

regulations that it believes are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of the CEA. Risk management systems are critical to the avoidance of systemic risk.

Section 4s(j)(2) of the CEA requires each Swap Dealer (“SD”) and Major Swap Participant (“MSP”) to have risk management systems adequate for managing its business. Section 4s(j)(4) requires each SD and MSP to have internal systems and procedures to perform any of the functions set forth in Section 4s.

Section 4d requires Futures Commission Merchants (“FCMs”) to register with the Commission. It further requires FCMs to segregate customer funds. Section 4f requires FCMs to maintain certain levels of capital. Section 4g establishes reporting and recordkeeping requirements for FCMs.

Pursuant to these provisions, the Commission adopted Commission regulation 1.73 which applies to clearing members that are FCMs and Commission regulation 23.609 which applies to clearing members that are SDs or MSPs. These provisions require these clearing members to have procedures to limit the financial risks they incur as a result of clearing trades and liquid resources to meet the obligations that arise. The regulations require each clearing member to: (1) Establish credit and market risk-based limits based on position size, order size, margin requirements, or similar factors; (2) use automated means to screen orders for compliance with the risk-based limits; (3) monitor for adherence to the risk-based limits intra-day and overnight; (4) conduct stress tests of all positions in the proprietary account and all positions in any customer account that could pose material risk to the futures commission merchant at least once per week; (5) evaluate its ability to meet initial margin requirements at least once per week; (6) evaluate its ability to meet variation margin requirements in cash at least once per week; (7) evaluate its ability to liquidate the positions it clears in an orderly manner, and estimate the cost of the liquidation at least once per month; and (8) test all lines of credit at least once per quarter.

Each of these items has been observed by Commission staff as an element of an existing sound risk management program at an SD, MSP, or FCM. The Commission regulations require each clearing member to establish written procedures to comply with this regulation and to keep records documenting its compliance. The information collection obligations imposed by the regulations are

necessary to implement certain provisions of the CEA, including ensuring that registrants exercise effective risk management and for the efficient operation of trading venues among SDs, MSPs, and FCMs.

With respect to the collection of information, the CFTC invites comments on:

- Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have a practical use;
- The accuracy of the Commission’s estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

- Ways to enhance the quality, usefulness, and clarity of the information to be collected; and
- Ways to minimize the burden of collection of information on those who are to respond, including through the use of appropriate automated electronic, mechanical, or other technological collection techniques or other forms of information technology; *e.g.*, permitting electronic submission of responses.

You should submit only information that you wish to make available publicly. If you wish for the Commission to consider information that you believe is exempt from disclosure under the Freedom of Information Act, a petition for confidential treatment of the exempt information may be submitted according to the procedures established in § 145.9 of the Commission Regulations.<sup>2</sup>

The Commission reserves the right, but shall have no obligation, to review, pre-screen, filter, redact, refuse or remove any or all of your submission from <https://www.cftc.gov> that it may deem to be inappropriate for publication, such as obscene language. All submissions that have been redacted or removed that contain comments on the merits of the Information Collection Request will be retained in the public comment file and will be considered as required under the Administrative Procedure Act and other applicable laws, and may be accessible under the Freedom of Information Act.

**Burden Statement:** The Commission is revising its estimate of the burden for this collection of information from clearing members of derivatives clearing organizations who are swap dealers, major swap participants, and/or futures commission merchants. The respondent burden for this collection is estimated to be as follows:

<sup>2</sup> 17 CFR 145.9.

*Estimated Number of Respondents:* 167 (108 Clearing Member Swap Dealers and 59 Clearing Member Futures Commission Merchants).

*Estimated Average Burden Hours per Respondent:* 504 hours.

*Estimated Total Annual Burden Hours:* 84,168 hours.

*Frequency of Collection:* As needed.

There are no capital costs or operating and maintenance costs associated with this collection.

(Authority: 44 U.S.C. 3501 *et seq.*)

Dated: February 16, 2022.

**Robert Sidman,**

*Deputy Secretary of the Commission.*

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**BILLING CODE 6351-01-P**

## COMMODITY FUTURES TRADING COMMISSION

### Agency Information Collection Activities: Notice of Intent To Extend Collection 3038-0075: Protection of Collateral of Counterparties to Uncleared Swaps; Treatment of Securities in a Portfolio Margining Account in a Commodity Broker Bankruptcy

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Notice.

**SUMMARY:** The Commodity Futures Trading Commission (“Commission” or “CFTC”) is announcing an opportunity for public comment on the proposed renewal of a collection of certain information by the agency. Under the Paperwork Reduction Act (“PRA”), Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, and to allow 60 days for public comment. This notice solicits comments on reporting requirements relating to uncleared swaps between certain affiliated entities electing the exemption under Commission regulation 50.52 (Exemption for swaps between affiliates).

**DATES:** Comments must be submitted on or before April 25, 2022.

**ADDRESSES:** You may submit comments, identified by “OMB Control No. 3038-0075” by any of the following methods:

- The Agency’s website, at <https://comments.cftc.gov/>. Follow the instructions for submitting comments through the website.

- *Mail:* Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading

Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581.

• *Hand Delivery/Courier:* Same as Mail above.

Please submit your comments using only one method. All comments must be submitted in English, or if not, accompanied by an English translation. Comments will be posted as received to <https://www.cftc.gov>.

**FOR FURTHER INFORMATION CONTACT:**

Christopher W. Cummings, Special Counsel, Market Participants Division, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581; (202) 418-5445; email: [ccummings@cftc.gov](mailto:ccummings@cftc.gov).

**SUPPLEMENTARY INFORMATION:** Under the PRA, 44 U.S.C. 3501 *et seq.*, Federal agencies must obtain approval from the Office of Management and Budget (“OMB”) for each collection of information they conduct or sponsor.

“Collection of Information” is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3 and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA, 44 U.S.C. 3506(c)(2)(A), requires Federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, the Commission is publishing notice of the proposed extension of the existing collection of information listed below. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.<sup>1</sup>

*Title:* Protection of Collateral of Counterparties to Uncleared Swaps; Treatment of Securities in a Portfolio Margining Account in a Commodity Broker Bankruptcy (OMB Control No. 3038-0075). This is a request for an extension of a currently approved information collection.

*Abstract:* Section 4s(l) of the Commodity Exchange Act requires swap dealers and major swap participants to notify uncleared swap counterparties that they have the right to request that property provided as margin be segregated, and to report quarterly to counterparties who have not requested

segregated accounts that the back office procedures of the swap dealer or major swap participant with respect to margin and collateral comply with the parties’ agreement. Regulations 23.701 and 23.704 establish reporting requirements that are mandated by Section 4s(l) and, thus, are necessary to implement the objectives of Section 4s(l). Regulation 23.701 requires that the SD or MSP notify the counterparty at the beginning of the swap trading relationship of the counterparty’s right to require segregation of initial margin, and to permit the counterparty to change that election by written notice to the SD or MSP. Regulation 23.704 requires that, in certain circumstances, an SD or MSP must report to the counterparty, on a quarterly basis, that the back office procedures of the swap dealer or major swap participant relating to margin and collateral requirements are in compliance with the agreement of the counterparties. The data required to be compiled and maintained pursuant to Regulations 23.701 and 23.704 would be used by uncleared swap counterparties (and, in some instances, the CFTC and self-regulatory organizations).

With respect to the collection of information, the CFTC invites comments on:

- Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have a practical use;
- The accuracy of the Commission’s estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

- Ways to enhance the quality, usefulness, and clarity of the information to be collected; and
- Ways to minimize the burden of collection of information on those who are to respond, including through the use of appropriate automated electronic, mechanical, or other technological collection techniques or other forms of information technology; *e.g.*, permitting electronic submission of responses.

You should submit only information that you wish to make available publicly. If you wish for the Commission to consider information that you believe is exempt from disclosure under the Freedom of Information Act, a petition for confidential treatment of the exempt information may be submitted according to the procedures established in § 145.9 of the Commission’s regulations.<sup>2</sup>

The Commission reserves the right, but shall have no obligation, to review,

pre-screen, filter, redact, refuse or remove any or all of your submission from <https://www.cftc.gov> that it may deem to be inappropriate for publication, such as obscene language. All submissions that have been redacted or removed that contain comments on the merits of the Information Collection Request will be retained in the public comment file and will be considered as required under the Administrative Procedure Act and other applicable laws, and may be accessible under the Freedom of Information Act.

*Burden Statement:* The Commission continues to estimate that the respondent burden for this collection is as follows:

- Regulation 23.701:  
*Estimated Number of Respondents:* 108.  
*Estimated Average Burden Hours per Respondent:* 600 hours.  
*Estimated Total Annual Burden Hours:* 64,800 hours.  
*Frequency of Collection:* Beginning of the swap trading relationship with a counterparty.

- Regulation 23.704:  
*Estimated Number of Respondents:* 108.  
*Estimated Average Burden Hours per Respondent:* 806 hours.  
*Estimated Total Annual Burden Hours:* 87,048 hours.  
*Frequency of Collection:* Quarterly (4 times per year).

- Total Annual Burden for the Collection: 151,848 hours.

There are no capital costs or operating and maintenance costs associated with this collection.

(Authority: 44 U.S.C. 3501 *et seq.*)

Dated: February 16, 2022.

**Robert Sidman,**

*Deputy Secretary of the Commission.*

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## DEPARTMENT OF DEFENSE

### Department of the Air Force

[Docket ID: USAF-2021-HQ-0008]

#### Submission for OMB Review; Comment Request

**AGENCY:** Air Combat Command (ACC), Department of Defense (DoD).

**ACTION:** 30-Day information collection notice.

**SUMMARY:** The Department of Defense has submitted to OMB for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act.

<sup>1</sup> The OMB control numbers for the CFTC regulations were published on December 30, 1981. See 46 FR 63035 (Dec. 30, 1981).

<sup>2</sup> 17 CFR 145.9.