv)	Frequency of any floating rate payments	PmtDts.
(c)(1)(v)	Custom Swap Flag	
(c)(2)	The date and time, to the second, of execution, expressed using Coordinated Universal Time (UTC).	TrdRegTS. TS. Typ. Src.
(c)(3)	The price	Px.
(c)(3)	The currency in which the price is expressed	Ccy.
(c)(3)	The amount(s) of any up-front payments	UpfrontPx.
(c)(3)	The currenc(ies) of any up-front payments	
(c)(4)	The notional amount(s)	Strm. Notl.
(c)(4)	The currenc(ies) in which the notional amount(s) is expressed	Ccy.
(c)(5)	Inter-Dealer Swap Flag	Pty. Typ.
(c)(6)	Intention To Clear Flag	ClrIntn.
(c)(7)	If applicable, any flags pertaining to the transaction that are specified in the policies and procedures of the registered security-based swap data repository to which the transaction will be reported.	
(d)(1)	The counterparty ID [on the reporting side]	Pty. ID. Src. R. R. Sub. ID. Typ.
(d)(1)	The execution agent ID [on the reporting side], as applicable	R.
(d)(1)	The counterparty ID [on the non-reporting side]	R.
(d)(1)	The execution agent ID of each counterparty, as applicable	R.
(d)(1)	[As applicable] the branch ID of the direct counterparty on the reporting side	R.
(d)(1)	[As applicable] the broker ID of the direct counterparty on the reporting side	R.
(d)(1)	[As applicable] the execution agent ID of the direct counterparty on the reporting side.	R.
(d)(2)	[As applicable] the trader ID of the direct counterparty on the reporting side	R.
(d)(2)	[As applicable] the trading desk ID of the direct counterparty on the reporting side	R.
(d)(3)	the terms of any fixed or floating rate payments, or otherwise customized or non-standard payment streams.	
(d)(3)	the frequency of any fixed or floating rate payments, or otherwise customized or non-standard payment streams.	PmtDts. PmtDts.
(d)(3)	the contingencies of any fixed or floating rate payments, or otherwise customized or non-standard payment streams.	ContingencyType.
(d)(4)	title of any master agreement	FinDetls. AgmtDesc.
(d)(4)	date of any master agreement	AgmtDt.
(d)(4)	title of any collateral agreement	CrdSuprtDesc.
(d)(4)	date of any collateral agreement	CrdSuprtDt.
(d)(4)	title of any margin agreement	
(d)(4)	date of any margin agreement	

TABLE 2—MAPPING OF COMMON DATA MODEL DATA CONCEPTS TO FIXML DATA ELEMENTS—Continued

[When the FIXML column includes a list of terms, this means that FIXML expresses the concept as a combination of data elements from that list. Blank entries mean that the concept does not presently have an exact equivalent in FIXML.]

§ 901 ref.	Common data model concept	FIXML data elements
(d)(4)	title of any any other agreement	CnfmDesc. BrkrCnfmDesc.
(d)(4)	date of any any other agreement	CnfmDt.
(d)(5)	any additional data elements included in the agreement between the counterparties that are necessary for a person to determine the market value of the transaction.	
(d)(6)	the name of the clearing agency to which the security-based swap will be submitted for clearing.	R. ID.
(d)(7)	whether they have invoked the exception in Section 3C(g) of the Exchange Act (15 U.S.C. 78c–3(g)).	ClrReqmtExcptn.
(d)(8)	a description of the settlement terms	
(d)(8)	whether the security-based swap is cash-settled or physically settled	SettlMeth.
	the method for determining the settlement value	SettlNdx. SettlNdxLctn.
(d)(9)	The platform ID, if applicable	R. ID. Src.
(d)(10)	the transaction ID of an allocated security-based swap	AllExc. TransTyp. TrdID.
(d)(10)	the transaction ID of a terminated security-based swap	RegTrdID. TrmTyp. TrdID.
(d)(10)	Novation transaction ID	TrdContntn. TrdContntn. OrigTrdID. Side.
(d)(10)	the transaction ID of an assigned security-based swap	AsgnTyp. TrdID.
(e)(1)(i)	A life cycle event, and any adjustment due to a life cycle event, that results in a change to information previously reported pursuant to paragraph (c), (d), or (i) of this section shall be reported by the reporting side [except that the reporting side shall not report whether or not a security-based swap has been accepted for clearing].	TrdContntn.
(e)(1)(ii)	Acceptance for clearing	RskLmitChkStat.
(e)(2)	All reports of life cycle events and adjustments due to life cycle events shall, within the timeframe specified in paragraph (j) of this section, be reported to the entity to which the original security-based swap transaction will be reported or has been reported and shall include the transaction ID of the original transaction.	OrigTrdID.
(f)	Time stamp, to the second, its receipt of any information submitted to it pursuant to paragraph (c), (d), (e), or (i) of this section.	TrdRegTS. TS. Typ. Src.
(g)	A transaction ID to each security-based swap, or establish or endorse a methodology for transaction IDs to be assigned by third parties.	TrdID.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Parts 300, 330, and 610

[Docket No. FDA–2015–N–1260]

Fixed-Combination and Co-Packaged Drugs: Applications for Approval and Combinations of Active Ingredients Under Consideration for Inclusion in an Over-the-Counter Monograph

AGENCY: Food and Drug Administration, HHS.

ACTION: Proposed rule.

SUMMARY: The Food and Drug Administration (FDA or the Agency) is proposing to revise its regulations on prescription fixed-combination drugs to apply the regulations to both prescription and nonprescription fixed-combination and co-packaged drugs and combinations of active ingredients under consideration for inclusion in an over-the-counter (OTC) monograph. These products must meet specific evidentiary requirements for approval. The proposed revisions would harmonize the requirements for prescription and nonprescription products and make them consistent with long-standing Agency policy.