

SUPPORTING STATEMENT FOR INFORMATION COLLECTION RENEWAL

Core Principles and Other Requirements for Swap Execution Facilities

OMB CONTROL NUMBER 3038-0074

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.

The Commodity Futures Trading Commission (the Commission) is seeking to renew OMB Control Number 3038-0074 (Core Principles and Other Requirements for Swap Execution Facilities).

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) added new section 5h to the Commodity Exchange Act (CEA) to impose requirements concerning the registration and operation of swap execution facilities (SEFs), which the Commission has incorporated in part 37 of its regulations.¹ The information collections under this Control Number are necessary for the Commission to evaluate whether SEFs, or entities applying to become SEFs, comply with the part 37 regulatory requirements.² This request for renewal maintains the current information collections but revises the related burden hour and cost estimates based on the Commission's observations of SEF operations and feedback from market participants since the submission of the original 3038-0074 information collection request.³

¹ In general, this OMB Control Number covers all information collections in part 37 of the Commission's regulations, including the information collections in Subpart A and the SEF core principles (*i.e.*, Subparts B and C). However, any information collections related to § 37.10 of the Commission's regulations are subject to a separate information collection with OMB control number 3038-0099 (Process for a Swap Execution Facility or Designated Contract Market to Make a Swap Available to Trade).

² Among other requirements, part 37 of the Commission's regulations imposes SEF registration requirements for a trading platform or system, obligates SEFs to provide transaction confirmations to swap counterparties, and requires SEFs to continually be in compliance with 15 enumerated core principles. The 15 core principles establish standards with respect to SEFs: enforcing rules; listing contracts for trading that are not readily susceptible to manipulation; monitoring trading to prevent market manipulation; obtaining information; adopting position limits or position accountability levels; adopting rules to enforce financial integrity of swaps transactions entered on or through the SEF; adopting rules to provide for the exercise of emergency authority, in consultation with the Commission; making public information regarding prices and volume on a timely basis; maintaining records of all activities of the business of the contract market in a form and manner acceptable to the Commission for five years; avoiding rules that result in unreasonable restraints of trade or anticompetitive burden on trading; enforcing rules to minimize conflicts of interest in its decision-making process; maintaining adequate financial resources; establishing system safeguards; and designating a chief compliance officer.

Estimated numbers of respondents and numbers of reporting and recordkeeping burden hours are provided in Attachment A.

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.

This information will be used and has been used by the Commission to determine whether SEFs, and applicants seeking registration as a SEF with the Commission, are in compliance with applicable core principles and all other part 37 requirements.

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.

All required submissions by SEFs to the Commission must be submitted electronically (email via internet or through an applicable Commission internet portal). All required information to be provided to the public may be posted on the SEF's website.

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.

Information collected under this OMB Control Number is not already collected by the Commission for any other purpose, nor is it collected by any other agency, nor is the information available from any other source.

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 required information collected under this OMB Control Number should not involve any small businesses or other small entities. The Commission has established certain definitions of "small entities" to be used by the Commission in evaluating the impact of its rules on such entities in accordance with the Regulatory Flexibility Act (RFA). The Commission is proposing that SEFs are not small entities for the purpose of the RFA.

³ The Commission notes that SEFs did not exist prior to the Dodd-Frank Act or the Commission's original 3038-0074 submission. As such, the Commission's revised burden hour and cost estimates in this OMB Control Number 3038-0074 renewal request is based on its own observations and feedback from market participants since SEFs began operating.

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.

This question is not applicable.

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;

Respondents are required to provide the Commission with quarterly reports but are not required to report information to the Commission more often than quarterly.⁴

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

In order for the Commission to adequately perform its statutory responsibility to determine whether SEFs, and applicants to become SEFs, are in compliance with the applicable core principles, a request for information may require the collection and presentation of information in fewer than 30 days depending on the exigency of the situation.

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

Respondents are not required to submit more than an original and two copies of any documents.

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

SEFs are required to maintain records of all activities related to their business as a trading system or platform for swaps, in a form and manner acceptable to the Commission, for a period of five years from the date thereof and be readily accessible during the first two years of the five year period, pursuant to Commission Regulation 1.31 and Core Principle 10 (Recordkeeping).⁵ All such

⁴ The Commission notes that in emergency situations the Commission may request information from SEFs more often than quarterly as the Commission deems appropriate for the circumstances.

⁵ Commission Regulation 1.31 further provides that for swaps, records shall be kept until the termination, maturity, expiration, transfer, assignment, or novation date of the transaction and for a period of five years after such date.

books and records are open to inspection by any representative of the Commission or the U.S. 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;

The collection does not involve a statistical survey.

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

The collection does not involve the use of any statistical data.

- 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 collection does not involve any 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.

The Commission has procedures to protect the confidentiality of an applicant's or registrant's data. They may be found at 17 CFR Part 145.5(c).

For enforcement purposes, Commission Rule 1.31 requires that:

“All books and records required to be kept by the [CEA] or by these 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 5-year period. . . All such books and records shall be open to inspection by any representative of the Commission or the US Department of Justice. . . .”

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.

A Federal Register Notice soliciting comments on this collection was published in the *Federal Register* on July 22, 2016 (81 FR 47779).

No comments were received in response to the Commission's request for comment.

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 initiated or amended. Contact with SEFs has been maintained on a continuous and ongoing basis. Additionally, Commission staff has had several informal meetings and phone conversations with SEFs and market participants since the promulgation of part 37.

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.

The question is not applicable.

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 beyond that provided by applicable law. The Commission fully complies with section 8(a)(1) of the 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.

The regulations covered by this collection do not require the giving 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.

On-Going Annual Burden Hours for Registered SEFs

Based on the Commission's observation of registered SEFs' operations and compliance with part 37's requirements, the Commission is revising the estimate for this OMB Control Number and now estimates that each respondent SEF will have an average annual reporting and recordkeeping burden of 1,000 hours, which is an increase of the current estimate of 308 hours.⁶ This revised estimate is not a result of any additional information collection obligations or adjustments; rather, the Commission is revising its estimate based on the Commission's observations of SEF operations and feedback from market participants since the submission of the original 3038-0074 information collection request.⁷

⁶ The Commission notes that the Notice of Office of Management and Budget Action dated November 4, 2014 contains a clerical error by listing the estimated number of aggregate burden hours to be 21,560, which comes to 616 burden hours per SEF (rather than 308 burden hours per SEF as originally estimated) and is exactly double the Commission's original aggregate burden estimate of 10,780 total hours (10,780 hours x 2 = 21,560 hours).

⁷ The Commission notes that SEFs did not exist prior to the Dodd-Frank Act or the Commission's original 3038-0074 submission. As such, the Commission's revised burden hour and cost estimates in this OMB Control Number 3038-0074 renewal request are based on its own observations and feedback from market participants since SEFs began operating.

While the Commission reiterates its previous assumption that, in general, a SEF should have fewer burden hours compared to DCMs, the Commission notes that a substantial portion of the increase in its revised estimate from its initial estimate from 308 burden hours to 1,000 burden hours per SEF results from information collections under § 37.6(b) of the Commission's regulations, which is unique to SEFs and not applicable to DCMs.⁸ Under § 37.6(b), SEFs must provide a confirmation of a swap transaction to each swap counterparty and list all of the terms of the transaction in the confirmation. To comply with § 37.6(b), rather than listing all the terms of the transaction in the confirmation itself, SEFs are permitted to instead incorporate by reference the relevant terms set forth in the swap counterparties' underlying, previously-negotiated documents and agreements, as long as the SEF has obtained these agreements prior to the swap transaction's execution.⁹

As noted above, the Commission estimates that each respondent SEF would, on average, have an annual burden of 1,000 hours and notes that 23 SEFs have registered with the Commission. Accordingly, the aggregate annual burden hour estimate for all respondent SEFs is 23,000 hours (23 respondent SEFs x 1,000 hours = 23,000 burden hours).¹⁰

⁸ The Commission initially estimated that each respondent SEF would incur annually an average burden of 308 burden hours. In its original submission for this OMB Control Number, the Commission explained that it derived its estimate by comparing the reporting requirements for other entities that fall under the Commission's regulatory oversight, such as an exempt commercial market with a significant price discovery (ECMs with SPD), a derivatives transaction execution facility (DTEF), and a designated contract market (DCM). As the Commission explained, its initial burden hour estimate assumed that a SEF would have more reporting requirements than an ECM with SPD (233 burden hours) and a DTEF (200 burden hours) but fewer reporting requirements than a DCM (440 burden hours). The Commission notes that pursuant to the Dodd-Frank Act, the CEA was amended to eliminate ECMs and DTEFs as categories of registrants.

⁹ Based on its own observation as well as feedback from market participants, the Commission now estimates that the process for a SEF to obtain, review, incorporate, and maintain the previously-negotiated agreements or documents, as well as to update such agreements or documents to reflect any applicable amendments executed by the counterparties, takes approximately 1.5 hour per SEF participant per year, and that on average a SEF has approximately 375 participants. Accordingly, 375 participants x 1.5 hours per participant = 562.5 estimated burden hours (which the Commission rounds to 563 hours for these purposes). The Commission also notes that this estimate of 563 burden hours includes the recordkeeping information collection burden estimate in connection with § 37.1001, which establishes a SEF's recordkeeping obligations.

Without the information collections related to a SEF's confirmation requirement in § 37.6(b), a SEF's annual burden hours would be approximately 437 burden hours (1,000 burden hours – 563 burden hours = 437 burden hours). Accordingly, excluding the burden hours related to a SEF's confirmation requirements in § 37.6(b) of the Commission's regulations, which as noted above is an obligation that is not imposed on DCMs, the Commission estimates that a SEF has an average annual burden of 437 hours, which is slightly less than the 440 burden hours that the Commission had attributed to DCMs in the Commission's initial burden hour estimate for SEFs under this OMB Control Number. Furthermore, the Commission notes that it has increased its estimate of annual burden hours for DCMs to 490.5 hours per DCM. See OMB Control Number 3038-0052.

¹⁰ In the part 37 final rule release, the Commission estimated that there would be 35 SEFs with an aggregate annual burden of 10,780 hours (35 respondent SEFs x 308 hours = 10,780 total hours). See 78 FR 33477, 3351. The Commission, however, notes that 23 SEFs are currently registered with the Commission.

Commission staff estimates that each respondent SEF expends up to \$56,000 annually based on an hourly rate¹¹ of \$56 to comply with the regulations. This results in an aggregated cost for all respondent SEFs of \$1,288,000 per annum (23 respondent SEFs x \$56,000 = \$1,288,000).

For the avoidance of doubt, the Commission notes that it had stated previously in its 60-Day Notice of Intent to Renew Collection 3038-0074 (published in the Federal Register on July 22, 2016) that 22 SEFs were then-registered with the Commission. See 81 FR 47779. However, since the publication of the 60-Day Notice of Intent to Renew Collection 3038-0074 the Commission has granted permanent registration to an additional SEF effective on August 23, 2016 for a total of 23 SEFs currently registered with the Commission.

See Attachment A for further discussion.

*Annual Burden Hours for Anticipated Applicants for Permanent SEF Registration*¹²

Based on the experience gained by the Commission during the SEF permanent registration review process, the Commission estimates that each SEF applicant incurs approximately 300 burden hours in connection with completing the registration process.¹³ Based on the number of applicants that have applied for permanent SEF registration since the Commission first granted permanent registration status to SEFs on January 22, 2016, the Commission anticipates 4 applicants per year for permanent SEF registration. Accordingly, the Commission anticipates that the aggregate burden hours related to the SEF registration process for all respondent SEFs will be 1,200 hours per year (300 average initial burden hours per SEF applicant x 4 anticipated SEF applicants per year = 1,200 total burden hours incurred for all anticipated SEF applicants per year).

¹¹ In arriving at a wage rate for the hourly costs imposed, the Commission consulted the Management and Professional Earnings in the Securities Industry Report, published most recently in 2013 by the Securities Industry and Financial Markets Association (“SIFMA”). The wage rate is a composite (blended) wage rate arrived at by averaging the mean annual salaries of an Assistant/Associate General Counsel, an Assistant Compliance Director, a Senior Programmer, and a Senior Treasury/Cash Management Manager as published in the SIFMA Report and dividing that figure by 2,000 annual work hours to arrive at the hourly rate of \$56. *See* Securities and Financial Markets Association, “Management & Professional Earnings in the Securities Industry 2013.” In its original 3038-0074 submission, the Commission had used a blended rate of \$52 based on SIFMA’s previous 2010 report.

¹² Based on the number of applicants that have applied for permanent SEF registration since the Commission first granted permanent registration status to SEFs on January 22, 2016, the Commission expects to receive 4 applications per year for permanent SEF registration.

¹³ This estimate that applicants for permanent SEF registration incur approximately 300 burden hours does not represent a new information collection burden or adjustment. Rather, while the Commission did consider the burden hours related to the SEF application process in its original information collection submission for this OMB Control Number, the Commission did not explicitly distinguish the burden hours related to the registration process for SEF applicants from the Commission’s estimate of the on-going annual burden hours for registered SEFs, but rather provided an aggregate number. For the sake of clarity, the Commission is explicitly distinguishing in this renewal request between the burden hours for registered SEFs and applicants for SEF registration.

Commission staff estimates that each respondent SEF expends up to \$16,800 annually based on an hourly rate of \$56 to comply with the SEF registration process (300 average initial burden hours per SEF applicant x \$56 per hour = \$16,800 per applicant SEF). This results in an aggregated cost for all applicant SEFs of \$67,200 per annum (4 anticipated SEF applicants per year x \$16,800 = \$67,200).¹⁴

Additionally, see Attachment A for further discussion.

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 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)

¹⁴ In arriving at a wage rate for the hourly costs imposed, the Commission consulted the Management and Professional Earnings in the Securities Industry Report, published most recently in 2013 by the Securities Industry and Financial Markets Association (“SIFMA”). The wage rate is a composite (blended) wage rate arrived at by averaging the mean annual salaries of an Assistant/Associate General Counsel, an Assistant Compliance Director, a Senior Programmer, and a Senior Treasury/Cash Management Manager as published in the SIFMA Report and dividing that figure by 2,000 annual work hours to arrive at the hourly rate of \$56. See Securities and Financial Markets Association, “Management & Professional Earnings in the Securities Industry 2013.” In its original 3038-0074 submission, the Commission had used a blended rate of \$52 based on SIFMA’s previous 2010 report.

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.

All costs are accounted for in responses to Items 12 and 14. Additionally, see Attachment A.

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 estimate of the cost to the government per applicant/record-keeper is about \$156,000 annually based on ten full time equivalents reviewing for 20 days at 8 hours per day (1,600 hours) at an average total compensation of about \$97.50 per hour¹⁵.

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

The Commission is not proposing any program changes or adjustments, but the Commission is revising its burden hour estimates based on (a) its observation of SEFs and feedback from market participants, as SEFs did not exist prior to either the Dodd-Frank Act or the Commission's original 3038-0074 submission, and (b) revised number of 23 currently-registered SEFs (the Commission had initially estimated that there would be 35 SEFs in its original submission). Further, the Commission is revising its industry cost estimates based on more recent industry salary data. The Commission makes two further observations:

First, as noted above in the Commission's answer to Question 12, the Commission is clarifying that applicants for permanent SEF registration incur approximately 300 burden hours. However, as discussed above, this 300-hour estimate does not represent a new information collection burden or adjustment for applicants for SEF registration. Rather, as noted above, while the Commission did consider the burden hours related to the application process for SEF registration in its original information collection submission for this OMB Control Number, the Commission did not explicitly distinguish the burden hours related to the registration process for such applicants from the Commission's estimate of the on-going annual burden hours for registered SEFs, but rather provided an

¹⁵ In arriving at a wage rate for the hourly costs imposed, Commission staff used a composite (blended) rate of salaries for economists (Grade 11-13) and attorneys (Grade 11-14) in the Division of Market Oversight using the CFTC 2015 Washington Pay Chart (with adjusted locality pay) and divided that figure by 2000 annual working hours to arrive at the hourly rate of \$60, multiplied by 1.625 to account for overhead and benefits.

aggregate number. For the sake of clarity, the Commission is explicitly distinguishing in this renewal request between the burden hours for registered SEFs and applicants for SEF registration.

Second, as noted above in the Commission's answer to Question 12 as well as in the Table in Attachment A below, the Commission is clarifying that registered SEFs incur approximately 563 hours in connection with the information collection requirements under § 37.6(b), which requires SEFs to provide counterparties with transaction confirmations and obtain copies of the applicable underlying swap agreements. However, this requirement does not represent a new information collection burden or adjustment. Rather, the Commission is separately identifying this requirement for the sake of clarity to allow the reader to understand more clearly the nature of a SEF's information collection obligations. By creating a separate line item in the Table in Attachment A, the Commission does not mean to imply that SEFs' information collection obligations under § 37.6(b) are new or not otherwise already part of the general Designation and Compliance obligations.

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.

No exceptions exist.

**Part 37 Establishing Procedures for
Compliance with Core Principles and Other Requirements for SEFs and Applicants Seeking SEF
Registration¹⁶**

(Table on following pages)

¹⁶ As noted above in footnote Error: Reference source not found, this OMB Control Number 3038-0074 covers all information collections in part 37 of the Commission's regulations, including the information collection in Subpart A and the SEF core principles (*i.e.*, Subparts B and C), other than the information collections related to § 37.10, which are covered separately under OMB Control Number 3038-0099.

Revised Table for Estimated Annual Burden Hours for Registered SEFs and Applicants for Permanent SEF Registration

Report	Estimated Number of Respondents ¹⁷	Reports Annually by Each	Total Annual Responses	Estimated Average Number of Hours per year	Annual Reporting & recordkeeping Burden Hours
Designation and Compliance (for registered SEFs)	23	NA	NA	437	10,051
Annual (for registered SEFs)	23	1	23	Included in average above	Included in average above
Quarterly (for registered SEFs)	23	4	92	Included in average above	Included in average above
Sub-Total	23	5	115¹⁸	437	10,051
§ 37.6(b) Confirmation Requirement¹⁹ (for registered SEFs)	23	35,217 ²⁰	810,000 ²¹	563 ²²	12,949

¹⁷ In the part 37 final rule release, the Commission estimated that there would be 35 SEFs. The Commission, however, notes that 23 SEFs are currently registered with the Commission. For the avoidance of doubt, the Commission notes that it had stated previously in its Notice of Intent to Renew Collection 3038-0074 (published in the Federal Register on July 22, 2016) that 22 SEFs are currently registered with the Commission. See 81 FR 47779. However, since then the Commission has granted permanent registration to an additional SEF effective on August 23, 2016 for a total of 23 SEFs currently registered with the CFTC.

¹⁸ The PRA analysis for the part 37 final rules initially estimated that each SEF would have 5 fixed annual reporting obligations (4 quarterly responses + 1 annual compliance report = 5 responses). Because the Commission is updating the number of SEF respondents to 23, the Commission notes that in the aggregate, all SEFs together provide annually 115 reports (5 responses x 23 SEFs = 115 responses).

¹⁹ The Commission notes that information collections resulting from § 37.6(b)'s requirement to provide counterparties with transaction confirmations and obtain copies of the applicable underlying swap agreements and documents is an existing component of a SEF's "Designation and Compliance" information obligations. However, for the sake of clarity, the Commission is including this requirement as a separate line item to allow the reader to understand more clearly the nature of a SEF's information collection obligations. By creating a separate line item, the Commission does not mean to imply that SEFs' information collection obligations under § 37.6(b) are new or not otherwise already part of the general Designation and Compliance obligations.

²⁰ 810,000 total annual responses / 23 SEF respondents = 35,217 annual responses per SEF. See footnote Error: Reference source not found for the explanation regarding the calculation of 810,000 total annual responses.

²¹ In addition to the fixed reporting obligations referred to in the "Annual" and "Quarterly" rows and in footnote Error: Reference source not found above, the Commission further notes that a SEF has additional reporting obligations that vary depending on the volume of transactions executed on the SEF, such as a SEF's obligation to provide swap confirmations to each counterparty. Based on industry data, the Commission estimates that from January 1, 2016 to May 31, 2016 approximately 168,000 (rounded amount) swap transactions were executed across all SEFs. Annualized, this means that the Commission expects approximately 405,000 (rounded amount) swap transactions across all SEFs for 2016. Because each swap transaction requires a SEF to provide 2 responses (i.e., a SEF must provide a confirmation to both swap counterparties), the Commission estimates that in the aggregate SEFs will provide approximately 810,000 swap confirmations (405,000 swaps x 2 counterparties = 810,000 swap confirmations). The PRA analysis to the part 37 final rules did not include the variable responses, which the Commission is including herein.

²² Based on its own observation as well as feedback from market participants, the Commission now estimates that the process for a SEF to obtain, review, incorporate, and maintain the previously-negotiated agreements or documents, as well as to update such agreements or documents to reflect any applicable counterparty amendments, takes approximately 1.5 hour per SEF participant per

Total (for registered SEFs)	23	35,222²³	810,115²⁴	1000	23,000²⁵
Registration Process (for applicants for SEF registration)²⁶	4²⁷	1²⁸	4	300	1,200²⁹

**The Commission notes that the above table should reflect the figures provided for in both its 60-Day and 30-Day notices published in the Federal Register. However, the figures may be similar to, but not exact with, the figures provided in the ROCIS submission. This difference is because the ROCIS portal required the Commission to include both registered SEFs and applicants for SEF registration as a single line item and required the information collection obligations for both groups to be added together rather than to be listed separately as they are above (e.g., 810,115 annual responses for all registered SEFs + 4 responses for SEF applicants = 810,119 responses submitted in ROCIS. ROCIS then required the Commission to divide 24,200 total burden hours by 810,119 responses to determine the time per response rather than distinguish between responses for registered SEFs and SEF applicants or distinguish among different types of information collections that may impose different time obligations on respondents).

year, and that on average a SEF has approximately 375 participants. Accordingly, 375 participants x 1.5 hours per participant = 562.5 estimated burden hours (which the Commission rounds to 563 hours for these purposes). The Commission also notes that this estimate of 563 burden hours includes the recordkeeping information collection burden estimate in connection with § 37.1001, which establishes a SEF's recordkeeping obligations.

²³ The Commission estimates that SEFs must provide approximately 810,115 total annual responses (115 fixed responses + 810,000 confirmations = 810,115). As a result, the Commission expects each SEF to provide an average of 36,823 responses (810,115 responses / 23 SEFs = 35,222 responses per SEF). The PRA analysis to the part 37 final rules did not include the variable responses, which the Commission is including herein.

²⁴ 115 fixed responses + 810,000 confirmations = 810,115 total annual responses.

²⁵ 1000 average annual burden hours per respondent SEF x 23 registered SEFs = 23,000 total burden hours for all registered SEFs.

²⁶ This estimate that applicants for permanent SEF registration incur approximately 300 burden hours does not represent a new information collection burden or adjustment. Rather, as noted above, while the Commission did consider the burden hours related to the SEF application process in the original submission for this OMB Control Number, the Commission did not explicitly distinguish the burden hours related to the registration process for SEF applicants from the Commission's estimate of the on-going annual burden hours for registered SEFs, but rather provided an aggregate number. For the sake of clarity, the Commission is explicitly distinguishing in this renewal request between the burden hours for registered SEFs and applicants for SEF registration.

²⁷ Based on the number of applicants that have applied for permanent SEF registration since the Commission first granted permanent registration status to SEFs on January 22, 2016, the Commission expects to receive 4 applications per year for permanent SEF registration.

²⁸ For this purpose, the Commission considers the entire SEF application process to constitute a single information collection.

²⁹ 300 average initial burden hours per respondent SEF x 4 anticipated SEF applicants = 1,200 total burden hours incurred for all anticipated SEF applicants.