

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-80359)

March 31, 2017

Order Extending a Temporary Exemption from Compliance with Rules 13n-1 to 13n-12 under the Securities Exchange Act of 1934

I. Introduction

The Securities and Exchange Commission (“Commission”) is extending certain exemptions previously granted in connection with requirements applicable to security-based swap data repositories (“SDR”).

The Commission adopted Rules 13n-1 to 13n-12 (the “SDR Rules”) under the Securities Exchange Act of 1934 (“Exchange Act”) on February 15, 2015, with a compliance date of March 18, 2016.¹ Following the adoption of the SDR Rules, the Commission, pursuant to its authority in Section 36 of the Exchange Act, granted several temporary exemptions² from compliance with the SDR Rules and also extended exemptions from the provisions of the Dodd-Frank Act set forth in a Commission order providing temporary exemptions and other temporary relief from compliance with certain provisions of the Exchange Act concerning security-based swaps³ (“SDR Relief”). The most current temporary extension expires on April 1, 2017.⁴ These

¹ See Exchange Act Release No. 74246 (Feb. 11, 2015), 80 FR 14438 (Mar. 19, 2015).

² See *infra* note 4.

³ See Temporary Exemptions and Other Temporary Relief, Together with Information on Compliance Dates for New Provisions of the Exchange Act Applicable to Security-Based Swaps, Exchange Act Release No. 64678 (June 15, 2011), 76 FR 36287 (June 22, 2011) (the “DFA Effective Date Order”). With respect to Commission regulation of SDRs, the DFA Effective Date Order provided exemptions from Exchange Act Sections 13(n)(5)(D)(i), 13(n)(5)(F), 13(n)(5)(G), 13(n)(5)(H), 13(n)(7)(A), 13(n)(7)(B), and 13(n)(7)(C). Each exemption provided by the DFA Effective Date Order will expire on the earlier of (1) the date the Commission grants registration to an SDR and (2) the earliest compliance date set forth in any of the final rules regarding the registration of SDRs. In addition, the Commission granted temporary exemptions from Exchange Act Section 29(b) in connection with the above listed provisions of the Exchange Act until such date as the Commission specifies.

⁴ On March 18, 2016, the Commission granted a temporary exemption from the SDR Rules until June 30, 2016. See Exchange Act Release No. 34-77400 (Mar. 18, 2016), 81 FR 15599 (Mar. 23, 2016). On June 30, 2016, the Commission extended the temporary exemption until October 5, 2016. See Exchange Act Release No. 34-78215 (June

actions have provided the Commission with additional time to review and consider the applications for registration as an SDR (the “Pending SDR Applications”) submitted by DTCC Data Repository (U.S.) LLC (“DDR”) and ICE Trade Vault, LLC (“ICE Trade Vault”) ⁵ Commission staff understands that DDR and ICE Trade Vault (collectively the “SDR Applicants”) intend to file amendments to their respective applications for registration as SDRs.

To provide the SDR Applicants additional time to file their amended applications, and for the Commission to review and consider any such amended applications, the Commission is extending the temporary exemption from compliance with the SDR Rules⁶ and the SDR Relief until the later of (i) May 1, 2017 or (ii) for any SDR Applicant⁷ that files with the Commission prior to May 1, 2017 amendments to its Pending SDR Application, September 29, 2017. Given the amount of time that has elapsed since the adoption of the SDR Rules, the Commission currently does not intend to provide any further extensions to the exemption and SDR Relief.

II. Discussion

The SDR Rules Release states that SDRs were required to be in compliance with the SDR Rules by March 18, 2016.⁸ The SDR Rules Release also notes that, absent an exemption, any

30, 2016), 81 FR 44337 (July 7, 2016), *corrected at* Exchange Act Release No. 34-78215A (June 30, 2016), 81 FR 45336 (July 13, 2016). On September 29, 2016, the Commission again extended the temporary exemption until April 1, 2017. See Exchange Act Release No. 34-78975 (Sept. 29, 2016), 81 FR 69122 (Oct. 5, 2016).

⁵ See Exchange Act Release No. 77699 (Apr. 22, 2016), 81 FR 25475 (Apr. 28, 2016) (“ICE Trade Vault Notice”) and Exchange Act Release No. 78216 (June 30, 2016), 81 FR 44379 (July 7, 2016) (“DDR Notice”). During the same period, the Commission amended the SDR Rules on August 29, 2016 to require SDRs to make data available to regulators and other authorities to enable them to share information and more effectively oversee the security-based swap market. See Exchange Act Release No. 78716 (Aug. 29, 2016), 81 FR 60585 (Sep. 2, 2016) (“Data Access Rule”).

⁶ This relief applies to the SDR Rules as amended to include the Data Access Rule.

⁷ Any extension of the exemption and SDR Relief provided to an SDR Applicant pursuant to this order shall be applicable to any affiliate of the SDR Applicant in the event that any affiliate engages in activity related to SDR functions prior to the applicant’s registration. See, e.g., Exhibit F to DDR’s Form SDR application and non-confidential exhibits thereto are available at <https://www.sec.gov/rules/other/2016/dtcc-data-repository-form-sdr.htm>.

⁸ See Exchange Act Release No. 74246 (Feb. 11, 2015), 80 FR 14438 (Mar. 19, 2015) (“SDR Rules Release”).

SDR must be registered with the Commission and in compliance with the federal securities laws and the rules and regulations thereunder (including the applicable Dodd-Frank Act provisions and all of the SDR Rules) by that date.

ICE Trade Vault filed with the Commission a Form SDR seeking registration as an SDR on March 29, 2016, and amended that form on April 18, 2016. The Commission's notice of ICE Trade Vault's application for registration as an SDR was published in the Federal Register on April 28, 2016.⁹ The comment period closed on May 31, 2016. The Commission received six comment letters on the ICE Trade Vault application.

DDR filed with the Commission a Form SDR seeking registration as an SDR on April 6, 2016 and amended that form on April 25, 2016. The Commission's notice of DDR's application for registration as an SDR was published in the Federal Register on July 7, 2016.¹⁰ The comment period closed on August 8, 2016. The Commission received four comment letters on the DDR application.

The SDR Applicants each have indicated to Commission staff that they intend to file amendments to the Pending SDR Applications. These amendments would provide revised information about the manner in which DDR and ICE Trade Vault propose to operate as SDRs.

The Commission urges the SDR Applicants to finalize and file expeditiously any amendments to the Pending SDR Applications by May 1, 2017, in which case the exemption and the SDR Relief will extend to September 29, 2017.¹¹

⁹ See ICE Trade Vault Notice.

¹⁰ See DDR Notice.

¹¹ As the Commission explained in the SDR Rules Release, an SDR application "must include information sufficient to allow the Commission to assess the applicant's ability to comply with the federal securities laws and the rules and regulations thereunder." See SDR Rules Release, 80 FR at 14465 n.313 (also noting that "General Instruction 7 to Form SDR, as adopted, provides that '[a] form that is not prepared and executed in compliance with applicable requirements may be deemed as not acceptable for filing.' . . . If the application is not complete, then the application will not be deemed to have been filed for the Commission's review").

Subject to certain exceptions, Section 36 of the Exchange Act authorizes the Commission, by rule, regulation, or order, to exempt, either conditionally or unconditionally, any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of the Exchange Act or any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors.¹² The Commission finds that it is necessary and appropriate in the public interest, and consistent with the protection of investors, to grant a temporary exemption from compliance with the SDR Rules and extend the SDR Relief. The comment letters raise important matters for the Commission's consideration. In addition, this is the first opportunity for the Commission to evaluate the policies and procedures of an SDR, which will have significant consequences for the Commission's regulatory regime for security-based swaps and the robustness of transaction reporting. In this regard, these SDR applications raise important issues of first impression for the Commission's consideration. The Commission therefore believes that it is necessary and appropriate in the public interest, and is consistent with the protection of investors, to provide additional time for the Commission to consider the Pending SDR Applications, including comments received and any possible amendments to the Pending SDR Applications.

¹² See 15 U.S.C. 78mm.

III. Conclusion

Accordingly, the Commission hereby grants, pursuant to Section 36 of the Exchange Act, a temporary exemption from compliance with the SDR Rules and an extension of the SDR Relief until the later of (i) May 1, 2017 or (ii) for any SDR Applicant that files with the Commission prior to May 1, 2017 amendments to its Pending SDR Application, September 29, 2017.

By the Commission.

Brent J. Fields
Secretary