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asset management group

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Submitted via Regulations.gov	*Submitted via SEC Internet Comment Form*
Mr. Christopher J. Kirkpatrick	Ms. Vanessa A. Countryman
Secretary	Secretary
Commodity Futures Trading Commission	Securities and Exchange Commission
Three Lafayette Centre	100 F Street NE
1155 21st Street, NW	Washington, DC 20549-1090
Washington, DC 20581	

Re: Joint Request for Comment on Swap and Security-Based Swap Data Reporting (RIN 3235–AN78)

Dear Mr. Kirkpatrick and Ms. Countryman:

The Asset Management Group ("AMG")[1] of the Securities Industry and Financial Markets Association ("SIFMA") greatly appreciates the opportunity to provide comment to the Commodity Futures Trading Commission ("CFTC") and the Securities and Exchange Commission ("SEC" and, together with the CFTC, the "Commissions") on the review of their respective swap and security-based swap data reporting regimes (the "RFC").[2]

AMG commends the CFTC and SEC for undertaking a comprehensive review of these regimes after more than a decade of implementation experience. This review presents an opportunity to simplify, rationalize and harmonize the reporting regimes while maintaining regulatory access to high-quality data. Buy-side market participants, in particular, support further amendments to swap and security-based swap data reporting regimes that advance clearly defined regulatory purposes and market-transparency objectives.

AMG believes there are four fundamental principles that should be kept in mind during the development of this reform, all of which AMG has emphasized in previous letters.

- First, AMG believes enhancing data quality and consistency should be prioritized.

  Accurate, consistent, and usable data provides much greater value to regulators and market participants than simply the volume of reporting obligations or the quantity of

[1] SIFMA AMG brings the asset management community together to provide views on U.S. and global policy and to create industry best practices. SIFMA AMG's members represent U.S. and global asset management firms whose combined assets under management exceed $45 trillion. The clients of SIFMA AMG member firms include, among others, tens of millions of individual investors, registered investment companies, endowments, public and private pension funds, UCITS and private funds such as hedge funds and private equity funds.

[2] Joint Request for Comment on Swap and Security-Based Swap Data Reporting, 91 Fed. Reg. 37877 (June 24, 2026).

data reported. As such, efforts should focus on reducing reporting complexities that contribute to inaccurate reporting and reconciliation challenges.

- Second, harmonization between the CFTC and SEC should remain a core objective. Alignment with global standards, where practical, should also be prioritized.

  Harmonization between the agencies and alignment with global standards allows for consistency in reporting expectations, allowing market participants to build and maintain more efficient reporting processes. It also reduces the risk of inconsistencies and inaccuracies borne from conflicting requirements and unnecessary complexities.[3]

- Third, the CFTC and SEC should work to avoid unnecessary redesign of certain mature reporting frameworks.

  Market participants have invested significant time and resources into implementing the current reporting systems. Redesigning the parts of the system that work well would be inefficient and costly for all parties involved. Any proposed changes should be targeted, evidence-based and calibrated to avoid creating new implementation burdens that outweigh the regulatory benefits of the redesign.[4]

- Lastly, as reforms are considered, emphasis should be placed on appropriately calibrating the transparency framework to (i) maximize the benefits to the market as a whole while (ii) minimizing any adverse impacts on the pricing and hedging of individual transactions, particularly for larger size trades and (iii) preserving the confidentiality of client positions and investment, trading and hedging strategies.

I. The SEC and CFTC Should Work to Harmonize Reporting Frameworks

AMG strongly supports the CFTC and SEC's initiative to revise their reporting frameworks and reduce the inconsistencies between them. The timing of the reform is

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[3] *See also* SIFMA, Comment Letter on the Proposed Rule re: Regulation SBSR—Reporting and Dissemination of Security-Based Swap Information (May 2017), *available at*: https://www.sifma.org/wp-content/uploads/2017/05/sifma-amg-submits-comments-to-the-sec-on-regulation-sbsr.pdf; SIFMA, Swaps Reporting Review by the Commodity Futures Trading Commission's Division of Market Oversight (Aug. 18, 2017), *available at* https://www.sifma.org/advocacy/letters/cftc-dmo-swaps-reporting-review-and-roadmap.
[4] *See also* SIFMA, Reopening of Comment Period for Position Reporting of Large Security-Based Swap Positions (Aug. 21, 2023), *available at*: https://www.sifma.org/wp-content/uploads/2023/08/Position-Reporting-of-Large-Security-Based-Swap-Positions-SIFMA-AMG.pdf.

particularly well placed, as having a permanent, harmonized framework prior to the expiration of the SEC's compliance relief in 2029 is critical.[5]

AMG believes that aligning the SEC's reporting requirements with the CFTC's existing framework, where possible, would provide substantial benefits to market participants and the broader industry on a large scale.[6] Examples of requirements that could be aligned include reporting logic, technical specifications, validation standards, and reporting deadlines.[7] The use of common global standards and reference data is also a reliable way to promote alignment.[8] Such alignment would reduce significant operational and compliance burdens currently placed on market participants that operate across both regimes.[9]

Avoiding unnecessary divergence will promote efficient and effective reporting, improve data quality, and reduce reporting errors. Additionally, the CFTC and SEC should identify duplicative requirements and determine whether they serve a meaningful regulatory purpose or if they could be streamlined without sacrificing the objectives of both regimes.[10]

The SEC should also consider revisions to platform and clearing agencies' reporting responsibilities, including whether harmonization with CFTC requirements would be effective in certain scenarios. Harmonization of these frameworks, however, need not equate to a complete overhaul of the existing framework. For example, AMG believes the SEC's current approach to

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[5] Joint Request for Comment on Swap and Security-Based Swap Data Reporting, 91 Fed. Reg. 37879 (June 24, 2026) (Question 4: "Given the scheduled expiration of the 2019 Compliance Statement in 2029, should the SEC consider amendments to its SBS Reporting Rules to more fully harmonize those rules with the CFTC's swap reporting rules?").

[6] *See also* SIFMA, Comment Letter on the Proposed Rule re: Regulation SBSR—Reporting and Dissemination of Security-Based Swap Information (May 2017), p.6 ("The capping of notional amounts on public reports should be applied consistently across the entirety of the SBS market, whether it falls under the Commission's jurisdiction or the CFTC's."), *available at:* https://www.sifma.org/wp-content/uploads/2017/05/sifma-amg-submits-comments-to-the-sec-on-regulation-sbsr.pdf

[7] Joint Request for Comment on Swap and Security-Based Swap Data Reporting, 91 Fed. Reg. 37877, 37879 (June 24, 2026) (Question 1: "Which reporting requirements or data elements would benefit from harmonization to minimize or eliminate unnecessary inconsistencies in compliance obligations?").

[8] *See also* SIFMA, Swaps Reporting Review by the Commodity Futures Trading Commission's Division of Market Oversight (Aug. 18, 2017), *available at* https://www.sifma.org/advocacy/letters/cftc-dmo-swaps-reporting-review-and-roadmap.

[9] *See also* SIFMA, Swaps Reporting Review by the Commodity Futures Trading Commission's Division of Market Oversight (Aug. 18, 2017), p.2 ("AMG strongly supports global harmony for trade reporting as the best means of achieving efficiency and usable swaps data."), *available at:* https://www.sifma.org/wp-content/uploads/2017/08/SIFMA-AMG-Letter-Re-Swaps-Reporting-Roadmap-8.18.17.pdf.

[10] *See also* SIFMA, Swaps Reporting Review by the Commodity Futures Trading Commission's Division of Market Oversight (Aug. 18, 2017), p.2 ("For example, cleared swaps currently must be reported by the reporting party, only to have that report cancelled and reported again by the central counterparty … We question whether the duplication is a necessary expense."), *available at:* https://www.sifma.org/wp-content/uploads/2017/08/SIFMA-AMG-Letter-Re-Swaps-Reporting-Roadmap-8.18.17.pdf.

reporting hierarchies, which assigns responsibility to the party best positioned to possess complete trade information, should not be altered.[11]

II. Ensuring Transparency and Data Quality Should be a High Priority

As previously stated, AMG believes that transparency frameworks should be appropriately calibrated to (i) maximize the benefits to the market as a whole while (ii) minimizing any adverse impacts on the pricing and hedging of individual transactions, particularly for larger-sized trades and (iii) preserving the confidentiality of client positions and investment, trading and hedging strategies.[12]

Larger-sized trades deserve particular attention given that immediate full disclosure of trade details may impair pricing and liquidity, discourage risk transfers, and jeopardize the confidentiality of client positions or activity.[13] AMG has previously emphasized its belief that robust and flexible block trading is an essential component of liquid swap markets. AMG believes this remains a key discussion point, particularly in the context of these reforms. Adequate calibration of dissemination caps and block thresholds, coupled with their periodic and predictable recalibration as market conditions evolve, is critical to ensuring the continued viability of block trading in the swap market. Block thresholds should be set at levels that provide market participants with a meaningful opportunity to hedge the risk associated with large transactions before trade details are publicly disseminated. If block thresholds are set too high, market participants risk being adversely impacted by market movements before they can effectively hedge their exposures. Such concerns have been recognized by both buy-side and

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[11] Joint Request for Comment on Swap and Security-Based Swap Data Reporting, 91 Fed. Reg. 37877, 37879 (June 24, 2026) (Question 4a: "Should the SEC's and CFTC's rules be identical? Are there areas where the SEC's rules should differ?").

[12] Joint Request for Comment on Swap and Security-Based Swap Data Reporting, 91 Fed. Reg. 37877, 37880 (June 24, 2026) (Question 8: "Do the public dissemination frameworks affect market liquidity, or raise concerns about the public disclosure of the identity of participants in transactions or the trading strategies employed…?"). The Commissions should additionally consider modifying the reporting timeline for SBS trades to permit a 24-hour delay on public dissemination. This revision would be particularly well-suited for single-name CDS. Due to the highly concentrated dealer market and liquidity profile of single-name CDS, immediate dissemination of larger transactions increases the risk of higher hedging costs, wider spreads and reduced trade sizes. A 24-hour delay would effectively balance transparency and liquidity objectives in a manner consistent with the SEC's original intention for the SBSDR rules.

[13] *See also* SIFMA, Reopening of Comment Period for Position Reporting of Large Security-Based Swap Positions (Aug. 21, 2023), p.4 ("SIFMA AMG believes that managers and their clients will be adversely impacted by public disclosure of their SBS positions and related holdings. Such public dissemination will create opportunities for front running and copycatting strategies, including through the reverse engineering of proprietary trading strategies."), *available at*: https://www.sifma.org/wp-content/uploads/2023/08/Position-Reporting-of-Large-Security-Based-Swap-Positions-SIFMA-AMG.pdf.

sell-side participants. Any changes to block trading should be implemented only after a data-driven analysis by the Commissions.[14]

Allocated trades present unique reporting challenges due to the nature of the process and are therefore particularly susceptible to reporting inaccuracies and inconsistencies. As such, identifying the transaction types that generate the highest error rates and developing targeted guidance and harmonization frameworks could meaningfully improve overall data quality. In our view, the greatest data quality benefits would likely come from addressing ambiguities and conflicts within the current reporting regime rather than introducing new reporting obligations.

AMG also believes this reform effort presents an opportunity to identify and eliminate low-utility data elements for which the reporting requirements are significantly more burdensome to market participants than beneficial to the industry or the Commissions. This could include a review of data elements that are consistently reported inaccurately or incompletely, as well as those that pose significant operational challenges. Where a data element serves an important regulatory purpose and needs to be retained, the Commissions should consider targeted reforms to improve their usability and reporting accuracy rather than retaining requirements that have proven difficult to implement effectively.

III. The Commissions Should Consider Operational Complexity and Reporting Workflows

AMG believes this reform also presents an opportunity to review the current operational workflows for areas of undue complexity in reporting. One such area is lifecycle event reporting requirements.[15] In particular, the Commissions should consider simplifying reporting obligations that generate large volumes of low-value continuation reporting. Reporting and amended reporting for significant events such as a material acquisition or disposition related to a previously reported swap or security-based swap position, present high-value information to the industry and Commissions and is reasonable to maintain. Amended reporting for less significant and more common events, such as terminations, compressions or corporate actions, does not

[14] *See also* SIFMA, Proposed Amendments to the Commission's Regulations Related to the Real-Time Public Reporting Requirements (May 22, 2020), p.2 ("[A]ny changes to time delays or block sizes should only be done after a data-driven analysis by the Commission."), *available at:* https://www.sifma.org/wp-content/uploads/2020/11/2020-05-22-Letter-from-SIFMA-AMG-re-Proposed-Amendments-to-the-Real-Time-Public-Reporting-Requirements-RIN-3038-AE60-vF1.pdf; *See also* SIFMA, Comment Letter on the Proposed Rule re: Regulation SBSR—Reporting and Dissemination of Security-Based Swap Information (May 2017), p.1 ("We believe that the Commission should cap notional amounts for block trades being reported by SBS data repositories to the public."), *available at:* https://www.sifma.org/wp-content/uploads/2017/05/sifma-amg-submits-comments-to-the-sec-on-regulation-sbsr.pdf.

[15] Joint Request for Comment on Swap and Security-Based Swap Data Reporting, 91 Fed. Reg. 37877, 37880 (June 24, 2026) (Question 17: "Are there particular validation rules or reporting obligations related to lifecycle events that could be simplified?").

meaningfully advance the objectives of the reporting regimes and instead results in excessive and potentially misleading reporting.[16]

Another such area raised in the RFC is error correction requirements. AMG appreciates the importance of error correction in reporting and supports the Commissions' efforts to improve data quality through such requirements.[17] AMG also believes the reform efforts are an opportunity to ensure such requirements are practical and risk-based, as opposed to obligations that generate excessive operational burden with little corresponding supervisory benefit.[18]

Finally, AMG wants to emphasize its continued support of CFTC Regulation 45.8, which establishes the logic for determining which counterparty is the reporting counterparty for the transaction and related workflows, including reconciliation.[19] The CFTC currently has a clear reporting-counterparty framework that AMG believes works well. AMG believes the reporting responsibility should remain assigned to the party best situated to possess and validate reportable information, thereby preserving a clear allocation of responsibility and avoiding ambiguity arising from shared responsibility models and overlapping reconciliation obligations.[20]

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[16] *See also* SIFMA, Reopening of Comment Period for Position Reporting of Large Security-Based Swap Positions (Aug. 21, 2023), p.3 ("To avoid unnecessary and potentially misleading reporting, amended reports should only be required following a material acquisition or disposition relating to a previously reported SBS position" *available at:* https://www.sifma.org/wp-content/uploads/2023/08/Position-Reporting-of-Large-Security-Based-Swap-Positions-SIFMA-AMG.pdf.

[17] *See also* SIFMA, Swaps Reporting Review by the Commodity Futures Trading Commission's Division of Market Oversight (Aug. 18, 2017), p.4 ("AMG looks forward to participating in future discussions on how to best simplify reporting and improve data quality."), *available at:* https://www.sifma.org/wp-content/uploads/2017/08/SIFMA-AMG-Letter-Re-Swaps-Reporting-Roadmap-8.18.17.pdf.

[18] *See also* SIFMA, Reopening of Comment Period for Position Reporting of Large Security-Based Swap Positions (Aug. 21, 2023), p.2 (Previously raising concerns that "[F]irms would still be required to expend significant resources to implement the rule with no material incremental benefit to the Commission…"), *available at:* https://www.sifma.org/wp-content/uploads/2023/08/Position-Reporting-of-Large-Security-Based-Swap-Positions-SIFMA-AMG.pdf.

[19] Joint Request for Comment on Swap and Security-Based Swap Data Reporting, 91 Fed. Reg. 37877, 37880 - 37881 (June 24, 2026) (Question 20: "Do commenters have suggestions regarding the reporting hierarchies that determine the reporting counterparty?").

[20] *See also* SIFMA, Swaps Reporting Review by the Commodity Futures Trading Commission's Division of Market Oversight (Aug. 18, 2017), pp.1-2, ("Commission Regulation 45.8 establishes the logic for determining which counterparty is the reporting counterparty for the transaction and related workflows, including reconciliation. This works well…" as "One side to the transaction should have the necessary information for reconciliation provided that swaps reporting is tied to capturing the key terms of the trade; all necessary information is agreed between the parties as part of the trade confirmation and can be reconciled by the reporting counterparty."), *available at:* https://www.sifma.org/wp-content/uploads/2017/08/SIFMA-AMG-Letter-Re-Swaps-Reporting-Roadmap-8.18.17.pdf.

IV. The Commissions Should Rely on Industry Accepted Standardized Identifiers and Reference Data

AMG supports the continued reliance on globally recognized standards, through actions such as the implementation of the Unique Product Identifier ("UPI") and continued use of the Legal Entity Identifier ("LEI").[21] The use of standardized global identifiers benefits market participants, the Commissions and the broader industry as a whole by promoting consistency and reducing conflicts and ambiguity. The development of new, U.S.-specific identifiers is unnecessary where established global standards already exist, and instead, AMG believes the Commissions would be better served building upon the existing global industry framework wherever possible. This approach will preserve international interoperability, allowing for more efficient oversight, consistent reporting, and improved data quality.

AMG also recommends the Commissions consider expanding their reliance on reference data. In particular, AMG believes certain static attributes that are currently reported on a transaction-by-transaction basis could be maintained through reference data structures.[22] Relying on reference data structures would result in fewer reporting errors and greater reporting consistency, improved data quality, and reduced costs. To ensure the effectiveness of any reference data framework, the Commissions should design the framework so that it is broadly accessible, subject to transparent governance, supported by clear updating mechanisms and capable of being implemented in a cost-effective manner.

V. Implementation of Potential Amendments Must Provide Market Participants with Ample Time to Prepare and Implement Changes

Just as important as the reforms themselves is how they are implemented. AMG urges the Commissions to consider three overarching principles when determining the implementation process for changes to the current reporting regime.[23]

First, changes should be incremental and well sequenced. The Commissions should avoid simultaneously modifying data standards, validation rules, reporting hierarchies, and dissemination frameworks, as doing so will make it more difficult to identify and resolve

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[21] *See also* SIFMA, Swaps Reporting Review by the Commodity Futures Trading Commission's Division of Market Oversight (Aug. 18, 2017), p.3, ("AMG further recommends that, once identifiers like UPIs become operational, DMO consider whether it can reduce overlapping fields."), *available at:* https://www.sifma.org/wp-content/uploads/2017/08/SIFMA-AMG-Letter-Re-Swaps-Reporting-Roadmap-8.18.17.pdf.

[22] Joint Request for Comment on Swap and Security-Based Swap Data Reporting, 91 Fed. Reg. 37877, 37881 (June 24, 2026) (Question 25: "Is there information that is currently reported on a trade-by-trade basis that could more efficiently be captured through reference data?").

[23] Joint Request for Comment on Swap and Security-Based Swap Data Reporting, 91 Fed. Reg. 37877, 37881 (June 24, 2026) (Question 26: "What factors should inform the appropriate timelines for any such changes, including the sequencing of changes affecting data standards, validation logic, and reference data frameworks of both the CFTC and SEC to minimize implementation risk?" and Question 27: "How can the Commissions structure implementation to minimize compliance costs and burdens?").

individual issues as they arise. Instead, reforms should be introduced through a phased implementation process. This will allow market participants to assess the impact of the individual changes and make necessary adjustments before additional reforms take effect. Phased implementation will reduce industry disruption, increase compliance, and ultimately support the enhancement of data quality.

Second, implementing new requirements is a significant undertaking for market participants who have already invested heavily in the existing infrastructure. Changes to these requirements will necessitate system design and testing, training, and revisions to internal procedures. Providing adequate time for market participants to learn, implement and pressure-test their new processes will promote compliance and effective implementation.[24]

Lastly, the Commissions should prioritize reforms that demonstrably improve data quality, usability, and regulatory oversight, while avoiding reforms that primarily shift costs without generating measurable supervisory or transparency benefits.[25] As noted above, market participants have invested significantly in the current infrastructure. Any reforms, however beneficial, will inherently be costly and disruptive. Prioritizing reforms with the greatest regulatory value will maximize the objectives of the reform while minimizing industry burdens.[26]

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On behalf of SIFMA AMG, we appreciate the opportunity to respond to the Request for Comment and your consideration of our comments and recommendations. If you have any

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[24] *See also* SIFMA, Reopening of Comment Period for Position Reporting of Large Security-Based Swap Positions (Aug. 21, 2023), p.3 ("There should be a transition period of at least 24 months to give market participants adequate time to undertake the significant work required to implement the new requirements."), *available at:* https://www.sifma.org/wp-content/uploads/2023/08/Position-Reporting-of-Large-Security-Based-Swap-Positions-SIFMA-AMG.pdf.

[25] *See also* SIFMA, Swaps Reporting Review by the Commodity Futures Trading Commission's Division of Market Oversight (Aug. 18, 2017), p.2-3 ("AMG has recommended that the Harmonization Group proceed in a manner that maximizes data quality…." And "[W]e suggest consideration of whether certain, additional fields for public dissemination would improve transparency and data quality."), available at: https://www.sifma.org/wp-content/uploads/2017/08/SIFMA-AMG-Letter-Re-Swaps-Reporting-Roadmap-8.18.17.pdf.

[26] *Compare with* SIFMA, Proposed Amendments to the Commission's Regulations Related to the Real-Time Public Reporting Requirements (May 22, 2020), p.2 ("AMG believes that the proposed changes are arbitrary and not based on an appropriate cost/benefit analysis or even data available to the Commission."), *available at:* https://www.sifma.org/wp-content/uploads/2020/11/2020-05-22-Letter-from-SIFMA-AMG-re-Proposed-Amendments-to-the-Real-Time-Public-Reporting-Requirements-RIN-3038-AE60-vF1.pdf.

questions or require additional information, please do not hesitate to contact us by calling William Thum at (202) 962-7381 or at bthum@sifma.org.

Sincerely,

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