CFTC 43/45 Rewrite Alpha Trade Details

ICE CDS Clearing

August 31, 2022

V1.2

CFTC Amended Parts 43/45 Reporting: Overview

- **CFTC is requiring the adoption of amended swap trade reporting rules starting on 5-Dec-2022 [1]**

- **As part of these changes [2] the regulator is retiring the Unique Swap Identifier (USI) and implementing the Unique Transaction Identifier (UTI) per the G20 Global Regulatory Oversight Committee (ROC) and ISO 23897:2020 global standards for reporting to a Swap Data Repository (SDR)**

- **The Clearing House currently applies the pre-clearing alpha USI provided in clearing submissions from the Swap Dealer reporting counterparty (RCP) or SEF Venue to exit the alpha trade at the US SDR post clearing the trade and to reference as the prior USI in cleared trade US SDR reporting**

- **To support the transition from USI to UTI, clearing submissions will require the below updates:**
  - The existing USI Issuer 'Namespace' prefix field format changes from the 10 alphanumeric prefix identifier to the 20 alphanumeric LEI of the Swap Dealer RCP or SEF Venue that SDR reported the alpha trade
  - The existing 'USI' Trade Id field format will only support 1-32 alphanumeric values; special characters such as decimals, hyphens or underscore will no longer be supported per the Global UTI standards
  - Update applies to ALL regulatory reporting jurisdictions in clearing submissions
  - Submissions with invalid alpha UTI format will be ignored and marked as 'US SDR Exit'<False> but an invalid alpha UTI format in a clearing submission will not stop a trade from clearing
  - The UTI value can only be provided in initial clearing submission and can't be enriched post submission

- **Cleared trades also reflect the UTI with the Clearing House LEI provided in the existing 'namespace' field**

- **An API upgrade is not required to support the updated USI field formats for new UTI standards**

- **Testing availability expected starting on 9-Nov**

- **Optional new package trade fields are available but requires an upgraded API version**

1. CFTC Staff Letter 22-03   2. CFTC Technical Specification Parts 43 and 45 swap data reporting and public dissemination requirements, ver 3.0

CFTC Amended Parts 43/45 Reporting: Continued

■ **Updates to Existing USI API Fields as UTI** Both fields collectively make up the UTI identifier reported to the SDR

API Field Name (RegReportingTerms)	Description	Old Format	New Format
usiNameSpace	Reporting UTI Issuer Namespace	Text -max length 10	Alpha Numeric 20 LEI
usi	Reporting UTI Trade ID Value	Text -max length 32	Alpha Numeric -max length 32

■ **API UTI Sample**

```
allegeTrade() {System.out.println("Allege Single Name Trades");
                    // Get the transaction manager
                    TransactionManager transManager = TZeroAPIFactory.getInstance().getTransactionManager();
                    RegReportingManager regReportingManager = TZeroAPIFactory.getInstance().getRegReportingManager();

                    // SingleNameTerms object
                    SingleNameTerms snTerms = transManager.createSingleNameTerms();
                    RegReportingTerms rrTerms = regReportingManager.createRegReportingTerms();

                    // Call setter methods on the reg reporting terms object

                    rrTerms.setUsi("TRADEID0000000000123456789");
                    rrTerms.setUsiNamespace("5493000F4ZO33MV32P92");
                    rrTerms.setBuyerAlphaReportWithdrawalPartyTerms(buyerAlphaReportWithdrawalPartyTerms);
                    rrTerms.setSellerAlphaReportWithdrawalPartyTerms(sellerAlphaReportWithdrawalPartyTerms);
```

■ **Transporter Integration UTI Sample Fields**

regReportingUSINameSpace	regReportingUSIValue
5493000F4ZO33MV32P92	TRADEID0000123456789

CFTC Amended Parts 43/45 Reporting: Continued

■ **Optional New Package Trade Fields**

- Optional Package Price fields available in new API version
- Package details are repeated on each trade leg submitted belonging to the package
- Clearing trades clear at the individual trade leg level, not at a trade package level
- Swap Dealers and SEFs/Venues are expected to continue providing the individual trade level pricing details for a package trade

Field Name	API Field	Description
Package Id	CDSTerms.setPackageId (String packageId)	Provides the common ID that represents the trade package identifier, used on all legs of the trade package
Package Trade Level	CDSTerms.setPackageTradeLevel (BigDecimal packageTradeLevel)	The Traded Fixed Rate in BPS or Percentage Price for the trade package
Package Quotation Style	CDSTerms.setPackageQuotationStyle (QuotationStyle packageQuotationStyle)	Indicates the package pricing method of spread (TFR) for Traded Fixed Rate in BPS or (PRC) for Percentage Price

■ **Package API Example**

```
public DealTerms createIndex()

{TransactionManager transactionManager = TZeroAPIFactory.getInstance().getTransactionManager();

    indexTerms.setFixedRate(new BigDecimal(100));

    indexTerms.setScheduledTerminationDate(toDate("2027-06-20"));

    indexTerms.setTradedFixedRate(new BigDecimal("125"));

    indexTerms.setQuotationStyle(QuotationStyleEnum.TFR);

    indexTerms.setPackageId("BLOCKTRADE101");

    indexTerms.setPackageTradelevel(new BigDecimal("88.5");

    indexTerms.setPackageQuotationStyle(QuotationStyleEnum.TFR);

    return indexTerms;}
```

Questions & Support

ICE Clear Credit: css@ice.com   +1 312 836 6890

ICE Clear Europe: eucdsops@ice.com   +44 (0)20 7429 3130

ICE Link: ICELinkHelp@ice.com