

**SUPPORTING STATEMENT FOR NEW AND
REVISED INFORMATION COLLECTIONS**

OMB CONTROL NUMBER 3038-_____

Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

Section 731 of Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act, Pub L. No. 111-203, 124 Stat. 1376 (2010)) amended the Commodity Exchange Act (CEA) to add new section 4s(i), which requires the Commission to prescribe standards for swap dealers and major swap participants related to the timely and accurate confirmation, processing, netting, documentation, and valuation of swaps. Pursuant to this authority, the Commission has proposed regulations 23.504 and 23.505, which impose certain documentation requirements upon swap dealers and major swap participants.

Proposed regulation 23.504 generally would obligate swap dealers and major swap participants to develop and retain written swap trading relationship documentation that includes the elements set forth in the proposed regulation. Specifically, swap dealers and major swap participants would be required to maintain written documentation of: (1) the terms of their trading relationships with each of their counterparties (including, without limitation, the terms addressing payment obligations, the netting of payments, events of default and other termination events, the calculation and netting of obligations upon termination, transfer of rights and obligations, governing law, valuation, and dispute resolution); (2) credit support arrangements (including, without limitation, the parties' arrangements with respect to initial and variation margin requirements, assets that are acceptable as margin, asset valuation haircuts, investment and rehypothecation terms for assets used as margin for uncleared swaps, and custodial arrangements for margin assets); (3) the parties' agreement on the methods, procedures, rules, and inputs for determining the value of their swaps; and (4) certain information regarding cleared swaps. Swap dealers and major swap participants also would be required to maintain written policies and procedures for executing the necessary swap trading documentation and to make and maintain records of their annual audits for compliance with the documentation requirements. Finally, proposed regulation 23.504 would require swap dealers and major swap participants to report to the Commission those swap valuation disputes that have not been resolved between the parties within designated time frames.

Proposed regulation 23.505 would require that swap dealers and major swap participants collect documentation sufficient to provide a reasonable basis on which to believe that its counterparty meets the statutory conditions necessary for an exception from the mandatory clearing requirements, where applicable.

The information collection obligations imposed by the proposed regulations are necessary to implement section 4s(i) of the CEA. The proposed recordkeeping requirements contained in

regulation 23.504 are essential to ensuring that swap dealers and major swap participants memorialize, in writing, all of the terms of their swap trading relationships. The Commission believes that documenting the parties' understanding with respect to the terms prescribed in the proposed regulation would decrease the likelihood of significant counterparty disputes; promote transaction standardization; enhance the parties' abilities to engage in risk-reducing exercises such as bilateral offset, portfolio reconciliation, and portfolio compression; provide for more timely and orderly resolution of events of default; and enhance the stability of the market place as a whole. The proposed regulation also would ensure that certain important information regarding cleared swaps would be preserved. The reporting requirement established by proposed regulation 23.504 would ensure that the Commission is provided with timely notification of swap valuation disputes that relevant market participants have been unable to resolve promptly. Proposed regulation 23.505 is needed to ensure compliance with the mandatory clearing requirements of the CEA and Commission regulations.

- 2. Indicate how, by whom, and for what purpose the data would be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The proposed regulations would be an important part of the Commission's regulatory program for swap dealers and major swap participants. The information required to be preserved would be used by representatives of the Commission to ensure compliance with the CEA and applicable Commission regulations.

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

The proposed regulations require that recordkeeping generally be performed in accordance with Commission regulation 1.31, which permits the use of electronic storage media.

- 4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

Swap dealers and major swap participants are new categories of registrants under the Dodd-Frank Act. Accordingly, the required information is not already collected by the Commission for any other purpose. It also is not collected by any other agency or available for public disclosure through any other source.

- 5. If the collection of information involves small business or other small entities (Item 5 of OMB From 83-I), describe the methods used to minimize burden.**

The collection of the required information does not involve any small businesses or small entities.

6. Describe the consequence to the Federal Program or policy activities if the collection were conducted less frequently as well as any technical or legal obstacles to reducing burden.

Failure to maintain the records required by the proposed regulations would adversely affect the Commission's ability to ensure that swap dealers and major swap participants comply with their documentation obligations under the CEA and Commission regulations and to ensure compliance with the mandatory clearing requirements of the CEA and Commission regulations. Failure to comply with the reporting requirements established by the proposed regulation would prohibit the Commission from receiving timely notification of unresolved swap valuation disputes.

7. Explain any special circumstances that require the collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**

This question does not apply. The sole reporting requirement contained in the proposed regulations is event-based.

- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it:**

This question does not apply.

- **requiring respondents to submit more than an original and two copies of any document;**

This question does not apply. The proposed regulations do not impose a reporting requirement that would obligate a respondent to submit more than an original and two copies of any document.

- **requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**

Commission regulation 1.31 expressly requires that:

All books and records required to be kept by the [CEA] or by [Commission] regulations shall be kept for a period of five years from the date thereof and shall be readily accessible during the first 2 years of the five-year period. All such books and records shall be open to inspection by any representative of the commission or the United States Department of Justice.

- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**

This question does not apply. The proposed regulation does not require nor involve any statistical surveys.

- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

This question does not apply. The proposed regulation does not require nor involve the use of any statistical data classification.

- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

This question does not apply. The proposed regulation does not require a pledge of confidentiality.

- **requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

This question does not apply. In any event, the Commission has promulgated regulations to protect the confidentiality of any information collected from respondents. Such regulations are set forth in 17 CFR Part 145.

- 8. If applicable, provide a copy and identify the date and page number of publication in the *Federal Register* of the agency's notice required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

The Commission is affirmatively seeking comment from the public and federal agencies on the proposed information collection. A copy of the proposed regulation as it appears in the *Federal Register* (75 FR 80572 December 22, 2010), including the explicit solicitation of comment on all aspects of the reporting and recordkeeping burdens imposed, is accompanied with this submission.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any, and on the data elements to be recorded, disclosed, or reported).

See response to question 8. The Commission is affirmatively seeking comment from the public and from other federal agencies on the information collection requirements of the proposed regulation. The Commission has sought comment on the proposed regulation generally as well as on the specific variables used to calculate the hourly burdens associated with the information collec-

tion. A copy of the proposed regulation as it will appear in the *Federal Register*, including the explicit solicitation of comment, is attached hereto.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

No such circumstances are anticipated.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

This question does not apply. No decision to provide any payment or gift to respondents has been made.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulations, or agency policy.

The Commission does not provide respondents with an assurance of confidentiality, only to the extent permitted by law. The Commission fully complies with section 8(a)(1) of the Commodity Exchange Act (CEA), which strictly prohibits the Commission, unless specifically authorized by the CEA, from making public “data and information that would separately disclose the business transactions or market positions of any person and trade secrets or names of customers”.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

This question does not apply. The proposed regulations do not request nor require the provision of sensitive information, as that term is used in question 11.

12. Provide estimates of the hour burden of the collection of information. The Statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than ten) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

- **If the request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.**
- **Provide estimates of annualized cost to respondents for the hours burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.**

See Attachment A. The information collection burden associated with the proposed regulations is estimated to be 6,168 hours per year, at an initial annual cost of \$684,300 for each swap dealer and major swap participant. The aggregate information collection burden is estimated to be 1,850,400 hours per year, at an initial annual aggregate cost of \$205,290,000. The Commission has characterized the annual costs as initial costs as the Commission anticipates that the cost burdens would be reduced dramatically over time as the agreements and other records required by the proposed regulations become increasingly standardized within the industry.

The Commission anticipates that the majority of the information collection burden would arise from the recordkeeping obligations contained in proposed regulation 23.504(b). Proposed regulation 23.504(b) would require each swap dealer and major swap participant to create and maintain written trading relationship documentation that contains the parties' agreement with respect to all of the terms of the parties' trading relationship; the parties' credit support arrangements; and the parties' agreement with respect to the particular procedures and inputs that will be used to determine the value of their swaps.

Maintenance of written credit support arrangements and other trading relationship documentation that contain the terms required to be memorialized by proposed regulations 23.504(b)(1) and (3) is prudent business practice and the Commission anticipates that swap dealers and major swap participants already maintain some form of this documentation with each of their counterparties in the ordinary course of their businesses. Moreover, proposed regulation 23.504(b)(2) provides that the swap transaction confirmations described under previously proposed regulation 23.501 would be considered part of the parties' trading relationship documentation and thus, pre-existing swap confirmations that include the terms required by proposed regulation 23.504 would obviate the need for the parties to develop new documentation with respect to those terms.¹ Accordingly, any additional expenditure related to regulations 23.504(b)(1) and (3) likely would be limited to the time initially required to review and, as needed, to re-negotiate and amend, existing documentation to ensure that it encompasses all of the required terms and to develop a system for maintaining any newly created records. Moreover, many of the amended provisions are likely to apply to multiple counterparties, thereby further reducing the per counterparty hour burden.

With respect to the valuation agreement requirement established by proposed regulation 23.504(b)(4), the Commission believes that swap dealers and major swap participants

¹ The information collection burden associated with the maintenance of confirmations of swaps transactions was calculated and accounted for in previously proposed regulations. See Confirmation, Portfolio Reconciliation, and Portfolio Compression Requirements for Swap Dealers and Major Swap Participants, 75 FR 81519, Dec. 28, 2010.

are likely to have existing, internal mechanisms for valuing their swaps transactions and thus, the hour burden associated with this obligation would be limited to the time needed to negotiate agreements with counterparties on mutually acceptable valuation methods (should their individual valuation procedures differ) and to commit the agreement to writing as part of the parties' swap trading relationship documentation. The need for new valuation agreements may be limited further to instances of complex or highly customized swaps transactions, as the valuation methods for "plain vanilla" swaps are likely to be somewhat standardized.

The Commission estimates the initial, annual hour burden associated with negotiating, drafting, and maintaining the swap trading relationship documentation required by proposed regulation 23.504(b) (excluding the cleared swap records that would be required regulation 23.504(b)(6)), to be 10 hours per counterparty, or an average of 5,400 hours per swap dealer or major swap participant. As stated above, the Commission expects that this annual per registrant burden would be reduced considerably over time as there would be little need to modify the swap trading relationship documentation on an ongoing basis. Once a swap dealer or major swap participant modifies its pre-existing documentation with each of its counterparties, the annual burden associated with the swap trading relationship documentation would be minimal. In addition, because all swap dealers and major swap participants would be required to maintain the swap trading relationship documentation established by the proposed regulation, the Commission believes that it is likely that many of the terms of such documentation would become progressively more standardized within the industry, further reducing the bilateral negotiation and drafting responsibilities associated with the regulation.

The proposed regulations also would require swap dealers and major swap participants to make and maintain records of cleared swaps containing the data contained in proposed regulation 23.504(b)(6). With respect to these records, the Commission estimates that swap dealers and major swap participants would spend an average of 2 hours per trading day (or 504 hours per year) maintaining the required data. The Commission notes that the specific information required for each transaction is limited and is of the type that would be maintained in a prudent market participant's ordinary course of business. The Commission also notes that the statement required to be preserved for each cleared swap likely would become common to each derivatives clearing organization.

In addition to the above, the Commission anticipates that swap dealers and major swap participants would spend an average of 16 hours per year drafting and, as needed, updating the written policies and procedures required by proposed regulation 23.504(a); 4 hours per year maintaining records of the results of the annual documentation compliance audits mandated by proposed regulation 23.504(c); and 220 hours per year (or 1 hour per end user) maintaining records of the documentation required by proposed regulation 23.505.

The only reporting requirement contained in the proposed rules is the obligation of swap dealers and major swap participants to report swap valuation disputes that are not resolved between the participants within designated time periods. The Commission expects that swap dealers and major swap participants will spend an average of 24 hours per year satisfying this requirement.

The hour burden calculations associated with the proposed regulations are based upon a number

of variables such as the number of swap dealers and major swap participants in the marketplace, the average number of counterparties of each of these registrants, and the average hourly wage of the employees of these registrants that would be responsible for satisfying the obligations established by the proposed regulation. Swap dealers and major swap participants are new categories of registrants. Accordingly, it is not currently known how many swap dealers and major swap participants will become subject to these rules, and this will not be known to the Commission until the registration requirements for these entities become effective after July 16, 2011, the date on which the Dodd-Frank Act becomes effective. While the Commission believes there will be approximately 200 swap dealers and 50 major swap participants, it has taken a conservative approach, for PRA purposes, in estimating that there will be a combined number of 300 swap dealers and major swap participants who will be required to comply with the recordkeeping requirements of the proposed rules. The Commission estimated the number of affected entities based on industry data.

Similarly, due to the absence of prior experience in regulating swap dealers and major swap participants and with regulations similar to the proposed rules, the actual, average number of counterparties that a swap dealer or major swap participant is likely to have and the average size of its portfolio with particular counterparties is uncertain. Consistent with other proposed rulemakings, the Commission has estimated that each of the 14 major swap dealers has an average 7,500 counterparties and the other 286 swap dealers and major swap participants have an average of 200 counterparties per year, for an average of 540 total counterparties per registrant.

The Commission anticipates that the written policies and procedures required by the proposed regulations, along with the recordkeeping and reporting requirements, typically would be drafted and maintained by in-house counsel and financial or operational managers within the firm.² According to Bureau of Labor Statistics findings, the mean hourly wage of an employee under occupation code 23-1011, “Lawyers,” that is employed by the “Securities and Commodity Contracts Intermediation and Brokerage Industry” is \$82.22.³ The mean hourly wage of an employee under occupation code 11-3031, “Financial Managers,” (which includes operations managers) in the same industry is \$74.41.⁴ Because swap dealers and major swap participants include large financial institutions whose employees’ salaries may exceed the mean wage provided, however, the Commission generally has estimated the cost burden of the proposed regulations based upon an average salary of \$100 per hour. To account for the possibility that the services of outside counsel may be required to satisfy the requirements associated with negotiating, drafting, and maintaining the required trading relationship documentation (except the cleared swap records), the Commission has used an average salary of \$125 per hour to calculate this burden for one half of the necessary hours.

Based upon the above, the estimated hour burden was calculated as follows:

² The written policies and procedures also may be drafted and maintained by the chief compliance officer of the swap dealer or major swap participant. According to recent Bureau of Labor Statistics findings, the mean hourly wage of an employee under occupation code 13-1401, “Compliance Officers, Except Agriculture, Construction, Health and Safety, and Transportation,” that is employed by the “Securities and Commodity Contracts Intermediation and Brokerage Industry” is \$38.77. <http://www.bls.gov/oes/current/oes131041.htm>.

³ <http://www.bls.gov/oes/2099/mayowe23.1011.htm>.

⁴ <http://www.bls.gov/oes/current/oes113031.htm>.

Drafting and Updating Policies and Procedures. This hour burden arises from the time necessary to develop and periodically update the policies and procedures required by the proposed regulations.

Number of registrants: 300

Frequency of collection: Initial drafting, updating as needed

Estimated number of annual responses per registrant: 1

Estimated aggregate number of annual responses: 300

Estimated annual hour burden per registrant: 16 hours

Estimated aggregate annual hour burden: 4,800 burden hours [300 registrants x 16 hours per registrant]

Swap Trading Relationship Documentation (excluding cleared swaps records). This hour burden arises from the proposed obligation that swap dealers and major swap participants execute and maintain swap trading relationship documentation.

Number of registrants: 300

Frequency of collection: At least once per counterparty

Estimated number of annual responses per registrant: 540 [one set of agreements per counterparty]

Estimated aggregate number of annual responses: 162,000 [300 registrants x 540 counterparties]

Estimated annual hour burden per registrant: 5,400 [540 counterparties x 10 hours per counterparty]

Estimated aggregate annual hour burden: 1,620,000 [300 registrants x 5,400 hours per registrant]

Cleared Swap Recordkeeping. This hour burden arises from the proposed requirement that swap dealers and major swap participants make and maintain records of specified information related to each swap accepted for clearing by a derivatives clearing organization.

Number of registrants: 300

Frequency of collection: Daily

Estimated number of annual responses per registrant: 252 [252 trading days per year]⁵

Estimated aggregate number of annual responses: 75,600 [300 registrants x 252 trading days]

Estimated annual hour burden per registrant: 504 [252 trading days x 2 hours per trading day]

Estimated aggregate hour burden: 151,200 [300 registrants x 504 hours]

Audit Recordkeeping. This hour burden arises from the proposed requirement that swap dealers and major swap participants make and maintain records of the results of their annual audits to examine for compliance with the requirements of the proposed regulations.

⁵ Consistent with the Commission's proposed regulations that would require swap dealers and major swap participants to compile and maintain certain transaction records (including daily trading records), the Commission has estimated the hour burden associated with the cleared swap recordkeeping requirement by approximating the number of hours per trading day that an employee of a swap dealer or major swap participant likely would spend compiling and retaining the relevant records. See Reporting, Recordkeeping, and Daily Trading Record Requirements for Swap Dealers and Major Swap Participants, 75 FR 76666, Dec. 9, 2010.

Number of registrants: 300
Frequency of collection: Annually
Estimated number of annual responses per registrant: 1
Estimated aggregate number of annual responses: 300 [300 registrants x 1]
Estimated annual hour burden per registrant: 4
Estimated aggregate annual hour burden: 1,200 [300 registrants x 4 hours]

Valuation Dispute Reporting. This hour burden arises from the proposed requirement that swap dealers and major swap participants submit reports of certain unresolved valuation disputes.

Number of registrants: 300
Frequency of collection: As applicable
Estimated number of annual responses per registrant: 240
Estimated aggregate number of annual responses: 72,000 [300 registrants x 240 responses]
Estimated annual hour burden per registrant: 24
Estimated aggregate annual hour burden: 7,200 [300 registrants x 24 hours]

End user Exception Documentation Recordkeeping. This hourly burden arises from the proposed requirement that swap dealers and major swap participants make and maintain records of their end user exception documentation.

Number of registrants: 300
Frequency of collection: once per applicable counterparty
Estimated number of annual responses per registrant: 220⁶
Estimated aggregate number of annual responses: 66,000 [300 registrants x 220 responses]
Estimated annual hour burden per registrant: 220 [220 responses x 1 hour per response]
Estimated aggregate annual hour burden: 66,000 [300 registrants x 220 responses]

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- **The cost estimate should be split into two components; (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major costs factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing**

⁶ The Commission estimates that half of the counterparties that are not swap dealers or major swap participants may claim the end user exception on an annual basis.

computers and software, monitoring, sampling, drilling and testing equipment, and record storage facilities.

- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate, agencies may consult with a sample of respondents (fewer than ten), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

In addition to the per hour burden discussed above, the Commission anticipates that swap dealers and major swap participants may incur certain start-up costs in connection with the proposed recordkeeping obligations. Such costs would include the expenditures related to developing and installing new recordkeeping technology or re-programming or updating existing recordkeeping technology and systems to enable the swap dealer or major swap participant to collect, maintain, and re-produce any newly required records. The Commission believes that swap dealers and major swap participants generally could adapt their current infrastructure to accommodate the new or amended technology and thus, no significant infrastructure expenditures would be needed. The Commission estimates the programming burden hours associated with technology improvements to be 40 hours.

According to recent Bureau of Labor Statistics findings, the mean hourly wages of computer programmers under occupation code 15-1021 and computer software engineers under program codes 15-1031 and 1032 are between \$34.10 and \$44.94.⁷ Because swap dealers and major swap participants generally will be large entities that may engage employees with wages above the mean, the Commission has conservatively chosen to use a mean hourly programming wage of \$60 per hour. Accordingly, the start-up burden associated with the required technological improvements would be \$2,400 [\$60 x 40 hours per affected registrant] or \$720,000 in the aggregate.

- 14. Provide estimates of the annualized costs to the Federal Government. Also provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.**

⁷ <http://www.bls.gov/oes/current/oes113031.htm>.

It is not anticipated that the proposed regulations would impose any additional costs to the Federal Government.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

The program changes or adjustments are required by the Dodd-Frank Act, which established a new regulatory scheme.

16. For collection of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis, and publication. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

This question does not apply.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

This question does not apply.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

This question does not apply.

Attachment A

Part 23 – Swap Trading Relationship Documentation Requirements for Swap Dealers and Major Swap Participants

OMB Collection File 3038-

Number of Registrants: 300

Frequency of Recordkeeping/Reporting: *See table below (daily, annually, or as needed)*

Start-up Cost Per Registrant: \$2,400

Aggregate Start-Up Cost: \$720,000

Estimated Average Burden Hours Per Registrant: 6,168

Estimated Aggregate Burden Hours: 1,850,400

Estimated Annual Cost Per Registrant: \$684,300

Estimated Aggregate Annual Cost: \$205,290,000

% of Responses Collected Electronically: 100%

Requirement	Estimated Number of Registrants Per Year	Frequency of Response	Number of Responses Per Registrant Annually	Aggregate Number of Responses Annually	Estimated Average Number of Hours Per Response	Estimated Annual Hour Burden Per Registrant	Estimated Aggregate Hour Burden	Estimated Annual Cost Per Registrant	Estimated Aggregate Annual Cost
Recordkeeping: Drafting and Updating Policies and Procedures	300	Initial drafting, updating as needed	1	300	16	16 hours	4,800 hours	1,600	480,000
Recordkeeping: Swap Trading Relationship Documentation (excluding cleared swap records)	300	At least once per counterparty	540	162,000	10	5,400 hours	1,620,000 hours	607,500	182,250,000
Recordkeeping: Cleared Swaps	300	Daily	252	75,600	2	504 hours	151,200 hours	50,400	15,120,000
Recordkeeping: Audit	300	Annually	1	300	4	4 hours	1,200 hours	400	120,000
Recordkeeping: End User Exception	300	Once per applicable counterparty	220	66,000	1	220 hours	66,000 hours	22,000	6,600,000
Reporting: Valuation Disputes	300	As applicable	240	72,000	.10	24 hours	7,200 hours	2,400	720,000

