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September 1, 2016

VIA EMAIL to rule-comments@sec.gov

Brent J. Fields, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: DTCC Data Repository (U.S.) LLC Response to Comments Filed in Response to Notice of Filing of Application for Registration as a Security-Based Swap Data Repository Release No. 34-78216; File No. SBSDR—2016-02; 81 Fed. Reg. 44379 (July 7, 2016)

Dear Mr. Fields,

The Depository Trust & Clearing Corporation (“DTCC”)<sup>1</sup>, in conjunction with its swap data repository (“SDR”), DTCC Data Repository (U.S.) LLC (“DDR”), appreciates the opportunity to submit our response to comments provided to the Securities and Exchange Commission (“SEC” or “Commission”) with respect to DDR’s Security-Based Swap Data Repository (“SBSDR”) application.

DDR has nearly four years experience operating an SDR having been provisionally registered by the Commodity Futures Trading Commission on September 19, 2012, and looks forward to expanding its operations to include security-based swap data reporting.

Below are our responses to various comments raised in response to DDR’s SBSDR application.

**Modification to DDR's Application in Response to Comments Received**

DDR is pleased to continue to work with the industry to address matters of mutual concern. In support of the goal shared by DDR and the industry to develop a system that is both efficient and

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<sup>1</sup> DTCC provides critical infrastructure to serve all participants in the financial industry, including investors, commercial end-users, broker-dealers, banks, insurance carriers, and mutual funds. DTCC operates as a cooperative that is owned collectively by its users and governed by a diverse Board of Directors. DTCC’s governance structure includes more than 300 shareholders. DTCC operate trade repositories in the U.S., Europe, Canada, Singapore, Australia, Japan and, on an agency basis, provides trade repository services to Hong Kong. DTCC’s trade repositories support reporting across all five major derivatives asset classes—credit, interest rate, equity, foreign exchange and commodities.

provides information clearly understood by market observers, DDR will make the following changes to its system (these changes will be addressed in an amendment to the application and relevant exhibits):

- The Off –market flag will be removed;
- Inter-affiliate, Nonstandard and Compressed trade fields will continue to be supported;
- The Pricing Context field will continue to support the following values: ClearingForcedTrade, Default Transaction, Package or Bespoke; and we will add the following additional values to the Pricing Context field: Prime Brokerage, Allocation, Cross Border, Historic Trade and Price Reporting Exempt Other; and
- Exhibits will be modified to state that a reporting side is required to either create, or ensure a Transaction ID is created, in order to allow for the creation of the Transaction ID by other market participants.

### **Ultimate Parent ID**

The Commission has established the "relevant Compliance Date 2" as the deadline for reporting sides to provide data to an SBSDR pertaining to its Ultimate Parent and its affiliates. However, in order for reporting sides to be fully established in DDR's system so that they may timely report (and DDR may timely accept) data, DDR must obtain this information in advance of Compliance Date 2. DDR's Rules make this requirement clear to potential applicants, so that they may ensure that they obtain this information timely. Further, DDR believes that this identifier is generally known by market participants in any event, and that failing to provide it at the time of onboarding would lead to missing information that will result in incomplete reporting. Accordingly, DDR believes the requirement for a client to provide the Ultimate Parent ID during the onboarding process is prudent and not unduly burdensome.

### **Requirement to On-Board**

DDR respectfully disagrees with comments that DDR seeks to expand the duties of non-reporting sides from what is required by regulation.

One of the core duties of an SBSDR is to confirm swap data accuracy with both counterparties to the security-based swap. The challenges faced by both the SBSDR and non-reporting parties in fulfilling their respective obligations under the regulation was a topic of some discussion between DDR and the Commission staff prior to DDR submitting its formal application. While DDR is sensitive to the concerns raised by commenters, it nonetheless continues to believe that the most efficient, practical and safe method of verification in terms of data confidentiality and system security, is for the non-reporting side to access the system to view the data submitted and verify its accuracy. DDR allows for the non-reporting side to send a simple verification message indicating it verifies or disputes each position where it is identified as the counterparty.

Access to the system to provide data required by regulation, and to review and send the verification message, must be provided in a safe and secure manner, while protecting the data and system itself. DDR's customer contracts are designed to provide such protections to DDR and to all of the other users of its services.

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Should the Commission wish to discuss these comments further, please contact me at [REDACTED] or at [REDACTED].

Sincerely,



Katherine Delp  
DDR Business Manager  
DTCC Data Repository (U.S.) LLC