

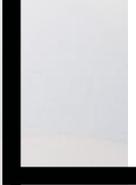
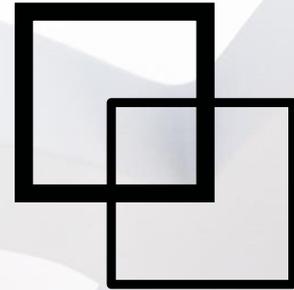
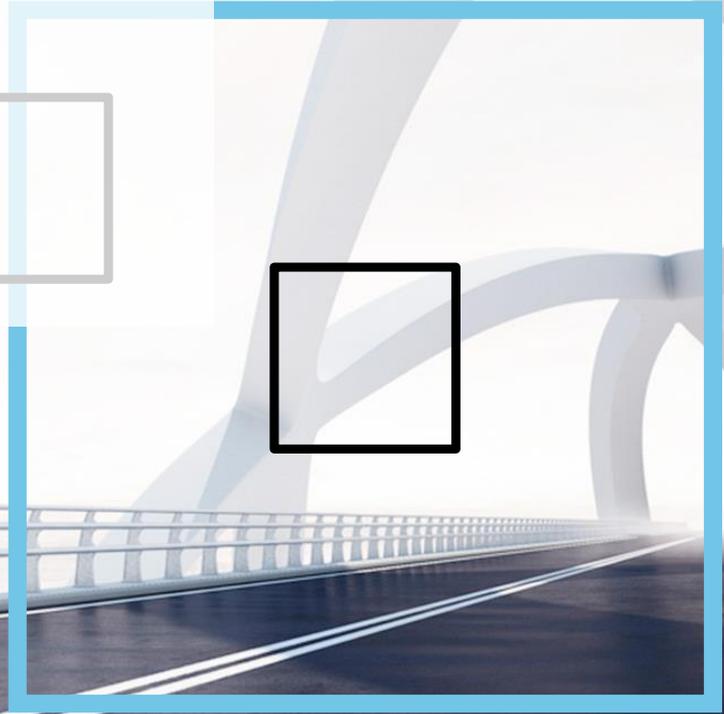


US SDR Reported Alpha Trade Details

ICE CDS Clearing

April 13, 2022

V1.0



US SDR Reported Alpha Trade Details

- CFTC and SEC regulations require a Clearing House to SDR report its acceptance of an alpha transaction for clearing, and to terminate the alpha at the relevant SDR (see CFTC Reg. 45.4(b) and SEC Reg. SBSR 901(e)(1))
- In Nov-2020 an SDR amended its validation procedures for the termination of alpha transactions, to require the provision of Buyer LEI and Jurisdiction, Seller LEI and Jurisdiction and Reporting Party (RCP), in addition to the already required USI namespace and transaction identifier, in order to match an alpha termination message with a reported alpha transaction
- To meet its obligation to satisfy SDR swap data reporting standards, including under CFTC Reg. 45.13, ICE Clear Credit and ICE Clear Europe (ICE) enhanced its systems to enable RCPs and trade venues to provide the additional alpha trade information in clearing submissions to ICE, and for ICE to pass the information to the SDR in alpha termination messages
- As a temporary measure, to minimize the potential build-up of 'orphaned' alpha transactions not terminated because RCPs or trade venues could not provide ICE with the required additional information until completing system enhancements, whenever the additional information is not received by ICE in a clearing submission, ICE attempts to auto-populate the required information based on clearing account static data
- After investigating alpha termination mismatch errors with Swap Dealer RCPs and SEFs, it was discovered that auto-populating the additional information may not be effective, since the entity values reported on alpha transactions can differ from the clearing account static information used to auto-populate the new alpha termination message fields; e.g., alpha trades using branches or affiliates with differing LEI, Namespace, Jurisdictions, RCP
- As of July 18, 2022, due to the limited ability of the auto-population approach to reduce a potential build-up of 'orphaned' alpha trades when the required additional information is not provided in clearing submissions, ICE will no longer attempt to auto-populate the additional information required by the SDR
- As of July 18, 2022, ICE is introducing additional enhancements to assist in ensuring successful termination of alpha transactions

US SDR Reported Alpha Trade Details

- Swap Dealer RCPs or SEFs submitting a clearing request will be required to include the additional alpha trade details effective July 18, 2022, and ICE will no longer attempt to populate missing alpha data
- Required alpha trade details include: the USI Namespace Prefix and Value, Buyer / Seller LEI or Alternate ID, Buyer/ Seller Jurisdictions, and if the Buyer or Seller is the RCP
- Clearing submissions not including this alpha trade information will not prevent a trade from clearing, however there will be no post-clearing alpha termination nor will the reported cleared trade reference a US alpha trade in SDR reporting
- Currently, firms can check the alpha trade details provided in the ICE Link GUI/API; effective July 18, 2022, parties will receive a new field called “UsSdrExit” where ‘N’ indicates the Clearing House will not be terminating a US SDR reported alpha trade due to missing or incomplete alpha trade information
- Missing or corrected alpha trade data cannot be provided post clearing as the clearing trade was already SDR reported
- Where a cleared trade indicates UsSdrExit=‘N’ and a SEF or Swap Dealer reported the alpha trade to the US SDR, the SEF or Swap Dealer may need to self-terminate the alpha trade at the US SDR

New GUI / API Output Field

- A new GUI and API field is provided called 'US SDR Exit' with a 'Y' or 'N' value
- SEFs and Swap Dealers can monitor this new field to reconcile if the Clearing House performed a US SDR alpha termination
- A value of 'Y' indicates that the Clearing House has submitted a US SDR alpha termination to the SDR based on the details the SEF or Swap Dealer set in the clearing trade submission
- A value of 'N' indicates that the Clearing House has not submitted a US SDR alpha termination due to missing or incomplete alpha trade details in the clearing submission termination
- The API field name `deal.getRegReporting().getAlphaReportWithdrawalParties(); AlphaReportWithdrawalParty.isUsSdrExit()`

ICE Link GUI Transaction General Terms

General Terms
Reg Report-Alpha
API Log

New Trade - Clearing

ALSTOM SNR
0.250% of 26 FR0013453040

Add/View Comment
Calculator
View Proj. Margin

Trade Reg Reporting Buyer

| | |
|---------------------|----------------------|
| Party LEI: | 5493004R83R1LVX2IL36 |
| US SDR Exit: | Y |
| Trading Capacity: | |
| Jurisdiction: | |
| Collateralization: | OneWay |
| Domicile: | US |
| Beneficiary: | |
| Party Type: | SD |



API Input Fields

- The ICE Link API regReportingTerms object includes the data fields needed for the Clearing House to terminate the alpha trade
- Any SEF or Swap Dealer direct clearing request submission should include the alpha trade details as intended to be SDR reported by the Reporting Party (RCP)
- MTF / OTF venues submitting direct clearing requests are to provide this information on behalf of the Swap Dealer RCP even though not SDR reporting as a Venue
- API version 10.8 or higher required, available in demo testing and production environments

| API Field Name (RegReportingTerms) | Description | Format |
|---|---|---|
| usiNamespace | Reporting USI Namespace | Text -max length 10 |
| usi | Reporting USI Value | Text -max length 42 |
| buyerAlphaReportWithdrawalPartyTerms.PartyIdentifierType | Reporting Buyer Party Identifier Type | LEI/NPID/PLID/INTERNAL(Submitter's internal identifier) |
| buyerAlphaReportWithdrawalPartyTerms.PartyIdentifierValue | Reporting Buyer Party Identifier Value | Text -max length 32 |
| buyerAlphaReportWithdrawalPartyTerms.OnBehalfOf | Reporting Buyer RCP | TRUE/FALSE |
| buyerAlphaReportWithdrawalPartyTerms.ReportingDestinations | Reporting Buyer Reporting Jurisdiction | FCA/CFTC/ESMA/SEC/CA.OSC |
| sellerAlphaReportWithdrawalPartyTerms.PartyIdentifierType | Reporting Seller Party Identifier Type | LEI/NPID/PLID/INTERNAL(Submitter's internal identifier) |
| sellerAlphaReportWithdrawalPartyTerms.PartyIdentifierValue | Reporting Seller Party Identifier Value | Text -max length 32 |
| sellerAlphaReportWithdrawalPartyTerms.OnBehalfOf | Reporting Seller RCP | TRUE/FALSE |
| sellerAlphaReportWithdrawalPartyTerms.ReportingDestinations | Reporting Seller Reporting Jurisdiction | FCA/CFTC/ESMA/SEC/CA.OSC |

Sample API Input Message (RegReportingTerms)

```

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();
    AlphaReportWithdrawalPartyTerms buyerAlphaReportWithdrawalPartyTerms = regReportingManager
        .createAlphaReportWithdrawalPartyTerms();
    AlphaReportWithdrawalPartyTerms sellerAlphaReportWithdrawalPartyTerms = regReportingManager
        .createAlphaReportWithdrawalPartyTerms();
    String buyerLegalEntityId = "buyside_entity1";
    String buyerLeiValue = "549300HWWR1D80TS2G29";
    String sellerLegalEntityId = "swapdealer_entity1";
    String sellerLeiValue = "LINK00ECFFB57FA07D37";
    String buyerFcmLegalEntityId = "test_fcm";
    String sellerSellerDealId = "20220120-IN6DL1-01";

    // Call setter methods on the reg reporting terms object
    buyerAlphaReportWithdrawalPartyTerms.setPartyIdentifierType(AlphaReportPartyIdentifierTypeEnum.LEI);
    buyerAlphaReportWithdrawalPartyTerms.setPartyIdentifierValue(buyerLeiValue);
    buyerAlphaReportWithdrawalPartyTerms.setOnBehalfOf(true);
    buyerAlphaReportWithdrawalPartyTerms.setReportingDestinations(new HashSet<JurisdictionEnum>() {
        {add(JurisdictionEnum.SEC); add(JurisdictionEnum.CA.OSC);} });

    sellerAlphaReportWithdrawalPartyTerms.setPartyIdentifierType(AlphaReportPartyIdentifierTypeEnum.LEI);
    sellerAlphaReportWithdrawalPartyTerms.setPartyIdentifierValue(sellerLeiValue);
    sellerAlphaReportWithdrawalPartyTerms.setOnBehalfOf(false);
    sellerAlphaReportWithdrawalPartyTerms.setReportingDestinations(new HashSet<JurisdictionEnum>() {
        {add(JurisdictionEnum.ESMA);} });

    Calendar calendar = Calendar.getInstance();
    calendar.set(2021, 9, 14, 10, 15, 01);
    rrTerms.setTradeExecutionTime(calendar.getTime());

    rrTerms.setUsi("INT0000000000B615DB72901202022");
    rrTerms.setUsiNamespace("1010000123");
    rrTerms.setBuyerAlphaReportWithdrawalPartyTerms(buyerAlphaReportWithdrawalPartyTerms);
    rrTerms.setSellerAlphaReportWithdrawalPartyTerms(sellerAlphaReportWithdrawalPartyTerms);

```

Sample Transporter Input File

- For non-Clearing Participant Swap Dealers using the Transporter Lite file-based integration

File Submission Sample

| regReportingUSINamespace | regReportingUSIValue | regReportingBuyerOnBehalfOf | regReportingSellerOnBehalfOf |
|--------------------------|----------------------|-----------------------------|------------------------------|
| 1000000123 | 2APK2639681510KXVJAH | TRUE | FALSE |
| 1000000123 | 2APK2639681510KXVJAH | TRUE | FALSE |

| regReportingBuyerPartyIdentifierType | regReportingBuyerPartyIdentifierValue | regReportingBuyerReportingDestinations |
|--------------------------------------|---------------------------------------|--|
| LEI | 5493004R83R1LVX2IL36 | SEC |
| LEI | 5493004R83R1LVX2IL37 | CFTC |

| regReportingSellerPartyIdentifierType | regReportingSellerPartyIdentifierValue | regReportingSellerReportingDestinations |
|---------------------------------------|--|---|
| LEI | XKZZ2JZF41MRHTR1V493 | SEC |
| LEI | XKZZ2JZF41MRHTR1V494 | FCA |

File Submission Field Formats

| Transporter File Field Name | Description | Format |
|---|---|---|
| regReportingUSINamespace | Reporting USI Namespace | Text -max length 10 |
| regReportingUSIValue | Reporting USI Value | Text -max length 42 |
| regReportingBuyerPartyIdentifierType | Reporting Buyer Party Identifier Type | LEI/NPID/PLID/INTERNAL(Submitter's internal identifier) |
| regReportingBuyerPartyIdentifierValue | Reporting Buyer Party Identifier Value | Text -max length 32 |
| regReportingBuyerOnBehalfOf | Reporting Buyer RCP | TRUE/FALSE |
| regReportingBuyerReportingDestinations | Reporting Buyer Reporting Jurisdiction | FCA/CFTC/ESMA/SEC/CA.OSC |
| regReportingSellerPartyIdentifierType | Reporting Seller Party Identifier Type | LEI/NPID/PLID/INTERNAL(Submitter's internal identifier) |
| regReportingSellerPartyIdentifierValue | Reporting Seller Party Identifier Value | Text -max length 32 |
| regReportingSellerOnBehalfOf | Reporting Seller RCP | TRUE/FALSE |
| regReportingSellerReportingDestinations | Reporting Seller Reporting Jurisdiction | FCA/CFTC/ESMA/SEC/CA.OSC |

GUI Input Fields (for non-API/Transporter Users)

■ ICE Link GUI New Trade Allege Screen: When the alleging party is the Swap Dealer Reporting Party

Regulatory Reporting

USI/UTI Prefix: 1001012345 USI/UTI value: 20220204T00000124592

Buyer Entity ID / RCP: T4R93Y4ASD19DD138162 LEI: [v] RCP: [v] Buyer Jurisdiction: CA.OSC, SEC [...][x]

Seller Entity ID / RCP: QW947F7332HK32L3K19U LEI: [v] [v] Seller Jurisdiction: FCA [...][x]

OTC Post Trade Ind: [v] [...][x] Exec.Decision Ctry: [v]

Short Sale: [v] Exec.Decision Type: [v]

MiFID Firm: Exec.Decision ID: [v]

Decision Maker: [v] Invst.Decision Ctry: [v]

■ ICE Link GUI New Trade Affirm Screen: when the affirming party is the Swap Dealer Reporting Party

Affirm/Allocate

BOMBINC @ 100 bps in 25MM USD (pm_buysideblk v pm_dt1)

Block Id: [v]

Allocation Strategy: [v] Paste from Clipboard Select Funds... View Proj. Margin

| Fund | Amount (MM) | % | Pr Brk/FCM | Trans Ref Id | Exec Time (hh:mm:ss.SSSSSS) | USI/UTI Prefix | USI/UTI Value | Buyer Entity ID | ID Type | Buyer RCP | Buyer Jurisdiction | Seller Entity ID | ID Type | Seller RCP | Seller Jurisdiction |
|------------------|-------------|---|------------|--------------|-----------------------------|----------------|-----------------|-----------------|---------|-----------|--------------------|------------------|---------|--------------------------|---------------------|
| pm_buyside_fund1 | 25 | | Test FCM | TRD123ABC | 10:10:00 | 1010012345 | 2022020429234R1 | U4E341J34933R23 | LEI | X | SEC | HR48341J33488KR | LEI | <input type="checkbox"/> | ESMA |

Total: 0 0%

[Affirm] [Cancel]

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