

SUPPORTING STATEMENT FOR NEW INFORMATION COLLECTIONS

Part 20 – Large Trader Reporting for Physical Commodity Swaps

OMB CONTROL NUMBER 3038-0095

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.**

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) went into effect.* Title VII of the Dodd-Frank Act amends the Commodity Exchange Act (“Act” or “CEA”)[†] to establish a comprehensive new regulatory framework for swaps and security-based swaps. On July 22, 2011, the Commodity Futures Trading Commission (“CFTC” or “Commission”) adopted Reporting Rules that, in addition to establishing recordkeeping requirements, require routine swaps position reports from clearing organizations, clearing members and swap dealers and apply non-routine reporting requirements to large swaps traders. The Reporting Rules (to be codified in new part 20 of the Commission’s regulations) were adopted primarily pursuant to sections 4t, 4a and 8a(5) of the Act.

Section 4t of the Act authorized the Commission to establish a large trader reporting system for significant price discovery function swaps. All swaps subject to the Reporting Rules are linked to futures contracts listed on fully regulated commodity futures exchanges (a “designated contract market” or “DCM”) and are significant price discovery function swaps. Section 4a of the CEA, as amended by the Dodd-Frank Act, directed the Commission to establish position limits, as appropriate, for physical commodity swaps. Swaps position reports are a necessary component of an effective surveillance program and necessary for the implementation of all surveillance based regulatory programs (including market, financial and trading surveillance programs). Accordingly, the Commission adopted the subject swap reporting requirements pursuant to its authority in sections 4t and 4a of the CEA, and section 8a(5) of the Act, a general rulemaking authority provision that allows the Commission to promulgate such regulations as, in the judgment of the Commission, are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of the CEA.

Part 20 of the Commission’s regulations requires clearing organizations and any persons that are “reporting entities” to file swaps position data with the Commission. The Reporting Rules collect clearing member reports from clearing organizations. The Reporting Rules also require position reports from reporting entities for principal and counterparty positions in cleared and uncleared physical commodity swaps. Reporting entities are those persons that are either

* See Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010).

[†] 7 U.S.C. 1 *et seq.*

“clearing members” or “swap dealers” that are otherwise not clearing members. For purposes of part 20, reporting parties are required to submit data on positions on a futures equivalent basis so as to allow the Commission to assess a trader’s market impact across differently structured but linked derivatives instruments and markets.

The renewal is lowering the total burden because the initial rulemaking estimated the number of firms that would be affected by this collection. At the time of the initial drafting of the rulemaking, the Commission was uncertain of the number of firms that would have Part 20 reporting obligations. With actual reporting data now available, the number of affected firms have been updated in this collection and they total 3,998 respondents (comprised of 2 clearing organizations, 3 clearing member reportable entities, 33 swap dealers non-clearing member reportable entities and 3,960 firms that would hold reportable accounts in swaps). Additionally, with the ability to submit the report filings electronically, the average number of hours per response was reduced.

The number of respondents and the time required per response directly correlates to the changes in the burden totals of this collection renewal.

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 part 20 Reporting Rules for physical commodity swaps, in conjunction with the Commission’s current large trader reporting system for commodity futures and options, are used by the Commission to support its market, financial and trading abuse surveillance programs.

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 Commission is committed to utilizing technology in order to reduce reporting burdens for respondents. Accordingly, the Commission has provided for the electronic transmission of the required submissions.

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.

A comprehensive reporting system, of the type adopted by the Commission post Dodd-Frank, is obtaining the data necessary for the effective discharge of daily surveillance of physical commodity swaps.

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

The part 20 Reporting Rules do not impose daily reporting requirements on small businesses or other small entities. The Commission has previously determined that derivatives clearing organizations[‡] and futures commission merchants[§] are not “small entities” for purposes of the Regulatory Flexibility Act (“RFA”). As noted above, a reportable paired swaps position would include fifty or more paired swaps positions in a futures equivalent month. All of the firms covered by part 20 would either have a reportable position or would be clearing organizations or swap dealers. By way of analogy, the Commission had determined that the reporting levels for futures in regulation 15.03 would not affect small entities.** The Commission believes that the reportable account thresholds for swaps are similar to the reporting levels for futures positions and therefore does not believe that the firms covered by part 20 constitute small entities for RFA purposes.

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.

The Commission would not be able to carry out its oversight responsibilities for the swap markets. The collection requirements are essential to the Commission’s mission as mandated by the CEA, in particular, the amendments put forth in the Dodd-Frank Act. The Commission needs the swap reporting data on a daily basis for surveillance purposes. These market activities require surveillance on a daily basis because situations such as attempted manipulations or congestion or the accumulation of large impactful positions can develop rapidly and require equally rapid responses by the Commission. Adequate surveillance would be critically hindered, if transactional and position reports were received on less than a daily basis.

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;

See response to question 6.

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

[‡] 66 FR 45604, 45609 (August 29, 2001).

[§] Policy Statement and Establishment of Definitions of “Small Entities” for Purposes of the Regulatory Flexibility Act, 47 Fed. Reg. 18618, 18619 (Apr. 30, 1982).

** Id. at 18620 (excluding large traders from the definition of small entity).

The Commission generally regulates the trading of commodity derivatives, including futures and swaps, which are used to price a wide range of physical and financial commodity transactions. These transactions are vital to national and international commerce. The exercise of regulatory oversight for the purpose of conducting market surveillance, financial surveillance, and monitoring of trading for abusive conduct, by necessity, requires the collection of transaction-related and position information on a daily basis.

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

Respondents are required to submit only a single copy to the Commission.

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

Regulation 20.6 imposes recordkeeping and production requirements on reporting clearing organizations, reporting entities, and persons with large swaps positions. Regulation 20.6 requires clearing organizations and reporting entities to keep records of transactions in paired swaps or swaptions, as well as records showing methods used to convert swaps and swaptions into futures equivalents.

Regulation 20.6 requires persons with large swaps positions to maintain books and records showing all records for relevant transactions and positions. In addition, such persons are required to keep books and records on “transactions in the cash commodity” and its products and byproducts, and “all commercial activities” that are hedged or risk-mitigated using paired swaps and swaptions. These recordkeeping requirements are very similar to those in current regulation 18.05.

The recordkeeping duties imposed by regulation 20.6 for clearing organizations and reporting entities are to be in accordance with regulation 1.31. Most pertinently, regulation 1.31(a)(1) requires that these transaction records be kept for five years, the first two of which they “shall be readily accessible.” Such books and records “shall be open to inspection by any representative of the Commission.”

These recordkeeping requirements allow the Commission to have access to records that would enable surveillance staff to reconstruct the transaction history of reported positions. These requirements ensure that data records submitted to the Commission could be audited. In addition, these records would enable Commission staff to better reconstruct trading activity that may have had a material impact on the commodity derivatives markets.

Large traders that are not clearing organizations or reporting entities can retain records and produce them for inspection using the record retention format that such persons have developed in the normal course of their business operations.

- 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;

The Reporting Rules do not involve statistical surveys.

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

The Reporting Rules do not involve statistical data classifications.

- 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

The Reporting Rules do not directly involve any specific pledge of confidentiality regarding the collection of data (see answer to question 10).

- 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.

The Reporting Rules do require the submission of data involving confidential information or proprietary trade secrets. The Commission would protect sensitive information according to the Freedom of Information Act and 17 CFR Part 145, "Commission Records and Information." In addition, the Commission fully complies with section 8(a) of the Commodity Exchange Act, which strictly prohibits the Commission, unless specifically authorized by the Commodity Exchange Act, 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."

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 C.F.R. 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 Notice of Intent to Renew Collection 3038-0095, Large Trader Reporting for Physical Commodity Swaps was published for a 60-day public comment period in the Federal Register -- 79 FR 55759 (09/17/2014).

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.

Opportunity for public comment is provided when regulations are proposed or amended. Contact with the reporting entities and market participants is maintained on a continuous and on an ongoing basis to resolve reporting problems and address concerns. The Commission, on an ongoing basis, solicits public comments through the notice required by 5 CFR 1320.8(d).

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three 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.

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

The Commission fully complies with section 8(a)(1) of the Commodity Exchange Act, which strictly prohibits the Commission, unless specifically authorized by the Commodity Exchange Act, 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.

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 or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.**

The part 20 Reporting Rules result in the collection of information on “paired swaps and swaptions” positions as defined in regulation 20.1. Specifically, part 20 provides for three new kinds of reports:

1. Under regulation 20.3, swap “clearing organizations” provide daily reports of relevant position and clearing data.
2. Under regulation 20.4, “reporting entities” produce position reports on a daily basis on their own and individual counterparty accounts. Within this class of “reporting entities,” there are two categories of “reporting entities:” (a) “clearing members” and (b) “swap dealers” that are not clearing members. The former category, “clearing members,” includes many firms that are currently registered as FCMs with the Commission. The Commission estimates that a total of 66 clearing member/swap dealer, clearing member only swap dealer only firms transact in physical commodity swaps and thereby may be reporting entities under part 20.
3. Finally, under regulation 20.5, all “reporting entities” submit identifying information to the Commission on new reportable accounts through a 102S filing on an as appropriate basis, i.e. whenever the reportable entity has a new reportable account.

In addition to these reporting requirements, regulation 20.6 would impose recordkeeping requirements for (1) clearing organizations, (2) reporting entities, and (3) persons with large positions in paired swaps or swaptions. Regulation 20.6(a) requires clearing organizations to maintain all records of transactions in paired swaps or swaptions on clearing organizations, as well as methods used to convert swaps and swaptions into futures equivalents. Regulation 20.6(b) require reporting entities to maintain all records of transactions in paired swaps or swaptions on clearing organizations, as well as methods used to convert swaps and swaptions into futures equivalents. Large paired swap traders also have to retain records in paired swaps as well as some related cash market transactional data. These provisions extend those

recordkeeping requirements currently applicable to those traders holding reportable positions in futures contracts, as currently found in regulation 18.05, to those traders holding positions in paired swaps.

The Commission estimates that implementing part 20 would create a total annual reporting and recordkeeping hour burden of 63,225 hours across 3,998 firms: 2 clearing organizations; 3 clearing member reportable entities; 33 swap dealer non-clearing member reportable entities; and 3,960 firms that would hold reportable accounts in swaps. Based on a weighted average wage rate of \$74.73,^{††} this would amount to an annualized labor cost of \$5.9 million.

Reporting burdens:

1. Regulation 20.3 clearing organization reports accounts for 500 of these annual reporting and recordkeeping hours. These hours would be spread across 2 respondents.
2. Regulation 20.4 reporting entity reports would have two separate burden estimates based on the kind of reporting entity providing the report:
 - a. Clearing member (80 clearing member/swap dealers plus 20 clearing member/non-swap dealers) reporting entity reports would create an annual reporting and recordkeeping burden of 750 hours spread across 3 respondents.
 - b. Swap dealer non-clearing member reporting entity reports creates an annual reporting and recordkeeping burden of 12,375 hours spread across 33 respondents.
3. Regulation 20.5 reporting entity 102S submissions creates an annual reporting and recordkeeping burden of 35,640 hours spread across 3,960 firms.
4. 40S submissions by persons with reportable positions under regulation 20.5(b) in paired swaps creates an annual reporting and record keeping burden of 1320 hours and would affect 3,960 firms.

Recordkeeping burdens:

^{††} The Commission staff's estimates concerning the wage rates are based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association ("SIFMA"). The \$74.73 per hour is derived from figures from a weighted average of salaries and bonuses across different professions from the SIFMA Report on Management & Professional Earnings in the Securities Industry 2013, modified to account for an 1800-hour work-year and multiplied by 1.3 to account for overhead and other benefits. The wage rate is a weighted national average of salary and bonuses for professionals with the following titles (and their relative weight): "programmer (senior)" (60% weight), "compliance advisor (intermediate)" (20%), "systems analyst" (10%), and "assistant/associate general counsel" (10%).

5. Regulation 20.6(a) recordkeeping duties for clearing organizations accounts for 40 of these annual reporting and recordkeeping hours. These hours would be spread across 2 firms.
6. Regulation 20.6(b) reporting entity recordkeeping duties have two separate burden estimates based on the kind of reporting entity providing the report:
 - a. Clearing member reporting entity recordkeeping creates an annual reporting and recordkeeping burden of 60 hours spread across 3 respondents.
 - b. Swap dealer non-clearing member reporting entity recordkeeping creates an annual reporting and recordkeeping burden of 660 hours spread across 33 respondents.
7. Regulation 20.6(c) recordkeeping duties large swaps traders (these firms were previously were not reportable) creates an annual reporting and recordkeeping burden of 11,880 hours spread across 3,960 firms.

The Commission estimates that the total annualized labor costs associated with complying with part 20 would be approximately \$4.8 million.^{‡‡} The wage rate used to determine this figure was \$74.73 per hour. The Commission’s estimates concerning the wage rates are based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association (“SIFMA”). The \$74.73 per hour is derived from figures from a weighted average of salaries and bonuses across different professions from the SIFMA Report on Management & Professional Earnings in the Securities Industry 2013, modified to account for an 1800-hour work-year and multiplied by 1.3 to account for overhead and other benefits. The wage rate is a weighted national average of salary and bonuses for professionals with the following titles (and their relative weight) “programmer (senior)” (60% weight), “compliance advisor (intermediate)” (20%), “systems analyst” (10%), and “assistant/associate general counsel” (10%).

In Attachment A the Commission has provided the key assumptions and calculations used to derive labor burden estimates.

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**

^{‡‡} Estimated annualized costs \$3,780,218 (Reports) plus \$989,166 (Recordkeeping) equals \$4,769,384

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 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.

The Commission estimates that the total annualized capital, operational, and maintenance costs associated with complying with the part 20 would be approximately \$32.7 million.^{§§} Of this \$32.7 million, \$13.1 million is from annualized capital and start-up costs and \$19.6 million is from operating and maintenance costs.^{***} These cost estimates are based on Commission staff's estimated costs to acquire needed equipment and contracted expertise to develop the reports and recordkeeping capabilities required by part 20. The specific figures are based on estimates provided to Commission staff in trade interviews with potentially affected parties.^{†††}

Reporting burdens:

1. Regulation 20.3 clearing organization reports would result in annualized capital/start-up costs of approximately \$50,000 and operating, and maintenance costs of \$50,000.
2. Regulation 20.4 reporting entity reports would have two separate burden estimates based on the kind of reporting entity providing the report:

^{§§} All of the capital cost figures are based on a 5 year, straight line depreciation.

^{***} This accounts for any ongoing capital requirements needed for compliance apart from start-up factors.

^{†††} Staff tasked with assisting the Commission in developing the proposed regulations made this recommendation after meeting with or speaking to several outside parties, representing clearing members, swap dealers, swap data service providers, and our sister financial regulators. See http://www.cftc.gov/LawRegulation/DoddFrankAct/ExternalMeetings/otc_meetings.html.

- a. Clearing member, involving approximately 3 firms, reporting entity reports would result in \$4 million per year in annualized capital/start-up costs and \$2 million in operating, and maintenance costs.
 - b. Swap dealer non-clearing member reporting entity reports involving approximately 33 firms would result in \$6 million per year in annualized capital/start-up costs and \$2 million in operating, and maintenance costs.
3. Regulation 20.5 reporting entity 102S submissions would create operating and maintenance costs of approximately \$1 million spread across 3,960 reporting entities.
4. 40S submissions by persons with reportable positions under regulation 20.5(b) in paired swaps would result in an annualized \$1.5 million in capital and start-up costs and \$500,000 in operating and maintenance costs spread across 3,960 firms.

Recordkeeping burdens:

5. Regulation 20.6(a) recordkeeping duties for clearing organizations would result in approximately \$2,000,000 in operating, and maintenance costs.
6. Regulation 20.6(b) reporting entity recordkeeping duties would have two separate cost estimates based on the kind of reporting entity providing the report:
 - a. Clearing member recordkeeping would create operating, and maintenance costs of approximately \$2 million.
 - b. Swap dealer non-clearing member reporting entity recordkeeping would create operating and maintenance costs of approximately \$2 million.
7. Regulation 20.6(c) recordkeeping duties for persons with large positions in swaps (these firms were previously were not reportable) would create annualized capital/start-up costs of \$1.5 million and operating and maintenance costs of approximately \$10 million.

In Attachment B the Commission has provided the key assumptions and calculations used to derive these figures.

- 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.**

The Commission estimates that the equivalent of approximately 20 full-time staff members will be needed to process and monitor the reports provided for in the part 20. The staff needed would include industry economists, statisticians, and information technology staff, including computer programmers. These estimates are based on estimated labor costs associated with processing analogous reports that would be received pursuant to part 20. At an average CT-12 pay grade for Commission employees in Washington, D.C. for 2014, or \$89,844, multiplied by 1.3 to account for overhead and other benefits, each employee would cost the Commission approximately \$116,797 or \$2.24 million per year in labor costs.

In addition, the Commission believes that the total annualized capital, operational, and maintenance costs associated with complying with part 20 would be approximately \$100,000. These estimated expenses are also derived from analogous existing reporting capital and associated processes.

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

Previous totals were based on projected program costs/hours as actual data was unavailable. Program changes are now based on actual collection data to date.

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.

There are no exceptions to the certification statement. The Commission is able to certify compliance with the provisions of 5 CFR 1320.9.

Attachment A

13. Annual Reporting and Recordkeeping Hour Burden

Part 20 – Large Trader Reporting for Physical Commodity Swaps

OMB Collection File 3038- 0095

Number of Respondents: 3,998

Estimated Average Hours Per Response: 0.72⁺⁺⁺

% of Responses Collected Electronically: 93.3%^{§§§}

Estimated Labor Costs: \$33.5 million

Frequency of Reporting: Daily for respondents and on special call by the Commission for 40S and 102S filings

Type of respondent	Applicable CFTC Regulation Section (17 CFR)	Total Number of Respondents (13(a))	Total Annual Responses (13(b))	Percentage of Responses Collected Electronically (13(b)(1))	Total Annual Hours Requested (13(c))	Current OMB Inventory (13(d))	Difference (13(e))	Explanation of difference Program Change – Program Change (13(f)(1))	Total Annualized Labor Costs
Clearing organization reports	20.3	2	500	100.0%	500	937.5	(437.5)	(437.5)	\$37,365

⁺⁺⁺ 63,225 Total Annual Hours divided by 88,768 Total Annual Responses

^{§§§} This figure represents the total amount of responses collected electronically from those submitted. The Commission “provides for,” but does not mandate electronic submission. (See response to question #3.)

Clearing member reporting entity reports	20.4	3	750	100.0%	750	25000	(24250)	(24450)	\$56,048
Swap dealer non-clearing member reporting entity reports	20.4	33	8,250	100.0%	12375	37500	(25125)	(25125)	\$924,784
Subtotal Reports			9,500		13,625	63,437.8	(49,812.5)	(49,812.5)	\$1,018,197
102S Filings	20.5	3960	71280	25.0%	35640	1800	33840	33840	\$2,663,377
40S Filings	20.5	3960	3960	25.0%	1320	165	1155	1155	\$98,644
Subtotal Filing Reponses			75,240						\$2,762,021
Total Reporting Hours			84,740		50,585	65,403	(14,817.5)	(14,817.5)	\$3,780,218
Clearing organization recordkeeping	20.6(a)	2	2	100.0%	40	100	(60)	(60)	\$2,974
Clearing member reporting entity recordkeeping	20.6(b)	3	3	100.0%	60	2000	(1340)	(1340)	\$4,484

Swap dealer non-clearing member reporting entity recordkeeping	20.6(b)	33	33	100.0%	660	2000	(1940)	(1940)	\$49,322
Large swap traders	20.6(b)	3960	3960	100.0%	11,880	10,000	1880	1880	\$887,792
Total Recordkeeping Hours			4,028		12,640	14,100	(1460)	(1460)	\$944,572
Total Hours			<u>88,768</u>		<u>63,225</u>				<u>\$4,724,790</u>

Attachment B

14. Annual Reporting and Recordkeeping Cost Burden

Part 20 – Large Trader Reporting for Physical Commodity Swaps

OMB Collection File 3038- 0095

Number of Respondents: 3,998
 Estimated Annual Annualized Capital, Operating, and Maintenance Costs: \$32.7 million
 Frequency of Reporting: Daily for respondents and on special call by the Commission for 40S and 102S filings

Type of respondent	Applicable CFTC Regulation Section (17 CFR)	Total Number of Respondents	Total Annualized Capital/Start-up Costs (14(a))	Total Annual Costs (Operating & Maintenance) (14(b))	Total Annualized Cost Requested (14(c))	Current OMB Inventory (14(d))	Difference (14(e))	Average Annual Capital + O&M Costs
Clearing organization reports	20.3	2	\$50,000	\$50,000	\$100,000	\$0	\$100,000	\$50,000.00
Clearing member reporting entity reports	20.4	3	\$4,000,000	\$2,000,000	\$6,000,000	\$0	\$6,000,000	\$2,000.00
Swap dealer non-clearing member reporting entity reports	20.4	33	\$6,000,000	\$2,000,000	\$8,000,000	\$0	\$8,000,000	\$242,424.00
102S Filings	20.5	3960	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$253.00

40S Filings	20.5	3960	\$1,500,000	\$500,000	\$2,000,000	\$0	\$2,000,000	\$505.00
Total Reporting			\$11,550,000	\$5,550,000				
Clearing member reporting entity recordkeeping	20.6(b)	3	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$666,667.00
Swap dealer non-clearing member reporting entity recordkeeping	20.6(b)	33	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$60,606.00
Large swap traders	20.6(b)	3960	\$1,500,000	\$10,000,000	\$11,500,000	\$0	\$11,500,000	\$2,904.00
Total Recordkeeping			\$1,500,000	\$14,000,000				
Total Annualized Startup Costs			<u>\$13,050,000</u>					
Total Annual Costs (O&M)				<u>\$19,550,000</u>				
Total Annualized Costs Requested					\$32,600,000			