

## SUPPORTING STATEMENT

### Regulation SBSR – Reporting and Dissemination of Security-Based Swap Information

#### A. JUSTIFICATION

##### 1. Necessity of the Information Collection

On July 21, 2010, the President signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”).<sup>1</sup> The Dodd-Frank Act amended the Exchange Act to require the Commission to adopt rules providing for, among other things (i) the reporting of security-based swaps to a registered security-based swap data repository (“SDR”) or to the Commission; and (ii) real-time public dissemination of security-based swap transaction, volume, and pricing information. On November 19, 2010, pursuant to Sections 763 and 766 of Title VII of the Dodd-Frank Act, the Commission proposed Regulation SBSR to fulfill these requirements.<sup>2</sup> In May 2013, the Commission re-proposed the entirety of Regulation SBSR as part of the Cross-Border Proposing Release<sup>3</sup> and re-opened the comment period for all of its other outstanding Title VII rulemakings.<sup>4</sup>

After reviewing comments submitted to the Commission, including not only those comments specifically addressing Regulation SBSR, but also comments addressing cross-border issues generally, as well as comments germane to regulatory reporting and/or public dissemination of security-based swaps that were submitted in other contexts, the Commission adopted Regulation SBSR, with certain revisions suggested by commenters or designed to clarify the rules (“Regulation SBSR Adopting Release”).<sup>5</sup> In addition, in a separate release, the Commission proposed certain rules, amendments, and guidance relating to Regulation SBSR (“Regulation SBSR Proposed Amendments Release”).<sup>6</sup> On July 13, 2016, the Commission

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<sup>1</sup> The Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. No. 11-203, H.R. 4173).

<sup>2</sup> Regulation SBSR—Reporting and Dissemination of Security-Based Swap Information, Securities Exchange Act Release No. 63346 (November 19, 2010), 75 FR 75208 (December 2, 2010) (“Regulation SBSR Proposing Release”).

<sup>3</sup> See Securities Exchange Act Release No. 69490 (May 1, 2013), 78 FR 30967 (May 23, 2013) (“Cross-Border Proposing Release”).

<sup>4</sup> See Securities Exchange Act Release No. 69491 (May 1, 2013), 78 FR 30799 (May 23, 2013).

<sup>5</sup> See Securities Exchange Act Release No. 74244 (February 11, 2015), 80 FR 14563 (March 19, 2015).

<sup>6</sup> See Securities Exchange Act Release No. 74245 (February 11, 2015), 80 FR 14739 (March 19, 2015). Further amendments to Regulation SBSR were proposed to address the application of certain provisions of the Exchange Act to cross-border security-based swap activities. See Securities Exchange Act Release No. 74834 (April 29, 2015), 80 FR 27443 (May 13, 2015) (“U.S. Activity Proposal”).

adopted the proposed amendments (“Regulation SBSR Amendments Adopting Release”).<sup>7</sup>

Regulation SBSR consists of ten rules, Rules 900 to 909 under the Exchange Act. Regulation SBSR provides generally for the reporting of security-based swap information to a registered security-based swap data repository (“registered SDRs”) or the Commission, and the public dissemination of security-based swap transaction, volume, and pricing information by registered SDRs. Rule 901 specifies, with respect to each reportable event pertaining to covered transactions, who is required to report, what data must be reported, when it must be reported, where it must be reported, and how it must be reported. Rule 901(a)(1) of Regulation SBSR requires a platform to report to a registered security-based swap data repository (“registered SDR”) a security-based swap executed on such platform that will be submitted to clearing. Rule 901(a)(2)(i) of Regulation SBSR requires a registered clearing agency to report to a registered SDR any security-based swap to which it is a counterparty. Rules 902 to 909 of Regulation SBSR provide additional details as to how reporting and public dissemination are to occur.

## **2. Purpose and Use of the Information Collection**

The security-based swap information reported pursuant to Regulation SBSR will fulfill the Congressional mandate that the Commission to provide for, among other things: (i) the reporting of security-based swaps to a registered SDR or to the Commission; and (ii) real-time public dissemination of security-based swap transaction, volume, and pricing information. The reporting pursuant to Regulation SBSR will: provide insight about the size and operation of the security-based swap market and a benchmark against which to assess the development of the security-based swap market over time; provide the Commission information to assist with its analysis of the security-based swap market; be used to assess activities and risks in the security-based swap market or securities markets more generally; facilitate general market oversight; and facilitate the reports the Commission is required to provide to Congress on security-based swaps and the security-based swap marketplace.<sup>8</sup>

## **3. Consideration Given to Information Technology**

Regulation SBSR leverages information technology in the collection of information. Reporting sides, platforms and clearing agencies will electronically report security-based swap transaction data to registered SDRs and registered SDRs will disseminate transaction data and corrections electronically. Further, registered SDRs must make their policies and procedures, along with other information, publicly available on their websites. Regulation SBSR contemplates a phased-in approach to public dissemination in order to allow market participants sufficient time to effectively implement necessary technology systems and make necessary technological preparations for Regulation SBSR. Over time, the Commission expects that the burdens on market participants will be reduced due to future technology enhancements. The Commission is not aware of any technical or legal obstacles to reducing the burden through the use of improved information

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<sup>7</sup> See Securities Exchange Act Release No. 78321 (July 14, 2016), 81 FR 53546 (August 12, 2016).

<sup>8</sup> See Section 719 of the Dodd-Frank Act.

technology.

#### **4. Duplication**

Section 712(a)(2) of the Dodd-Frank Act provides that, before commencing any rulemaking regarding, among other things, security-based swaps or registered SDRs, the Commission must consult and coordinate with the Commodity Futures Trading Commission (“CFTC”) and other prudential regulators for the purposes of assuring regulatory consistency and comparability, to the extent possible. As a result, the Commission staff and the CFTC staff have consulted and coordinated with one another regarding their respective Commissions’ rules regarding regulatory reporting and public dissemination of swaps and security-based swaps. The Commission staff has also consulted and coordinated with other prudential regulators.

#### **5. Effect on Small Entities**

Not applicable. Regulation SBSR does not have a significant economic impact on a substantial number of small entities.

#### **6. Consequences of Less Frequent Collection**

Collecting the information on a less frequent basis would frustrate the purposes of the Congressional mandate to provide for regulatory reporting and public dissemination of security-based swap volume and pricing information on a transaction-by-transaction basis.

#### **7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)**

5 CFR 1320.5(d)(2) requires an agency to demonstrate, in its submission for OMB clearance, that the reporting of information more often than quarterly is necessary to satisfy statutory requirements or other substantial need. Sections 763 and 766 of the Dodd-Frank Act amend the Exchange Act to require the Commission to adopt rules providing for, among other things (i) the reporting of security-based swaps to an SDR or to the Commission; and (ii) real-time public dissemination of security-based swap transaction, volume, and pricing information. Although the Dodd-Frank Act did not stipulate how often the reporting of security-based swaps to an SDR or to the Commission must occur, the Dodd-Frank Act did stipulate that real-time public dissemination must occur “as soon as technologically practicable after the time at which the [SBS] transaction has been executed.”<sup>9</sup> As a result, reporting more often than quarterly is required by the Dodd-Frank Act.

#### **8. Consultations Outside the Agency**

The required Federal Register notice with a 60-day comment period soliciting comments on this collection of information was published. No public comments were received.

#### **9. Payment or Gift**

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<sup>9</sup> See Section 763(i) of the Dodd-Frank Act.

Not applicable.

## **10. Assurance of Confidentiality**

Some information collected pursuant to Regulation SBSR will be widely available to the extent it is information that is required to be publicly disseminated by a registered SDR. However, registered SDRs are generally under an obligation to maintain the confidentiality of the other reported information collected pursuant to Rule 901(d), and pursuant to Section 13(n)(5) of the Exchange Act and Rule 13n-9 thereunder. To the extent that the Commission receives confidential information pursuant to Regulation SBSR, such information will be kept confidential, subject to the provisions of the Freedom of Information Act.

## **11. Sensitive Questions**

As discussed above in Item 10, the collection of information will not include Personally Identifiable Information (“PII”).<sup>10</sup>

## **12. Estimate of Reporting Burden**

The total reporting burden for Regulation SBSR, for all respondents, is approximately 538,257.60 hours initially (which equates to approximately 179,419.20 hours per year annualized over three years), with a total ongoing burden thereafter of approximately 1,887,021.07 hours. Thus, the aggregate yearly burden is approximately 2,066,441 hours.<sup>11</sup> This burden is broken down in greater detail below.

### **a. Reporting Obligations - Rule 901**

#### **i. Reporting Sides**

The Commission previously stated its belief that reporting sides that fall under the reporting hierarchy in Rule 901(a)(2)(ii) will incur certain burdens as a result thereof with respect to their reporting of covered transactions. Specifically, the Commission believes that the requirement to report covered transactions to a registered SDR or to the Commission pursuant to Rule 901 will impose a one-time burden on each reporting side respondent of approximately 707 burden hours. The Commission estimated that 300 reporting sides will be subject to this burden. As a result, the Commission estimated that the one-time initial reporting obligation burden for all reporting sides will be approximately 212,100 hours, which includes development of an OMS capable of capturing relevant security-based swap transaction information, implementation of a reporting mechanism, and establishment of an appropriate compliance program and support for

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<sup>10</sup> The term “Personally Identifiable Information” refers to information which can be used to distinguish or trace an individual’s identity, such as their name, social security number, biometric records, etc. alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother’s maiden name, etc.

<sup>11</sup>  $179,419.20 + 1,887,021.07 = 2,066,440.27$  rounded up to 2,066,441.

the operation of the OMS and reporting mechanism.<sup>12</sup> Further, the Commission estimated that the ongoing annualized burden will be 687 burden hours per reporting side, which corresponds to 206,100 burden hours in the aggregate.<sup>13</sup> The Commission estimated one response per respondent per year, which, including the one-time burden equally allocated over three years, results in a burden of 922.7 hours per response.<sup>14</sup>

Rule 901(a)(3) requires a person, either the platform upon which the security-based swap was executed or the reporting side for those security-based swaps other than clearing transactions, to report, for those security-based swaps submitted to a registered clearing agency, the transaction ID of the submitted security-based swap and the identity of the registered SDR to which the transaction will be or has been reported. The Commission believes that reporting sides (and platforms as discussed below) required to report transaction IDs and the identity of a registered SDR will already have put into place any infrastructure needed to report these security-based swaps to a registered clearing agency.<sup>15</sup> However, the Commission does believe that including these items will result in additional development and maintenance burdens. Specifically, the Commission believes that the additional one-time burden related to the development of the ability to capture the additional specific data elements required by Rule 901(a)(3) will be 10 burden hours and the additional one-time burden related to the

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<sup>12</sup> The Commission previously estimated: [(Sr. Programmer (160 hours)) + (Sr. Systems Analyst (160 hours)) + (Compliance Manager (10 hours)) + (Director of Compliance (5 hours)) + (Compliance Attorney (20 hours)) + (Sr. Programmer (80 hours)) + (Sr. Systems Analyst (80 hours)) + (Compliance Manager (5 hours)) + (Director of Compliance (2 hours)) + (Compliance Attorney (5 hours)) + (Sr. Programmer (100 hours)) + (Sr. Systems Analyst (40 hours)) + (Compliance Manager (20 hours)) + (Director of Compliance (10 hours)) + (Compliance Attorney (10 hours))] x (300 reporting sides) = 212,100 hours.

<sup>13</sup> The Commission previously estimated: [(Sr. Programmer (32 hours)) + (Sr. Systems Analyst (32 hours)) + (Compliance Manager (60 hours)) + (Compliance Clerk (240 hours)) + (Director of Compliance (24 hours)) + (Compliance Attorney (48 hours)) + (Compliance Clerk (16.7 hours)) + (Sr. Computer Operator (16.7 hours)) + (Sr. Programmer (16 hours)) + (Sr. Systems Analyst (16 hours)) + (Compliance Manager (30 hours)) + (Compliance Clerk (120 hours)) + (Director of Compliance (12 hours)) + (Compliance Attorney (24 hours))] x (300 reporting sides) = 206,100 hours.

<sup>14</sup> This figure is based on the following: [((707 hours/3 years) + (687 hours)) / (1 response per year)] = 922.7 hours.

<sup>15</sup> The required infrastructure for platforms and related burdens and costs are discussed in the Regulation SBSR Amendments Adopting Release. The required infrastructure and related burdens and costs applicable to reporting sides were already accounted for in the Regulation SBSR Adopting Release. 80 FR 14675-77. The additional burdens discussed in this paragraph related to the ability to capture the additional specific data elements, as required by Rule 901(a)(3), are incremental burdens that are in addition to the previously established infrastructure burdens and costs.

implementation of a reporting mechanism will be 6 burden hours, per reporting side.<sup>16</sup> The Commission believes that the additional ongoing burden related to the ability to capture the additional specific data elements required by Rule 901(a)(3) will be 10 burden hours and the additional ongoing burden related to the maintenance of the reporting mechanism will be 2 burden hours, per reporting side.<sup>17</sup>

In summary, the Commission estimates that each reporting side will have a total one-time burden of approximately 723 burden hours, which corresponds to approximately 216,900 burden hours (or 72,300 hours per year when annualized over three years) for all 300 reporting sides.<sup>18</sup> Furthermore, the Commission estimates that each reporting side will have a total ongoing annual burden of approximately 699 burden hours, which corresponds to approximately 209,700 burden hours for all 300 reporting sides.<sup>19</sup> Thus, the aggregate annual burden for all reporting sides is approximately 282,000 hours per year (72,300 + 209,700). The Commission estimates one response per respondent per year, which, including the one-time burden equally allocated over three years, results in a burden of 940 hours per response.<sup>20</sup> This collection is a third-party disclosure type of collection.<sup>21</sup>

ii. Reporting Sides – Additional Respondents

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<sup>16</sup> The Commission estimates that the additional burdens would be: [(Sr. Programmer (5 hours) + Sr. Systems Analyst (5 hours)) = 10 burden hours (development of the ability to capture transaction information); (Sr. Programmer (3 hours) + Sr. Systems Analyst (3 hours)) = 6 burden hours (implementation of reporting mechanism)]. The total one-time burden associated with the amendments to 901(a) would be 16 burden hours per platform and reporting side for a total one-time burden of 4,800 hours (16 x 300 reporting sides).

<sup>17</sup> The Commission estimates that the additional burdens would be: [(Sr. Programmer (5 hours) + Sr. Systems Analyst (5 hours)) = 10 burden hours (maintenance of transaction capture system); (Sr. Programmer (1 hour) + Sr. Systems Analyst (1 hour)) = 2 burden hours (maintenance of reporting mechanism)]. The total ongoing burden associated with the amendments to Rule 901(a) would be 12 burden hours per platform and reporting side for a total ongoing burden of 3,600 hours (12 x 300 reporting sides).

<sup>18</sup> This figure is based on the following: (723 hours \* 300 reporting sides) = 216,900 hours.

<sup>19</sup> This figure is based on the following: (699 hours \* 300 reporting sides) = 209,700 hours.

<sup>20</sup> This figure is based on the following: [((723 hours/3 years) + (699 hours)) / (1 response per year)] = 940 hours.

<sup>21</sup> Although Rule 901(b) provides that, if there is no registered SDR that will accept information pertaining to a security-based swap, reporting sides should report to the Commission, the Commission has determined not to require compliance with Regulation SBSR until certain preconditions are met, one of which is that the Commission has registered one or more SDRs. Accordingly, we have assumed that all burden hours associated with this collection will be attributable to a third-party disclosure type, rather than a reporting type, of collection.

Rule 901 assigns the duty to report security-based swaps, other than clearing transactions, when neither side of the security-based swap includes a registered security-based swap dealer or registered major security-based swap participant when one (or both) side(s) of the security-based swap is not a U.S. person. The Commission believes that 20 respondents fall into this category as a result of Rule 901(a)(2)(ii)(E) and as such will be required to report transactions that are not required to be reported by other market participants under Regulation SBSR.

The Commission estimates that approximately 2,700 reportable events per year will be covered by this aspect of Rule 901. Taking a similar approach to the Regulation SBSR Adopting Release but also accounting for security-based swaps that will be reported by a registered broker-dealer, the Commission estimates that, of the 2,700 new reportable events, 1,512 will involve the reporting of new security-based swap transactions and approximately 1,188 will involve the reporting of life cycle events under Rule 901(e).<sup>22</sup> Based on these estimates, the Commission believes that Rule 901(a) will result in respondents having a total initial burden of 7.6 hours attributable to the initial reporting of security-based swaps by respondents to registered SDRs under Rules 901(c) and 901(d) over the course of a year.<sup>23</sup> The Commission further estimates that respondents will have a total burden of 5.9 hours attributable to the reporting of life cycle events under Rule 901(e) over the course of a year.<sup>24</sup> Therefore, the Commission believes that the amendments to Regulation SBSR will result in a total reporting burden for respondents under Rules 901(c) and (d) along with the reporting of life cycle events under Rule 901(e) of 6 burden hours per year. The Commission continues to believe that many reportable events will be reported through electronic means and that the ratio of electronic reporting to manual reporting is likely to increase over time. The Commission expects respondents that capture and report transactions electronically will likely incur fewer burden hours than those respondents that capture and report transactions manually.

The Commission estimates that Rule 901 will impose an estimated total first-year burden of approximately 1,362 hours<sup>25</sup> per respondent that will incur the duty to report as a result of the

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<sup>22</sup> Under this assumption, we expect 540 reportable events ( $2,700 * 0.2$ ) to be new security-based swap transactions reported by registered broker-dealers, and 972 reportable events to be other new security-based swap transactions that are required to be reported under the rule ( $(2,700 - 540) * 0.45$ ), for a total of 1,512 reportable events that are new security-based swap transactions. The remaining 1,188 reportable events ( $(2,700 - 540) * 0.55$ ) would be life-cycle events reportable under rule 901(e).

<sup>23</sup> In the Regulation SBSR Amendments Adopting Release, the Commission calculated the following:  $((1,512 * 0.005) / (20 \text{ respondents})) = 0.36$  burden hours per respondent or 7.6 total burden hours attributable to the initial reporting of security-based swaps.

<sup>24</sup> In the Regulation SBSR Amendments Adopting Release, the Commission calculated the following:  $((1,188 * 0.005) / (20 \text{ respondents})) = 0.30$  burden hours per reporting side or 5.9 total burden hours attributable to the reporting of life cycle events.

<sup>25</sup> We derived our estimate from the following: (355 hours (one-time hourly burden for establishing an OMS) + 172 hours (one-time hourly burden for establishing security-based swap reporting mechanisms) + 180 hours (one-time hourly burden for compliance and ongoing support) = 707 hours (one-time total hourly burden). (436 hours (annual-

amendments to Rule 901(a)(2)(ii)(E). The Commission further estimates that Rule 901 will impose an initial annualized burden of approximately 235.67 hours<sup>26</sup> per respondent and a total ongoing annual burden of approximately 654.67 hours<sup>27</sup> per respondent resulting in a total approximate aggregate annualized burden of 17,807 hours (17,806.5 rounded up) for all respondents.<sup>28</sup>

In summary, the Commission estimates that each new respondent will have a total one-time burden of approximately 707 burden hours, taking into account those burdens previously adopted along with burdens resulting from the amendments, which corresponds to approximately 14,140 burden hours for all 20 new respondents.<sup>29</sup> Furthermore, the Commission estimates that each new respondent will have a total ongoing annual burden of approximately 654.7 burden hours, taking into account those burdens previously adopted along with burdens resulting from the amendments, which corresponds to approximately 13,093 burden hours per year for all 20 new respondents.<sup>30</sup> The Commission estimates one response per respondent per year, which, including the one-time burden equally allocated over three years, results in a burden of 890.33 hours per response.<sup>31</sup> This collection is a third-party disclosure type of collection.<sup>32</sup>

iii. Registered SDRs

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ongoing hourly burden for internal order management) + .66 hours (revised annual-ongoing hourly burden for security-based swap reporting mechanisms) + 218 hours (annual-ongoing hourly burden for compliance and ongoing support) = 654.66 hours (annual-ongoing hourly burden. (707 one-time hourly burden + 654.66 revised annual-ongoing hourly burden = 1,361.66 total first-year hourly burden).

<sup>26</sup> We derived our estimate from the following: (Y1: 707 hours per respondent; Y2: 0 hours per respondent; Y3: 0 hours per respondent) = 707 hours / 3 years = 235.67 hours per year.

<sup>27</sup> See Regulation SBSR Amendments Adopting Release.

<sup>28</sup> We derived our estimate from the following: ((707 hours / 3 years = 235.67) + (654 + .30 + .36 = 654.66) = 890.33 hours per respondent \* 20 respondents) = 17,806.5 hours.

<sup>29</sup> This figure is based on the following: (707 hours \* 20 respondents) = 14,140 hours.

<sup>30</sup> This figure is based on the following: (654.7 hours \* 20 respondents) = 13,094 hours.

<sup>31</sup> This figure is based on the following: [((707 hours/3 years) + (654.7 hours)) / (1 response per year)] = 890.33 hours.

<sup>32</sup> Although Rule 901(b) provides that, if there is no registered SDR that will accept information pertaining to a security-based swap, reporting sides should report to the Commission, we expect the reporting burden pursuant to this provision will be minimal or even zero as registered SDRs should be operational prior to effectiveness of Regulation SBSR. Accordingly, we have assumed that all burden hours associated with this collection will be attributable to a third-party disclosure type, rather than a reporting type, of collection.



Rules 901(f) and 901(g) require a registered SDR to time-stamp, to the second, information that it receives and assign a unique transaction ID to each security-based swap it receives or establish or endorse a methodology for transaction IDs to be assigned by third parties, respectively. The Commission estimates that 10 entities will register as SDRs and thus be subject to this burden. The Commission estimates that Rules 901(f) and 901(g) will impose an initial one-time total burden of approximately 1,200 burden hours, which corresponds to approximately 120 burden hours per SDR respondent (or 40 hours per respondent when annualized over three years).<sup>33</sup> Further, the Commission estimates that Rules 901(f) and 901(g) will impose a total ongoing annual burden of 1,520 hours, which corresponds to 152 burden hours per SDR respondent.<sup>34</sup> The Commission estimates two responses per SDR respondent per year, which, including the one-time burden equally allocated over three years, results in a burden of approximately 192 hours per respondent per year (152 + 40).<sup>35</sup> Thus, the aggregate annual burden is approximately 1,920 hours per year (192 x 10). This collection is a recordkeeping type of collection.

iv. Platforms

Rule 901(a) puts in place certain reporting obligations for those security-based swaps that are clearing transactions (discussed in greater detail below) or that are executed on a platform and will be submitted to clearing. The Commission believes that Rule 901(a) will result in 14 respondents incurring the duty to report under Regulation SBSR. Specifically, the Commission believes that there will be 10 platforms (exchanges and SB SEFs) and 4 registered clearing agencies (discussed below) that will incur such duties. Rule 901(a)(3) requires a person—either the platform upon which the security-based swap was executed or the reporting side for those security-based swaps other than clearing transactions—to report, for those security-based swaps submitted to a registered clearing agency, the transaction ID of the submitted security-based swap and the identity of the registered SDR to which the transaction will be or has been reported.

The Commission previously stated its belief that reporting sides that fall under the reporting hierarchy in Rule 901(a)(2)(ii) will incur certain burdens as a result thereof with respect to their reporting of covered transactions. The Commission believes that platforms will face the same categories of burdens as those identified for other types of respondents. However, in addition to the burden of development of an OMS capable of capturing relevant security-based swap transaction information, implementation of a reporting mechanism, and establishment of an appropriate compliance program and support for the operation of the OMS and reporting mechanism, platforms will also have the added burden of reporting a larger number of

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<sup>33</sup> The Commission previously estimated: (Sr. Programmer (80 hours)) + (Sr. Systems Analyst (20 hours)) + (Compliance Manager (8 hours)) + (Director of Compliance (4 hours)) + (Compliance Attorney (8 hours)) x (10 registered SDRs) = 1,200 hours.

<sup>34</sup> The Commission previously estimated: (Sr. Programmer (60 hours)) + (Sr. Systems Analyst (48 hours)) + (Compliance Manager (24 hours)) + (Director of Compliance (12 hours)) + (Compliance Attorney (8 hours)) x (10 registered SDRs)] = 1,520 hours.

<sup>35</sup> This figure is based on the following: [((120 hours/3 years) + (152 hours))/ (2 responses per year)] = 96 hours per response or 192 hours per respondent.

transactions, including the Rule 901(a) requirements relating to the reporting of clearing information.

The Commission previously revised its estimates of the number of reportable events associated with security-based swap transactions down to approximately 3 million reportable events per year under Rule 901, an estimate that the Commission continues to believe is valid.<sup>36</sup> The Commission believes that Rule 901(a) will result in approximately 2 million reportable events related to covered transactions.<sup>37</sup> The Commission estimates that 1 million of the 3 million total reportable events will be reported as a result of certain amendments to Rule 901.<sup>38</sup> The Commission believes that these 1 million reportable events will include the initial reporting of the security-based swap by platforms and clearing agencies as well as the reporting of any life cycle events. The Commission estimates that of the 1 million reportable events, approximately 370,000 will involve the reporting of new security-based swap transactions, and approximately 630,000 will involve the reporting of life cycle events under Rule 901(e).<sup>39</sup> As a result, the Commission estimates that platforms will be responsible for the reporting of approximately 120,000 security-based swaps.<sup>40</sup> The Commission estimates that the amendments to Rule 901(a) will result in platforms having a total burden of 600 hours attributable to the reporting of security-based swaps to registered SDRs under Rules 901(c) and 901(d) over the course of a year.<sup>41</sup> The Commission believes that all reportable events that will be reported by platforms

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<sup>36</sup> See Regulation SBSR Amendments Adopting Release.

<sup>37</sup> See *id.*

<sup>38</sup> In arriving at the of 1 million reporting events, the Commission has included the following: (1) the termination of the original or “alpha” security-based swap; (2) the creation of beta and gamma security-based swaps; (3) the termination of beta, gamma, and any previous open positions during each netting cycle; and (4) any other transactions that are entered into by the registered clearing agency.

<sup>39</sup> See Regulation SBSR Amendments Adopting Release.

<sup>40</sup> The Commission believes that platforms will be responsible only for the reporting of any initial security-based swaps that are executed on their facilities. Since only platform-executed security-based swaps that will be submitted to a registered clearing agency for clearing are subject to this proposal, platforms would not be responsible for any life cycle event reporting under Rule 901(e). The Commission estimates that platforms will be responsible for reporting only approximately one third of the 360,000 security-based swaps (or 120,000 security-based swaps) and registered clearing agencies (as a result of the creation of new security-based swaps during the clearing process) would be responsible for the reporting of the remaining two-thirds of security-based swaps (or 250,000 security-based swaps).

<sup>41</sup> See Regulation SBSR Amendments Adopting Release. The Commission estimated that it would take approximately 0.005 hours for each security-based swap transaction to be reported. The Commission calculates the following:  $((120,000 \times 0.005) / (10 \text{ platforms})) = 60$  burden hours per platform or 600 total burden hours attributable to the reporting of security-based swaps.

pursuant to the amendments will be reported through electronic means.

The Commission recognizes that some entities that will qualify as platforms may have already spent time and resources building the infrastructure that will support their eventual reporting of security-based swaps. Nonetheless, the Commission believes that its estimates represent a reasonable upper bound of the actual burdens and costs required to comply with the paperwork burdens associated with the amendments to Rule 901(a).

Additionally, Rule 901(a)(3) will require a platform upon which the security-based swap was executed, to report, for those security-based swaps submitted to a registered clearing agency, the transaction ID of the submitted security-based swap and the identity of the registered SDR to which the transaction will be or has been reported. As a result, platforms will already have put into place any infrastructure needed to report these security-based swaps to a registered clearing agency.<sup>42</sup> However, the Commission believes that including the additional reportable items will result in additional development and maintenance burdens. Specifically, the Commission believes that the additional one-time burden related to the development of the ability to capture the additional specific data elements required by Rule 901(a)(3) will be 10 burden hours and the additional one-time burden related to the implementation of a reporting mechanism will be 6 burden hours, per platform and reporting side.<sup>43</sup> The Commission believes that the additional ongoing burden related to the ability to capture the additional specific data elements required by Rule 901(a)(3) will be 10 burden hours and the additional ongoing burden related to the maintenance of the reporting mechanism will be 2 burden hours, per platform.<sup>44</sup>

The Commission estimates that the total burden placed upon reporting sides as a result of Rule 901 will be approximately 1,449 hours in the first year (723 one-time initial burden per

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<sup>42</sup> The required infrastructure for platforms and related burdens and costs are discussed in the Regulation SBSR Amendments Adopting Release. The required infrastructure and related burdens and costs for reporting side were already accounted for in the Regulation SBSR Adopting Release. 80 FR 14675-77. The additional burdens discussed in this paragraph related to the ability to capture the additional specific data elements, as required by Rule 901(a)(3), will be incremental burdens that are in addition to the previously established infrastructure burdens and costs.

<sup>43</sup> The Commission estimates that the additional burdens will be: [(Sr. Programmer (5 hours) + Sr. Systems Analyst (5 hours)) = 10 burden hours (development of the ability to capture transaction information); (Sr. Programmer (3 hours) + Sr. Systems Analyst (3 hours)) = 6 burden hours (implementation of reporting mechanism)]. The total one-time burden associated with the amendments to 901(a) would be 16 burden hours per platform and reporting side for a total one-time burden of 160 hours (16 x 10 platforms).

<sup>44</sup> The Commission estimates that the additional burdens would be: [(Sr. Programmer (5 hours) + Sr. Systems Analyst (5 hours)) = 10 burden hours (maintenance of transaction capture system); (Sr. Programmer (1 hour) + Sr. Systems Analyst (1 hour)) = 2 burden hours (maintenance of reporting mechanism)]. The total ongoing burden associated with the amendments to Rule 901(a) would be 12 burden hours per platform and reporting side for a total ongoing burden of 120 hours (12 x 10 platforms).

entity + 726 ongoing burden per entity),<sup>45</sup> resulting in a total first-year burden of approximately 14,490 hours for all platforms,<sup>46</sup> which includes development of an OMS capable of capturing relevant security-based swap transaction information, implementation of a reporting mechanism, and establishment of an appropriate compliance program and support for the operation of the OMS and reporting mechanism.<sup>47</sup> The Commission estimates that Rule 901 will impose ongoing annual burdens of approximately 726 hours<sup>48</sup> per platform for a total annual burden of approximately 7,260 hours for all platforms.<sup>49</sup> The Commission estimates one response per respondent per year, which, including the one-time burden equally allocated over three years ( $723 \div 3 = 241$ ), results in a total annual burden of approximately 967 hours ( $726 + 241$ ) per response<sup>50</sup> and a total aggregate annual burden of approximately 9,670 hours ( $967 \times 10$ )

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<sup>45</sup> The Commission derived its estimate from the following: (355 hours (one-time hourly burden for establishing an OMS) + 172 hours (one-time hourly burden for establishing security-based swap reporting mechanisms) + 180 hours (one-time hourly burden for compliance and ongoing support) + 16 hours (additional hourly burden resulting from establishing ability to report information related to clearing) = 723 hours (one-time total hourly burden). (436 hours (annual-ongoing hourly burden for order management) + 218 hours (annual-ongoing hourly burden for compliance and ongoing support) + 60 hours (annual-ongoing burden of reporting security-based swap transaction information) + 12 hours (annual-ongoing hourly burden of reporting security-based swap transaction information related to clearing) = 726 hours (annual-ongoing hourly burden). (723 one-time hourly burden + 726 revised annual-ongoing hourly burden = 1,449 total first-year hourly burden). See Regulation SBSR Amendments Adopting Release.

<sup>46</sup> The Commission derived its estimate from the following: (1,449 hours per reporting entity x 10 platforms) = 14,490 hours.

<sup>47</sup> The Commission estimates: (355 hours (one-time hourly burden for establishing and OMS) + 172 hours (one-time hourly burden for establishing security-based swap reporting mechanisms) + 180 hours (one-time hourly burden for compliance and ongoing support) + 16 hours (additional hourly burden resulting from establishing ability to report information related to clearing) = 723 hours (one-time total hourly burden) See Regulation SBSR Amendments Adopting Release.

<sup>48</sup> The Commission estimates: (436 hours (annual-ongoing hourly burden for order management) + 218 hours (annual-ongoing hourly burden for compliance and ongoing support) + 60 hours (annual-ongoing burden of reporting security-based swap transaction information) + 12 hours (annual-ongoing hourly burden of reporting security-based swap transaction information related to clearing) = 726 hours (annual-ongoing hourly burden). See Regulation SBSR Amendments Adopting Release.

<sup>49</sup> The Commission derived its estimate from the following: (726 hours per reporting entity x 10 platforms) = 7,260 hours.

<sup>50</sup> This figure is based on the following:  $(((723 \text{ hours} / 3 \text{ years}) + (726 \text{ hours})) / (1 \text{ response per year})) = 967 \text{ hours}$ .

for all respondents.<sup>51</sup> This collection is a third-party disclosure type of collection.<sup>52</sup>

v. Registered Clearing Agencies

The Commission has adopted certain reporting obligations for those security-based swaps that are clearing transactions or are executed on a platform (discussed in greater detail above) and will be submitted to clearing. Subparagraph (2)(i) of Rule 901(a) assigns the reporting duty for a clearing transaction to the registered clearing agency that is a counterparty to the security-based swap. As stated above, the Commission believes that there will be 14 respondents incurring the duty to report under Regulation SBSR, including four registered clearing agencies. The Commission believes that clearing agencies will face the same categories of burdens as those identified in the Regulation SBSR Adopting Release for other types of respondents. In addition, registered clearing agencies will also have the added burden of reporting a larger number of transactions.

As discussed above, the Commission revised its previous estimates of the number of reportable events associated with security-based swap transactions to approximately 3 million reportable events per year under Rule 901, an estimate that the Commission continues to believe is valid for the purposes of the amendments.<sup>53</sup> The Commission continues to believe that 1 million of the 3 million total reportable events will be reported as a result of the amendments to Rule 901.<sup>54</sup> The Commission estimates that of the 1 million reportable events, approximately 370,000 will involve the reporting of new security-based swap transactions, and approximately 630,000 will involve the reporting of life cycle events under Rule 901(e).<sup>55</sup> The Commission estimates that the amendments to Rule 901(a) will result in registered clearing agencies having a total burden of approximately 1,250 hours attributable to the reporting of security-based swaps

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<sup>51</sup> We derived our estimate from the following: (967 hours per respondent x 10 respondents) = 9,670 hours.

<sup>52</sup> Although Rule 901(b) provides that, if there is no registered SDR that will accept information pertaining to a security-based swap, reporting sides should report to the Commission, we expect the reporting burden pursuant to this provision will be minimal or even zero as registered SDRs should be operational prior to effectiveness of Regulation SBSR. Accordingly, we have assumed that all burden hours associated with this collection will be attributable to a third-party disclosure type, rather than a reporting type, of collection.

<sup>53</sup> See Regulation SBSR Amendments Adopting Release.

<sup>54</sup> In arriving at the of 1 million reporting events, the Commission has included the following: (1) the termination of the original or “alpha” security-based swap; (2) the creation of beta and gamma security-based swaps; (3) the termination of beta, gamma, and any previous open positions during each netting cycle; and (4) any other transactions that are entered into by the registered clearing agency.

<sup>55</sup> See Regulation SBSR Amendments Adopting Release.

to registered SDRs over the course of a year.<sup>56</sup> The Commission estimates that the amendments to Rule 901(a) will result in registered clearing agencies having a total burden of approximately 3,150 hours attributable to the reporting of life cycle events to registered SDRs under Rule 901(e) over the course of a year.<sup>57</sup> The Commission believes that the amendments will result in a total reporting burden for registered clearing agencies under Rules 901(c) and (d) along with the reporting of life cycle events under Rule 901(e) of approximately 4,400 burden hours or 1,100 hours per registered clearing agency.<sup>58</sup> The Commission believes that all reportable events that will be reported by registered clearing agencies pursuant to these amendments will be reported through electronic means.

The Commission recognizes that some entities that will qualify as registered clearing agencies may have already spent time and resources building the infrastructure that will support their eventual reporting of security-based swaps. The Commission notes that, as a result, the burdens and costs estimated herein could be greater than those actually incurred by affected parties as a result of compliance with the amendments to Rule 901(a). Nonetheless, the Commission continues to believe that its estimates represent a reasonable upper bound of the actual burdens and costs required to comply with the paperwork burdens associated with the amendments to Rule 901(a).

The Commission previously stated its belief that reporting sides that fall under the reporting hierarchy in Rule 901(a)(2)(ii) will incur certain burdens as a result thereof with respect to their reporting of covered transactions. The Commission continues to believe that registered clearing agencies will face the same categories of burdens as those identified in the Regulation SBSR Adopting Release for other types of respondents. The Commission estimated that the total burden placed upon reporting sides as a result of Rule 901 would be approximately

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<sup>56</sup> See Regulation SBSR Amendments Adopting Release. The Commission estimated that it would take approximately 0.005 hours for each security-based swap transaction to be reported. The Commission calculates the following:  $((250,000 \times 0.005) / (4 \text{ registered clearing agencies})) = 312.5$  burden hours per registered clearing agency or 1,250 total burden hours attributable to the reporting of security-based swaps.

<sup>57</sup> See Regulation SBSR Amendments Adopting Release. The Commission estimated that it would take approximately 0.005 hours for each security-based swap transaction to be reported. The Commission calculates the following:  $((630,000 \times 0.005) / (4 \text{ registered clearing agencies})) = 787.5$  burden hours per registered clearing agency or 3,150 total burden hours attributable to the reporting of life cycle events under Rule 901(e).

<sup>58</sup> As is discussed immediately above, the Commission believes that registered clearing agencies will incur a burden of 1,250 hours attributable to the reporting of security-based swaps pursuant to Rule 901(a)(2)(i) along with a burden of 3,150 hours attributable to the reporting of life cycle events under Rule 901(e). Platforms will not be responsible for the reporting of any life cycle events of any platform-executed security-based swap that will be submitted to clearing.  $4,400 \text{ burden hours} / 4 \text{ registered clearing agencies} = 1,100$  hours per registered clearing agency.

1,361 hours<sup>59</sup> per reporting side during the first year.<sup>60</sup> The Commission believes that the per-entity burden for registered clearing agencies will be similar in composition. As a result, the Commission estimates that the total first year burden will be 2,461 hours per registered clearing agency,<sup>61</sup> resulting in a total first-year burden of 9,844 hours for all registered clearing agencies under Rule 901,<sup>62</sup> which includes development of an OMS capable of capturing relevant security-based swap transaction information, implementation of a reporting mechanism, and establishment of an appropriate compliance program and support for the operation of the OMS and reporting mechanism. The Commission believes that Rule 901 will impose ongoing annual burdens of approximately 1,754 hours<sup>63</sup> per registered clearing agency for a total ongoing annual burden of 7,016 hours for all registered clearing agencies.<sup>64</sup> The Commission estimates one response per respondent per year, which, including the one-time burden equally allocated over three years ( $707 \div 3 = 235.67$ ), results in an annual burden of 1,989.67 hours per response ( $1,754 + 235.67$ ).<sup>65</sup> The aggregate annual burden for all clearing agencies is thus approximately 7,959

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<sup>59</sup> The Commission derived its estimate from the following: (355 hours (one-time hourly burden for establishing and OMS) + 172 hours (one-time hourly burden for establishing security-based swap reporting mechanisms) + 180 hours (one-time hourly burden for compliance and ongoing support) = 707 hours (one-time total hourly burden). (436 hours (annual-ongoing hourly burden for order management) + 218 hours (annual-ongoing hourly burden for compliance and ongoing support) = 654 hours (one-time total hourly burden. (707 one-time hourly burden + 654 revised annual-ongoing hourly burden = 1,361 total first-year hourly burden). See Regulation SBSR Amendments Adopting Release.

<sup>60</sup> See Regulation SBSR Amendments Adopting Release.

<sup>61</sup> The Commission derived its estimate from the following: (355 hours (one-time hourly burden for establishing and OMS) + 172 hours (one-time hourly burden for establishing security-based swap reporting mechanisms) + 180 hours (one-time hourly burden for compliance and ongoing support) = 707 hours (one-time total hourly burden). (436 hours (annual-ongoing hourly burden for order management) + 218 hours (annual-ongoing hourly burden for compliance and ongoing support) + 1,100 hours (annual-ongoing burden of reporting security-based swap transaction information) = 1,754 hours (annual-ongoing hourly burden). (707 one-time hourly burden + 1,754 revised annual-ongoing hourly burden = 2,461 total first-year hourly burden). See Regulation SBSR Amendments Adopting Release.

<sup>62</sup> The Commission derived its estimate from the following: (2,461 hours per reporting entity x 4 registered clearing agencies) = 9,844 hours.

<sup>63</sup> The Commission estimates: (436 hours (annual-ongoing hourly burden for order management) + 218 hours (annual-ongoing hourly burden for compliance and ongoing support) + 1,100 hours (annual-ongoing burden of reporting security-based swap transaction information) = 1,754 hours (annual-ongoing hourly burden)

<sup>64</sup> The Commission derived its estimate from the following: (1,754 hours per reporting entity x 4 registered clearing agencies) = 7,016 hours.

<sup>65</sup> This figure is based on the following:  $(((707 \text{ hours}/3 \text{ years}) + (1,754 \text{ hours}))/ (1 \text{ response}$

hours ( $1,989.67 \times 4 = 7,958.68$  rounded up to 7,959). This collection is a third-party disclosure type of collection.<sup>66</sup>

In summary, the Commission estimates that the initial one-time burden will be approximately 707 hours per clearing agency, resulting in a total initial one-time burden of approximately 2,828 hours for all registered clearing agencies under the amendments to Rule 901.<sup>67</sup> The Commission further estimates that the amendments to Rule 901 will impose ongoing annual burdens of approximately 1,754 hours per reporting entity for a total aggregate annual cost of 7,016 hours for all registered clearing agencies.<sup>68</sup> The Commission estimates one response per respondent per year, which, including the one-time burden equally allocated over three years ( $707 \div 3 = 235.67$ ), results in a burden of approximately 1,989.67 hours per response ( $1,754 + 235.67$ ) or an aggregate annual burden for all respondents of approximately \$7,959.<sup>69</sup> This collection is a third-party disclosure type of collection.<sup>70</sup>

b. Public Dissemination of Transaction Report – Rule 902

Rule 902 requires a registered SDR to publicly disseminate a transaction report immediately upon receipt of information about a security-based swap, or a life cycle event to adjustment due to a life cycle event (or upon re-opening following a period when the registered SDR was closed), except in certain limited circumstances described in Rule 902(c).<sup>71</sup> A

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per year)] = 1,989.67 hours.

<sup>66</sup> Although Rule 901(b) provides that, if there is no registered SDR that will accept information pertaining to a security-based swap, reporting sides should report to the Commission, we expect the reporting burden pursuant to this provision will be minimal or even zero as registered SDRs should be operational prior to effectiveness of Regulation SBSR. Accordingly, we have assumed that all burden hours associated with this collection will be attributable to a third-party disclosure type, rather than a reporting type, of collection.

<sup>67</sup> The Commission derived its estimate from the following: (2,461 hours per reporting entity x 4 registered clearing agencies) = 9,844 hours.

<sup>68</sup> The Commission derived its estimate from the following: (1,754 hours per reporting entity x 4 registered clearing agencies) = 7,016 hours.

<sup>69</sup> This figure is based on the following:  $[(707 \text{ hours} / 3 \text{ years}) + (1,754 \text{ hours})] / (1 \text{ response per year}) = 1,989.67 \text{ hours} \times 4 = 7,958.68$ .

<sup>70</sup> Although Rule 901(b) provides that, if there is no registered SDR that will accept information pertaining to a security-based swap, reporting sides should report to the Commission, we expect the reporting burden pursuant to this provision will be minimal or even zero as registered SDRs should be operational prior to effectiveness of Regulation SBSR. Accordingly, we have assumed that all burden hours associated with this collection will be attributable to a third-party disclosure type, rather than a reporting type, of collection.

<sup>71</sup> The Commission notes that reporting side respondents incur no duties of dissemination



published transaction report must consist of all of the information reported pursuant to Rule 901(c), plus any condition flags required by the policies and procedures of the registered SDR to which the transaction is reported. The Commission estimates that 10 entities will be subject to this burden. The Commission estimates that the initial one-time total burden for the development and implementation of systems necessary to comply with Rule 902 will be approximately 84,000 hours (approximately 28,000 hours per year when annualized over three years), which corresponds to approximately 8,400 burden hours per SDR respondent (approximately 2,800 per year when annualized over three years). Further, the Commission estimates that the public dissemination requirements will impose a total ongoing annual burden of approximately 50,400 hours, which corresponds to approximately 5,040 burden hours per SDR respondent. The Commission estimates that each registered SDR will have to build the infrastructure only once and will have to update such infrastructure each year. As a result, the Commission estimates one response per SDR per year (representing the annual upkeep of the public dissemination system), which, including the one-time hourly burden equally allocated over three years ( $8,400 \div 3 = 2800$ ), results in an annual hourly burden of 7,840 hours per respondent and an aggregate burden of 78,400 hours per year for all respondents.<sup>72</sup> This collection is a third-party disclosure type of collection.

c. Coded Information – Rule 903

Rule 903(a) continues to provide that, if an internationally recognized standards-setting system (“IRSS”) that meets certain criteria is recognized by the Commission and has assigned a unique identification code (“UIC”) to a person, unit of a person, or product (or has endorsed a methodology for assigning transaction IDs), all registered SDRs must use that UIC in carrying out their responsibilities under Regulation SBSR. If no such system has been recognized by the Commission, or if such a system has not assigned a UIC to a particular person, unit of a person, or product (or has not endorsed a methodology for assigning transaction IDs), the registered SDR must assign a UIC to that person, unit of a person, or product using its own methodology (or endorse a methodology for assigning transaction IDs). In the Regulation SBSR Adopting Release, the Commission recognized the Global LEI System (“GLEIS”) as an IRSS that meets the criteria of Rule 903. The GLEIS issues UICs for legal entities, known as “legal entity identifiers” or “LEIs.” Therefore, if an entity has an LEI issued by or through the GLEIS, that LEI must be used for all purposes under Regulation SBSR. In conjunction with the Commission’s recognition of the GLEIS, Rule 903 requires all persons who are participants of at least one registered SDR to obtain an LEI from or through the GLEIS for use under Regulation SBSR. Furthermore, each participant that acts as a guarantor of a direct counterparty’s performance of any obligation under a security-based swap that is subject to Rule 908(a) shall, if the direct counterparty has not already done so, obtain a UIC for identifying the direct counterparty from or through that system, if that system permits third-party registration without a requirement to obtain prior permission of the direct counterparty.

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under Rule 902. All duties of dissemination apply only to registered SDRs.

<sup>72</sup> This figure is based on the following:  $[(8,400 \text{ hours}/3 \text{ years}) + (5,040 \text{ hours})] = 7,840$  hours per respondent.  $7,840 \times 10 = 78,400$ .

Rule 903 applies to any person who is a participant of at least one registered SDR. The Commission estimates that there may be up to 4,800 security-based swap counterparties that are participants of one or more registered SDRs. As stated in the Regulation SBSR Adopting Release, the Commission believes that no fewer than 3,500 of approximately 4,800 accounts that participated in the market for single-name CDS in 2013 currently have LEIs. Consequently, the Commission estimates that, for purposes of the PRA, there may be as many as 1,300 participant respondents who do not already have a GLEIS LEI and who will be required to obtain one and as many as 4,800 participants who will need to maintain a GLEIS LEI. The Commission estimates that the total one-time first-year burden imposed by Rule 903 will be approximately 1,300 hours (or 433.333 per year when annualized over three years), which corresponds to 1 hour per participant, to account for the initial burdens of obtaining an LEI.<sup>73</sup> The Commission estimates that the total ongoing burden imposed by Rule 903 will be approximately 3,500 hours for respondents that currently have LEIs and approximately 866.67 hours for respondents that currently do not have an LEI, which corresponds to 1 hour per participant per year, to account for ongoing administration of the LEI.<sup>74</sup> In addition, for these participants, the assignment of an LEI will entail both one-time and ongoing costs assessed by local operation units (“LOUs”) of the GLEIS. This collection is a third-party disclosure type of collection.

d. Operating Hours of Registered SDRs – Rule 904

Rule 904 requires a registered SDR to operate continuously, subject to two exceptions. First, under Rule 904(a), a registered SDR may establish normal closing hours during periods when, in its estimation, the U.S. market and major foreign markets are inactive. Second, under Rule 904(b), a registered SDR may declare, on an ad hoc basis, special closing hours to perform system maintenance that cannot wait until normal closing hours. Rule 904(c) specifies requirements for handling and disseminating reported data during a registered SDR’s normal and special closing hours. Pursuant to Rule 904(d), immediately upon system re-opening, the registered SDR is required to publicly disseminate any transaction data required to be reported under Rule 901(c) that it received and held in queue. Pursuant to Rule 904(e), if a registered SDR cannot hold in queue transaction data to be reported, immediately upon re-opening the SDR is required to send a message to all participants that it has resumed normal operations. The Commission estimates that 10 entities will be subject to this burden. The Commission estimates that the requirements to notify participants and the public of closing hours and system availability will impose an aggregate ongoing annual burden of 360 burden hours, which

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<sup>73</sup> These figures are based on the following: [Compliance Attorney at 1 hour/year) x (1,300 participants)] = 1,300 burden hours.  $1,300 \text{ hours} \div 3 = 433.333333 \text{ hours}$ .

<sup>74</sup> These figures are based on the following: [(Compliance Attorney at 1 hour/year) x (3,500 participants that currently have LEIs)] = 3,500 burden hours. The Commission notes that for the 1,300 participants that currently do not have an LEI, the first year burden on obtaining an LEI will be one hour per participant. However, these same participants will not incur the annual recurring burden during that first year and will only incur this recurring burden in subsequent years. Thus, the one hour per year ongoing estimate for participants that do not currently have an LEI will be reduced (Y1: 0; Y2: 1 hour; Y3: 1 hour = 2 hours/3 = .66666667 hours).  $1300 \text{ hours} \times .66666667 = 866.67$ .

corresponds to 36 burden hours per year per SDR respondent. The Commission estimates 12 responses per respondent per year, resulting in a burden of 3 hours per response. This collection is a third-party disclosure type of collection.

e. Error Correction – Rule 905

Rule 905 establishes procedures for correcting errors in reported and disseminated security-based swap information. Rule 905 requires any counterparty to a security-based swap that discovers an error in previously-reported information to take action to ensure that corrected information is provided to the registered SDR to which the initial transaction was reported. The rule also requires a registered SDR to verify any error reports that it receives and correct and, if necessary, publicly disseminate a corrected transaction report.

i. Reporting Sides

Under Rule 905(a)(2), where a reporting side for a security-based swap transaction discovers an error in the information reported with respect to a security-based swap, or receives notification from its counterparty of an error, the reporting side must promptly submit to the entity to which the security-based swap was originally reported an amended report pertaining to the original transaction. The amended report must be submitted to the registered SDR in a manner consistent with the policies and procedures of the registered SDR required pursuant to Rule 907(a)(3). The Commission believes that compliance with this rule will require support and maintenance of error-reporting functions. The Commission believes that designing and building appropriate reporting system functionality to comply with the error-reporting rule will represent an incremental “add-on” to the cost to build a reporting system. The Commission estimates that the incremental burden will be equal to 5% of the one-time and annual costs associated with designing and building a reporting system pursuant to Rule 901 plus 10% of the corresponding one-time and annual costs associated with developing the overall compliance program required under Rule 901. The Commission estimates that Rule 905(a) will impose a one-time initial (first-year) aggregate burden of approximately 15,000 hours (approximately 5,000 per year when annualized over three years), which is approximately 50 burden hours per reporting side (approximately 16.67 hours per reporting side when annualized over three years),<sup>75</sup> and an ongoing aggregate annual burden of approximately 7,050 hours, which is approximately 23.5 burden hours per reporting side.<sup>76</sup> The Commission estimates that each

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<sup>75</sup> See Regulation SBSR Adopting Release, 80 FR at 14682. This figure is calculated as follows: [(((172 burden hours for one-time development of reporting system) x (0.05)) + ((33 burden hours annual maintenance of reporting system) x (0.05)) + ((180 burden hours one-time compliance program development) x (0.1)) + ((218 burden hours annual support of compliance program) x (0.1))) x (300 reporting sides)] = 15,015 burden hours, which is 50 burden hours per reporting side. The burden hours for annual maintenance of the reporting system has been updated to reflect new information on the number of reportable events.

<sup>76</sup> See Regulation SBSR Adopting Release, 80 FR at 14682. This figure is calculated as follows: [(((33 burden hours annual maintenance of reporting system) x (0.05)) + ((218

reporting side will, on average, only have to submit one error correction report per day. As a result, the Commission estimates the burden per respondent per year, (which includes the one-time burden equally allocated over three years) to be approximately 40.17 hours (16.67 + 23.5).<sup>77</sup> The aggregate burden per year is thus approximately 12,050 hours (5,000 + 7,050). This collection is a third-party disclosure type of collection.

ii. Reporting Sides – Additional Respondents

As is discussed above, Rule 901 assigns the duty to report security-based swaps, other than clearing transactions, when neither side of the security-based swap includes a registered security-based swap dealer or registered major security-based swap participant when one (or both) side(s) of the security-based swap is not a U.S. person. The Commission estimates that 20 respondents will incur the duty to report under this provision of Regulation SBSR. The Commission estimates that these 20 respondents will incur, as a result of Rule 905(a), a total initial (first-year) burden of approximately 968 hours (approximately 322.67 hours per year when annualized over three years), which is approximately 48.4 burden hours (approximately 16.13 hours per year when annualized over three years) per new respondent,<sup>78</sup> and a total ongoing burden of approximately 436 hours per year, which is approximately 21.8 burden hours per year per new respondent.<sup>79</sup> The Commission estimates that each reporting side will, on average, only have to submit one error correction report per day. As a result, the Commission estimates the burden per respondent per year (which includes the one-time burden equally allocated over three years) to be approximately 37.93 hours.<sup>80</sup> The aggregate burden is thus

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burden hours annual support of compliance program) x (0.1))) x (300 reporting sides)] = 7,035 burden hours, which is 23.5 burden hours per reporting side. The burden hours for annual maintenance of the reporting system has been updated to reflect new information on the number of reportable events.

<sup>77</sup> This figure is based on the following: [(50.0 hours/3 years) + (23.5 hours)]. The Commission further estimated that each reporting side respondent will submit 365 error corrections reports each year for a per-response burden of 0.11005 hours [40.17 hours/365 responses]. This equates to a total burden of 12,051 hours [40.17 hours x 300 reporting sides].

<sup>78</sup> This figure is calculated as follows: [(((172 burden hours for one-time development of reporting system) x (0.05)) + ((.11 burden hours annual maintenance of reporting system) x (0.05)) + ((180 burden hours one-time compliance program development) x (0.1)) + ((218 burden hours annual support of compliance program) x (0.1))) x (20 respondents)] = 968 burden hours, which is 48.4 burden hours per new respondent.

<sup>79</sup> This figure is calculated as follows: [(((.11 burden hours annual maintenance of reporting system) x (0.05)) + ((218 burden hours annual support of compliance program) x (0.1))) x (20 respondents)] = 436 burden hours, which is 21.8 burden hours per new respondent.

<sup>80</sup> This figure is based on the following: [(48.4 hours/3 years) + (21.8 hours)]. The Commission further estimated that each reporting side respondent will submit 365 error corrections reports each year for a per-response burden of 0.10392 hours [37.93

approximately 759 hours per year ( $322.67 + 436 = 758.67$  hours rounded up to 759). The Commission believes that the actual submission of amended transaction reports required under Rule 905(a)(2) will not result in a material burden because this will be done electronically through the reporting system that the new respondents are required to develop and maintain to comply with existing Rule 901. The overall burdens associated with such a reporting system are addressed in our analysis of Rule 901. This collection is a third-party disclosure type of collection.

iii. Non-Reporting Sides

Under Rule 905(a)(1), where a side that was not the reporting side for a security-based swap transaction discovers an error in the information reported with respect to such security-based swap, the counterparty must promptly notify the reporting side of the error. The Commission estimates that as many as 4,800 entities will be subject to this burden. The Commission estimates that the requirement to notify reporting sides will impose an aggregate ongoing annual burden of 998,640 hours, which corresponds to 208.05 burden hours per non-reporting-side participant.<sup>81</sup> This figure is based on the Commission's estimate of (1) 4,800 participants; and (2) 1.14 transactions per day per participant.<sup>82</sup> The burdens of Rule 905 on reporting sides and other participants will be reduced to the extent that complete and accurate information is reported to registered SDRs in the first instance pursuant to Rule 901. This collection is a third-party disclosure type of collection.

iv. Registered SDRs

Rule 905(b) sets forth the duties of a registered SDR relating to corrections. If the registered SDR either discovers an error in a transaction on its system or receives notice of an error from a reporting side, Rule 905(b)(1) requires the registered SDR to verify the accuracy of the terms of the security-based swap and, following such verification, promptly correct the erroneous information contained in its system. Rule 905(b)(2) further requires that, if such erroneous information relates to a security-based swap that the registered SDR previously disseminated and does not fall into any of the categories of information enumerated in Rule 901(c), the registered SDR must publicly disseminate a corrected transaction report of the security-based swap promptly following verification of the trade by the counterparties to the

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hours/365 responses]. This equates to a total burden of 758.67 hours [37.93 hours x 20 reporting sides].

<sup>81</sup> See Regulation SBSR Adopting Release, 80 FR at 14682. This figure is based on the following: [(1.14 error notifications per non-reporting-side participant per day) x (365 days/year) x (Compliance Clerk at 0.5 hours/report) x (4,800 participants)] = 998,640 burden hours, which corresponds to 208.05 burden hours per participant. The annual burden per respondent/per response is 0.57 hours [(208.05 total hourly burden per year/365 responses per year = 0.57 hours per response].

<sup>82</sup> This figure is based on the following: [(2,000,000 estimated annual security-based swap transactions) / (4,800 estimated participants)) / (365 days/year)] = 1.14 transactions per day, on average.

security-based swap, with an indication that the report relates to a previously disseminated transaction.

The Commission estimates that 10 entities will be subject to this burden. The Commission estimates that to develop and publicly provide the necessary protocols will impose an initial one-time burden of approximately 7,300 burden hours (approximately 2,433.33 per year when annualized over three years), which corresponds to 730 burden hours (approximately 243.33 when annualized over three years) per SDR respondent. The Commission estimates that the initial (first-year) aggregate annual burden on registered SDRs under Rule 905 would be 21,900 burden hours, which corresponds to 2,190 burden hours for each registered SDR.<sup>83</sup> The Commission further estimates that the ongoing aggregate annual burden on registered SDRs under Rule 905 would be 14,600 burden hours, which corresponds to 1,460 burden hours per year for each registered SDR.<sup>84</sup> The Commission estimates that the protocols will have to be updated once each year, resulting in one response per respondent per year, which (including the one-time burden equally allocated over three years) results in a burden of approximately 1,703.33 hours per response and an aggregate burden of 17,033 per year.<sup>85</sup> This collection is a third-party disclosure type of collection.

v. Platforms

Rule 905 applies to all participants of registered SDRs, including platforms. The Commission estimates that there will be approximately 10 platforms that incur a duty to report security-based swap transactions pursuant to Rule 901 and thus may have a duty to correct errors under Rule 905. In light of the Commission's amendments to Rule 901(a) to require a platform to report a security-based swap that is executed on the platform and that will be submitted to clearing, the Commission has adopted conforming changes to Rule 905(a) to require the person having the duty to report the initial transaction to correct previously reported erroneous information if it discovers an error. Thus, under the amendments to Rule 905(a), the person having the duty to report a security-based swap, whether a counterparty or a platform, will be required to correct previously reported erroneous information with respect to that security-based swap. The Commission estimates that Rule 905(a) will impose an initial (first-year) aggregate burden of 514 hours (approximately 171.33 per year when annualized over three years), which is 51.4 burden hours (approximately 17.13 hours per year when annualized over three years) per platform,<sup>86</sup> and an ongoing aggregate annualized burden of 248 hours, which is 24.8 burden

<sup>83</sup> This figure is based on the following:  $[(730 \text{ burden hours to develop protocols}) + (1,460 \text{ burden hours annual support})] \times (10 \text{ registered SDRs}) = 21,900 \text{ burden hours}$ , which corresponds to 2,190 burden hours per registered SDR.

<sup>84</sup> This figure is based on the following:  $[(1,460 \text{ burden hours annual support}) \times (10 \text{ registered SDRs})] = 14,600 \text{ burden hours}$ , which corresponds to 1,460 burden hours per registered SDR.

<sup>85</sup> This figure is based on the following:  $[\frac{(730 \text{ hours}/3 \text{ years}) + (1,460 \text{ hours})}{(1 \text{ response per year})}] = 1703.33 \text{ hours}$ .

<sup>86</sup> This figure is calculated as follows:  $[\frac{((172 \text{ burden hours for one-time development of reporting system}) \times (0.05)) + ((60 \text{ burden hours annual maintenance of reporting system})}{10 \text{ platforms}}] = 51.4 \text{ burden hours per platform}$ .

hours per platform.<sup>87</sup> The aggregate burden is thus approximately 419 hours per year (248 + 171) . This collection is a third-party disclosure type of collection.

vi. Registered Clearing Agencies

Rule 905 also applies to registered clearing agencies and, because registered clearing agencies will be responsible for a large number of reportable events, they will likely be required to report more error corrections. As a result, the burdens imposed by Rule 905(a) on registered clearing agencies will be greater. For registered clearing agencies, the Commission estimates that Rule 905(a) will impose a total initial (first-year) burden of approximately 413.6 hours (approximately 137.87 hours per year when annualized over three years), which is approximately 103.4 burden hours (approximately 34.47 hours per year when annualized over three years) per year per registered clearing agency,<sup>88</sup> and an ongoing total annual burden of 307.2 hours, which is approximately 76.8 burden hours per year per registered clearing agency.<sup>89</sup> The Commission estimates that each registered clearing agency will, on average, only have to report one error correction report per day. As a result, the Commission estimates the aggregate burden per respondent per year (including the one-time burden equally allocated over three years) to be 111.27 hours.<sup>90</sup> The aggregate burden for all respondents is thus approximately 445 hours per year (137.87 + 307.2). This collection is a third-party disclosure type of collection.<sup>91</sup>

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$x (0.05)) + ((180 \text{ burden hours one-time compliance program development}) \times (0.1)) + ((218 \text{ burden hours annual support of compliance program}) \times (0.1))) \times (10 \text{ platforms})] = 514 \text{ burden hours, which is } 51.4 \text{ burden hours per platform.}$

<sup>87</sup> This figure is calculated as follows:  $[(((60 \text{ burden hours annual maintenance of reporting system}) \times (0.05)) + ((218 \text{ burden hours annual support of compliance program}) \times (0.1))) \times (10 \text{ platforms})] = 248 \text{ burden hours, which is } 24.8 \text{ burden hours per platform.}$

<sup>88</sup> This figure is calculated as follows:  $[(((172 \text{ burden hours for one-time development of reporting system}) \times (0.05)) + ((1100 \text{ burden hours annual maintenance of reporting system}) \times (0.05)) + ((180 \text{ burden hours one-time compliance program development}) \times (0.1)) + ((218 \text{ burden hours annual support of compliance program}) \times (0.1))) \times (4 \text{ registered clearing agencies})] = 103.4 \text{ burden hours, which is } 103.4 \text{ burden hours per registered clearing agency.}$

<sup>89</sup> This figure is calculated as follows:  $[(((1100 \text{ burden hours annual maintenance of reporting system}) \times (0.05)) + ((218 \text{ burden hours annual support of compliance program}) \times (0.1))) \times (4 \text{ registered clearing agencies})] = 307.2 \text{ burden hours, which is } 76.8 \text{ burden hours per registered clearing agency.}$

<sup>90</sup> This figure is based on the following:  $[103.4 \text{ hours}/3 \text{ years}) + (76.8 \text{ hours})]$ . The Commission further estimated that each reporting side respondent will submit 365 error corrections reports each year for a per-response burden of 0.3048 hours  $[111.2667 \text{ hours}/365 \text{ responses}]$ . This equates to a total burden of 445.07 hours  $[111.2667 \text{ hours} \times 4 \text{ reporting sides}]$ .

<sup>91</sup> We have assumed that all burden hours associated with this collection will be attributable to a third-party disclosure type, rather than a reporting type, of collection.

f. Other Duties - Rule 906

i. Participants

Rule 906(a) requires a participant that receives a daily report from a registered SDR to provide the missing identifier codes to the registered SDR within 24 hours. The Commission estimates that as many as 4,800 participants will be subject to this burden. The Commission believes that each participant, on average, will be required to provide missing UIC information for 1.27 transactions each day.<sup>92</sup> As a result, the Commission believes that the burden placed on each participant by Rule 906(a) will be 46.4 hours annually, for a total burden of 222,504 hours per year for all participants.<sup>93</sup> The Commission estimates that each participant will be required to respond to 1.27 missing information reports each day, resulting in 463.6 responses per participant respondent per year, for a burden of 0.1 hours per response.<sup>94</sup> This collection is a third-party disclosure type of collection.

Rule 906(b) requires each participant of a registered SDR to provide to the registered SDR an initial parent/ affiliate report and subsequent reports, as needed. The Commission estimates that there will be as many as 2,880 participants, that each participant will connect to two registered SDRs on average, and that each participant will submit two reports each year.<sup>95</sup> Accordingly, the Commission estimates that the total ongoing annual burden associated with Rule 906(b) will be approximately 5,760 burden hours per year, which corresponds to 2 burden hours per participant.<sup>96</sup> The Commission estimates 2 responses per participant respondent per year, resulting in a burden of 1 hour per response. This collection is a third-party disclosure type

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<sup>92</sup> The Commission estimates:  $[(((2,000,000 \text{ original estimate of annual security-based swap transactions for which missing UIC information will need to be provided to the SDR}) + ((120,000 \text{ additional security-based swap transactions for which UIC information is required}) \times (2 \text{ since both sides could be required to provide missing UIC information}))) / 4,800 \text{ participants}) / (365 \text{ days/year})] = 1.27 \text{ average security-based swap transactions per day for which each participant will need to provide missing UIC information.}$

<sup>93</sup> The Commission estimates that the total burden for all participants will be 222,504 calculated as follows:  $(1.27 \text{ missing information reports per day}) \times (365 \text{ days per year}) \times (\text{Compliance Clerk at } 0.1 \text{ hours/report}) \times (4,800 \text{ participants}) = 222,504 \text{ hours/year or } 46.4 \text{ hours for each participant.}$

<sup>94</sup> This figure is based on the following:  $(46.4 \text{ hours} / (463.5 \text{ responses/year})) = 0.1 \text{ hours per response.}$

<sup>95</sup> The Commission estimates that, during the first year, each participant will submit an initial report and one update report and, in subsequent years, will submit two update reports.

<sup>96</sup> See Regulation SBSR Adopting Release, 80 FR at 14684. This figure is based on the following:  $[(\text{Compliance Clerk at } 0.5 \text{ hours per report}) \times (2 \text{ reports/year/SDR connection}) \times (2 \text{ SDR connections/participant}) \times (2,880 \text{ participants})] = 5,760 \text{ burden hours, which corresponds to } 2 \text{ burden hours per participant.}$



of collection.

ii. Registered Security-Based Swap Dealers and Registered Major Security-Based Swap Participants – Rule 906(c)

Rule 906(c) requires each participant that is a registered security-based swap dealer or registered major security-based swap participant to establish, maintain, and enforce written policies and procedures (updated at least annually) that are reasonably designed to ensure compliance with any security-based swap transaction reporting obligations in a manner consistent with Regulation SBSR. The Commission estimates that 55 entities will be subject to this burden. The Commission estimates that the one-time, initial burden for covered participants to adopt written policies and procedures as required under Rule 906(c) will be approximately 11,880 burden hours (approximately 3,960 hours per year when annualized over three years), which corresponds to approximately 216 burden hours per covered participant (approximately 72 hours per year when annualized over three years). Further, the Commission estimates the total ongoing annual burden of maintaining such policies and procedures, including a full review at least annually, as required by Rule 906(c), will be approximately 6,600 burden hours per year, which corresponds to approximately 120 burden hours per year for each covered participant. The Commission estimates 1 response per respondent per year, which (including the one-time burden equally allocated over three years) results in an aggregate annual burden of approximately 192 hours per response and approximately 10,560 hours (3,960 + 6,600) for all respondents.<sup>97</sup> This collection is a recordkeeping type of collection.

iii. Registered Broker-Dealer Participants

Rule 906(c) applies to registered broker-dealers that are likely to become participants solely as a result of being required to report one or more security-based swaps to satisfy an obligation under Rule 901(a)(2)(ii)(E)(4). The Commission estimates that there will be 20 such registered broker-dealers. The amendments to Rule 906(c) will require each registered broker-dealer that is likely to become a participant solely as a result of making a report to satisfy an obligation under Rule 901(a)(2)(ii)(E)(4) to establish, maintain, and enforce written policies and procedures that are reasonably designed to ensure compliance with applicable security-based swap transaction reporting obligations. Each such registered broker-dealer will be required to review and update such policies and procedures at least annually. The Commission estimates that the one-time, initial burden for each such registered broker-dealer to adopt written policies and procedures will be similar to the Rule 906(c) burdens discussed in the Regulation SBSR Adopting Release, and will be approximately 216 hours (approximately 72 hours per year when annualized over three years) per registered broker-dealer and approximately 4,320 hours for all such broker-dealers (approximately 1,440 per year when annualized over three years).<sup>98</sup> The

<sup>97</sup> These figures are based on the following:  $(((216 \text{ hours}/3 \text{ years}) + (120 \text{ hours}))/ (1 \text{ response per year})) = 192 \text{ hours}$ .  $192 \text{ hours} \times 55 = 10,560 \text{ hours}$ .

<sup>98</sup> See Regulation SBSR Amendments Adopting Release. These figures are based on the following:  $[(\text{Sr. Programmer at } 40 \text{ hours}) + (\text{Compliance Manager at } 40 \text{ hours}) + (\text{Compliance Attorney at } 40 \text{ hours}) + (\text{Compliance Clerk at } 40 \text{ hours}) + (\text{Sr. Systems Analyst at } 32 \text{ hours}) + (\text{Director of Compliance at } 24 \text{ hours})] = 216 \text{ burden hours per}$

Commission estimates the burden of maintaining such policies and procedures, including a full review at least annually will be approximately 120 burden hours for each registered broker-dealer that is likely to become an SDR participant and approximately 2,400 hours for all such broker-dealers.<sup>99</sup> Accordingly, the Commission estimates that the aggregate annual burden associated with the amendments to Rule 906(c) will be approximately 3,840 hours (1,440 + 2,400).<sup>100</sup> This collection is a recordkeeping type of collection.

iv. Registered SDRs

Rule 906(a) establishes procedures designed to ensure that a registered SDR obtains applicable UICs for both counterparties to a security-based swap. Rule 906(a) requires a registered SDR, once a day, to send a report to each of its participants identifying, for each security-based swap to which that participant is a counterparty, the security-based swap(s) for which the registered SDR lacks participant ID and (if applicable) broker ID, trading desk ID, and trader ID. The Commission estimates that 10 entities will be subject to this burden. The Commission estimates that there will be a one-time, initial burden of approximately 1,120 hours (approximately 373.33 hours per year when annualized over three years) for all 10 registered SDRs to create a report template and develop the necessary systems and processes to produce a daily report required by Rule 906(a), which corresponds to approximately 112 burden hours (approximately 37.33 hours per year when annualized over three years) per SDR respondent. Further, the Commission estimates that there will be a total ongoing annual burden of approximately 3,080 burden hours for the registered SDRs to generate and issue the daily reports, and to enter into their systems the UICs supplied by participants in response to the daily reports, which corresponds to 308 burden hours per SDR respondent. The aggregate annual burden is thus approximately 3,453 hours per year (373 + 3,080). The Commission believes that each participant will receive two missing information reports each day and that each SDR will be required to send 160,000 daily reports annually.<sup>101</sup> The Commission estimates that each daily

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registered broker-dealer that is likely to become a participant solely as a result of making a report to satisfy an obligation under Rule 901(a)(2)(ii)(E)(4).  $216 \text{ hours} \times 20 = 4,320$ .

<sup>99</sup> This figure is based on the following:  $(120 \text{ burden hours}) \times (20 \text{ registered broker-dealers that are likely to become a participant solely as a result of making a report to satisfy an obligation under Rule 901(a)(2)(ii)(E)(4)}) = 2,400 \text{ burden hours}$ . See Regulation SBSR Amendments Adopting Release.

<sup>100</sup> This figure is based on the following:  $(72 + 120 \text{ burden hours}) \times (20 \text{ registered broker-dealers that are likely to become a participant solely as a result of making a report to satisfy an obligation under Rule 901(a)(2)(ii)(E)(4)}) = 3,840 \text{ burden hours}$ .

<sup>101</sup> The Commission estimates:  $[(2,000,000 \text{ estimated annual SBS transactions}) / (4,800 \text{ estimated participants})] / (365 \text{ days/year}) = \text{approximately } 1.14 \text{ transactions per day per participant}$ . The Commission further estimates:  $[(1 \text{ missing information report per participant (i.e., an error rate of } 80\%)) \times (365 \text{ days/year}) \times (4,800 \text{ participants})] = 1,597,824 \text{ daily reports per year, or approximately } 160,000 \text{ daily reports per year per SDR}$ .

report will result in a burden of 0.002158 hours.<sup>102</sup> This collection is a third-party disclosure type of collection.

v. Registered Clearing Agencies and Platforms

The amendments to Rule 906(c) require each registered clearing agency or platform to adopt written policies and procedures. The Commission estimates that the one-time, initial burden for each registered clearing agency or platform to adopt written policies and procedures will be similar to the Rule 906(c) burdens for other covered participants.<sup>103</sup> The Commission estimates that Rule 906(c) will impose an initial burden of approximately 216 hours on each of the 14 registered security-based swap dealer or registered major security-based swap participants (together, “covered participants”) for a total initial one time burden of approximately 3,024 hours on all participants.<sup>104</sup> This equates to 1,008 hours per year when annualized over three years. In addition, the Commission estimates that the ongoing burden of maintaining such policies and procedures, including a full review at least annually, will be approximately 120 burden hours for each covered participant for a total ongoing burden of approximately 1,680 hours per year for all participants.<sup>105</sup> The aggregate burden is thus approximately 2,688 hours per year (1,008 + 1,680). This collection is a recordkeeping type of collection.

g. Policies and Procedures of Registered SDRs – Rule 907

Rule 907 requires each registered SDR to establish and maintain policies and procedures addressing various aspects of Regulation SBSR compliance. Rule 907(a) generally requires a registered SDR to establish and maintain written policies and procedures that detail how it will receive and publicly disseminate security-based swap transaction information. Rule 907(a)(4),

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<sup>102</sup> This figure is based on the following:  $(((112 \text{ hours}/3 \text{ years}) + (308 \text{ hours}))/ (160,000 \text{ responses per year})) = 0.002158 \text{ hours}$ . The Commission stated its belief that the process of sending out daily reports will be automated.

<sup>103</sup> See Regulation SBSR Amendments Adopting Release.

<sup>104</sup> See id. These figures are based on the following:  $[(\text{Sr. Programmer at 40 hours}) + (\text{Compliance Manager at 40 hours}) + (\text{Compliance Attorney at 40 hours}) + (\text{Compliance Clerk at 40 hours}) + (\text{Sr. Systems Analyst at 32 hours}) + (\text{Director of Compliance at 24 hours})] = 216 \text{ burden hours per registered clearing agency or platform}$ . This figure is based on the estimated number of hours to develop a set of written policies and procedures, program systems, implement internal controls and oversight, train relevant employees, and perform necessary testing.  $216 \times 14 = 3,024$ .

<sup>105</sup> See id. These figures are based on the following:  $[(\text{Sr. Programmer at 8 hours}) + (\text{Compliance Manager at 24 hours}) + (\text{Compliance Attorney at 24 hours}) + (\text{Compliance Clerk at 24 hours}) + (\text{Sr. Systems Analyst at 16 hours}) + (\text{Director of Compliance at 24 hours})] = 120 \text{ burden hours per registered clearing agency or platform}$ . This figure includes an estimate of hours related to reviewing existing policies and procedures, making necessary updates, conducting ongoing training, maintaining internal controls systems, and performing necessary testing.  $120 \text{ hours} \times 14 = 1,680$ .

for example, requires policies and procedures for assigning condition flags to the appropriate transaction reports. Rule 907(c) requires a registered SDR to make its policies and procedures available on its website. Rule 907(d) requires a registered SDR to review, and update as necessary, the policies and procedures that it is required to have by Regulation SBSR at least annually. Rule 907(e) requires a registered SDR to have the capacity to provide to the Commission, upon request, information or reports related to the timeliness, accuracy, and completeness of data reported to it pursuant to Regulation SBSR and the registered SDR's policies and procedures established thereunder.

The Commission estimates that 10 registered SDRs will be subject to Rule 907. The Commission believes that the one-time, initial burden for a registered SDR to adopt written policies and procedures as required under Rule 907 will be approximately 16,500 hours for a total of approximately 165,000 hours for all registered SDRs. This equates to approximately 55,000 per year (approximately 5,500 per registered SDR) when annualized over three years. In addition, the Commission estimates the annual ongoing burden of maintaining such policies and procedures, including a full review at least annually, making available its policies and procedures on the registered SDR's website, and information or reports on non-compliance, as required under Rule 907(e), will be approximately 33,000 hours for each registered SDR for a total of approximately 330,000 for all SDRs (33,000 x 10). The Commission therefore estimates that the aggregate burden is approximately 385,000 hours per year (55,000 hours + 330,000 hours).

The Commission estimates one response per respondent per year, which, including the one-time burden equally allocated over three years, results in a burden of 38,500 hours per response.<sup>106</sup> This collection is a recordkeeping type of collection. No persons other than registered SDRs will incur any burdens under Rule 907.

h. Substituted Compliance – Rule 908(c)

Rule 908(c) sets forth the requirements surrounding requests for “substituted compliance,” under which regulatory duties attaching to cross-border security-based swap transactions—in this case, regulatory reporting and public dissemination—could be satisfied by complying with the rules of a foreign jurisdiction rather than the parallel rules applicable in the United States. Rule 908(c)(2)(ii) applies to any person that requests a substituted compliance determination with respect to a particular foreign jurisdiction for regulatory reporting and public dissemination of security-based swaps. In connection with each request, the requesting party must provide the Commission with any supporting documentation that the entity believes is necessary for the Commission to make a determination, including information demonstrating that the requirements applied in the foreign jurisdiction are comparable to the Commission's and describing the methods used by relevant foreign financial regulatory authorities to monitor compliance with those requirements.

The Commission estimated that the total paperwork burden associated with anticipated

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<sup>106</sup> This figure is based on the following:  $(((16,500 \text{ hours}/3 \text{ years}) + (33,000 \text{ hours}))/ (1 \text{ response per year})) = 35,000 \text{ hours}$ .

requests for substituted compliance determinations with respect to regulatory reporting and public dissemination will be approximately 1,120 hours.<sup>107</sup> This estimate includes all collection burdens associated with the request, including burdens associated with analyzing whether the regulatory requirements of the foreign jurisdiction impose a comparable system for the regulatory reporting and public dissemination of security-based swaps. Furthermore, this estimate assumes that each request will be prepared de novo, without any benefit of prior work on related subjects. The Commission notes, however, that as such requests are developed with respect to certain jurisdictions, the cost of preparing such requests with respect to other foreign jurisdictions could decrease.

Because only a small number of jurisdictions have substantial OTC derivatives markets and are implementing OTC derivatives reforms, the Commission estimates that it will receive approximately 10 requests in the first year for substituted compliance determinations with respect to regulatory reporting and public dissemination pursuant to Rule 908(c)(2)(ii) of Regulation SBSR. Assuming 10 requests in the first year, the Commission estimates an aggregated burden for the first year will be 800 hours.<sup>108</sup> The Commission estimates that it will receive 2 requests for substituted compliance determinations pursuant to Rule 908(c)(2)(ii) in each subsequent year. Assuming the same approximate time, the aggregate burden for each year following the first year will be up to 160 hours of the requester's time.<sup>109</sup> Because the Commission anticipates that entities will request substituted compliance beyond the initial implementation of Regulation SBSR, the Commission believes that it is appropriate to characterize these burdens as annual recurring burdens. However, the Commission also believes that these burdens will largely occur in the first year of implementation. As a result, the Commission believes that the average annual burden of Rule 908(c) will be approximately 374 hours.<sup>110</sup> This collection is a reporting type of collection.

i. Rule 909 - Registration of SDRs as Securities Information Processors

Rule 909 requires a registered SDR also to register with the Commission as a SIP on Form SDR. As a result of the consolidation of SDR and SIP registration on a single form, the

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<sup>107</sup> The Commission estimates that the paperwork burden associated with making a substituted compliance request pursuant to Rule 908(c)(2)(ii) of Regulation SBSR will be approximately 80 hours of in-house counsel time.

<sup>108</sup> The Commission estimates that the paperwork burden associated with making 10 substituted compliance requests pursuant to Rule 908(c)(2)(ii) of Regulation SBSR will be up to approximately 800 hours (80 hours of in-house counsel time) x (10 respondents).

<sup>109</sup> The Commission estimates that the paperwork burden associated with making substituted compliance requests pursuant to Rule 908(c)(2)(ii) of Regulation SBSR will be up to approximately 160 hours (80 hours of in-house counsel time) x (2 respondents).

<sup>110</sup> The Commission estimates that the average annual paperwork burden associated with making 14 substituted compliance requests, during the first three years following implementation, will be up to 373.33 hours ((80 hours of in-house counsel time) x (14 respondents))/3 years).

Commission continues to believe that Rule 909 does not constitute a separate “collection of information” within the meaning of the PRA.<sup>111</sup> Any burdens and costs pertaining to the completion of Form SDR have been considered in connection with the Regulation SDR Adopting Release.

### **13. Estimate of Total Annual Cost Burden**

The total one-time initial cost for Regulation SBSR for all respondents is approximately \$21,264,300 (which equates to approximately \$7,088,100 per year when annualized over three years), with a total ongoing cost thereafter of approximately \$80,331,371 per year. Thus, the aggregate annual cost for all respondents is approximately \$87,419,472.<sup>112</sup> These costs are broken down by collection of information below.

#### **a. Rule 901 - Reporting Obligations**

##### **i. Reporting Sides**

The Commission estimates that reporting sides may incur annual costs to capture and maintain relevant security-based swap transaction information to comply with the reporting requirements of Rule 901. The Commission estimates that 300 entities will be subject to this cost burden. Reporting sides will need to establish and maintain connectivity to a registered SDR to facilitate the reporting required by Rule 901. The Commission estimates that the annual cost to establish connectivity to a registered SDR will be a dollar cost burden of approximately \$60,000,000, which corresponds to a dollar cost burden of \$200,000 for each reporting side.<sup>113</sup> In addition, the Commission estimates that the aggregate annual dollar cost burden to save relevant security-based swap information and documents will be \$300,000, which will correspond to \$1,000 for each reporting side.<sup>114</sup> Further, the Commission estimates that, in total, the dollar cost burden for reporting sides to comply with the reporting obligations of Rule 901 will be \$60,300,000 annually, or \$201,000 per reporting side per year. We estimated 1 response

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<sup>111</sup> See SDR Adopting Release, 80 FR 14458-64.

<sup>112</sup> \$87,419,471.30 rounded up to \$87,419,472.

<sup>113</sup> This estimate is based on discussions of Commission staff with various market participants, as well as the Commission’s experience regarding connectivity between securities market participants for data reporting purposes. The Commission derived the total estimated dollar cost burden from the following: [(\$100,000 hardware- and software-related expenses, including necessary back-up and redundancy, per SDR connection) x (2 SDR connections per reporting side) x (300 reporting sides)] = \$60,000,000.

<sup>114</sup> This estimate is based on discussions of Commission staff with various market participants and is calculated as follows: [(\$250/gigabyte of storage capacity) x (4 gigabytes of storage) x (300 reporting sides)] = \$300,000. The Commission stated its belief that storage costs associated with saving relevant security-based swap information and documents will not vary significantly between the first year and subsequent years.

per respondent per year, resulting in a dollar cost burden of \$201,000 per response. This collection is a third-party disclosure type of collection.

## ii. Reporting Sides – Additional Respondents

The Commission estimates that new respondents may incur annual costs to capture and maintain relevant security-based swap transaction information to comply with the reporting requirements of Rule 901. The Commission believes that 20 entities will be subject to this cost burden. These new respondents will need to establish and maintain connectivity to a registered SDR to facilitate the reporting required by Rule 901. The Commission estimates that the annual cost to establish connectivity to a registered SDR will be a dollar cost burden of approximately \$4,000,000, which corresponds to a dollar cost burden of \$200,000 for each new respondent.<sup>115</sup> In addition, the Commission estimates that the aggregate annual dollar cost burden to save relevant security-based swap information and documents will be \$20,000, which corresponds to \$1,000 for each new reporting side.<sup>116</sup> Further, the Commission estimates that, in total, the dollar cost burden for these new reporting sides to comply with the reporting obligations of Rule 901 will be \$4,020,000 annually, or \$201,000 per new reporting side per year. We estimate 1 response per respondent per year, resulting in a dollar cost burden of \$201,000 per response. This collection is a third-party disclosure type of collection.

## iii. Platforms

The Commission estimates that platforms may incur annual costs to capture and maintain relevant security-based swap transaction information to comply with the reporting requirements of Rule 901 similar to reporting sides. The Commission estimates that 10 platforms will be subject to this cost burden. These platforms will need to establish and maintain connectivity to a registered SDR to facilitate the reporting required by Rule 901. The Commission estimates that the annual cost to establish connectivity to a registered SDR will be a dollar cost burden of approximately \$2,000,000, which corresponds to a dollar cost burden of \$200,000 for each new respondent.<sup>117</sup> In addition, the Commission estimates that the aggregate annual dollar cost

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<sup>115</sup> This estimate is based on discussions of Commission staff with various market participants, as well as the Commission's experience regarding connectivity between securities market participants for data reporting purposes. The Commission derived the total estimated dollar cost burden from the following: [(\$100,000 hardware- and software-related expenses, including necessary back-up and redundancy, per SDR connection) x (2 SDR connections per reporting side) x (20 new reporting sides)] = \$4,000,000.

<sup>116</sup> This estimate is based on discussions of Commission staff with various market participants and is calculated as follows: [(\$250/gigabyte of storage capacity) x (4 gigabytes of storage) x (20 new reporting sides)] = \$20,000. The Commission stated its belief that storage costs associated with saving relevant security-based swap information and documents will not vary significantly between the first year and subsequent years.

<sup>117</sup> This estimate is based on discussions of Commission staff with various market participants, as well as the Commission's experience regarding connectivity between

burden to save relevant security-based swap information and documents will be \$10,000, which corresponds to \$1,000 for each platform.<sup>118</sup> Further, the Commission estimates that, in total, the dollar cost burden for these new reporting sides to comply with the reporting obligations of Rule 901 will be \$2,010,000 annually, or \$201,000 per platform per year. We estimate 1 response per respondent per year, resulting in a dollar cost burden of \$201,000 per response. This collection is a third-party disclosure type of collection.

#### iv. Clearing Agencies

The Commission estimates that clearing agencies may incur annual costs to capture and maintain relevant security-based swap transaction information to comply with the reporting requirements of Rule 901 similar to reporting sides. The Commission estimates that 4 clearing agencies will be subject to this cost burden. These clearing agencies will need to establish and maintain connectivity to a registered SDR to facilitate the reporting required by Rule 901. The Commission estimates that the annual cost to establish connectivity to a registered SDR will be a dollar cost burden of approximately \$1,600,000, which corresponds to a dollar cost burden of \$400,000 for each new respondent.<sup>119</sup> In addition, the Commission estimates that the aggregate annual dollar cost burden to save relevant security-based swap information and documents will be \$4,000, which corresponds to \$1,000 for each clearing agency.<sup>120</sup> Further, the Commission estimates that, in total, the dollar cost burden for these clearing agencies to comply with the reporting obligations of Rule 901 will be \$1,604,000 annually, or \$401,000 per clearing agency

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securities market participants for data reporting purposes. The Commission derived the total estimated dollar cost burden from the following: [(\$100,000 hardware- and software-related expenses, including necessary back-up and redundancy, per SDR connection) x (2 SDR connections per platform) x (10 platforms)] = \$2,000,000.

<sup>118</sup> This estimate is based on discussions of Commission staff with various market participants and is calculated as follows: [(\$250/gigabyte of storage capacity) x (4 gigabytes of storage) x (10 platforms)] = \$10,000. The Commission stated its belief that storage costs associated with saving relevant security-based swap information and documents will not vary significantly between the first year and subsequent years.

<sup>119</sup> This estimate is based on discussions of Commission staff with various market participants, as well as the Commission's experience regarding connectivity between securities market participants for data reporting purposes. The Commission derived the total estimated dollar cost burden from the following: [(\$100,000 hardware- and software-related expenses, including necessary back-up and redundancy, per SDR connection) x (4 SDR connections per registered clearing agency) x (4 registered clearing agencies platforms)] = \$1,600,000.

<sup>120</sup> This estimate is based on discussions of Commission staff with various market participants and is calculated as follows: [(\$250/gigabyte of storage capacity) x (4 gigabytes of storage) x (4 registered clearing agencies)] = \$4,000. The Commission stated its belief that storage costs associated with saving relevant security-based swap information and documents will not vary significantly between the first year and subsequent years.



per year. We estimate 1 response per respondent per year, resulting in a dollar cost burden of \$401,000 per response. This collection is a third-party disclosure type of collection.

b. Public Dissemination of Transaction Reports – Rule 902

The Commission believes that a registered SDR will be able to integrate the capability to publicly disseminate security-based swap transaction reports required under Rule 902 as part of its overall system development for transaction data. Based on discussions with industry participants, the Commission estimates that, to implement and comply with the public dissemination requirement of Rule 902, each registered SDR will incur a dollar cost burden equal to an additional 20% of the first-year and ongoing burdens discussed in the SDR Registration Proposing Release.<sup>121</sup> The Commission estimates that each registered SDR will incur \$10,000,000 in initial one-time information technology costs. The Commission previously estimated that the total one-time initial cost for all SDR respondents to comply with Rule 902 will be \$20,000,000 (which equates to \$6,666,666.67 per year when annualized over three years), or \$2,000,000 per registered SDR (which equates to \$666,666.67 per entity per year when annualized over three years).<sup>122</sup> The Commission further estimated that each registered SDR will incur \$6,000,000 in ongoing information technology costs. The Commission continues to believe that the total ongoing annual cost to comply with Rule 902 will be \$12,000,000, or \$1,200,000 per registered SDR per year.<sup>123</sup> Thus, the aggregate annual cost for all respondents is \$18,666,667 per year ( $\$6,666,666.67 + 12,000,000 = \$18,666,666.67$  rounded up to \$18,666,667). This collection is a third-party disclosure type of collection.

c. Use of LEIs – Rule 903

As is discussed above, the Commission estimates that, for purposes of the PRA, there may be as many as 1,300 participant respondents that will be required to obtain a GLEIS LEI as a result of Rule 903(a) and the Commission's recognition of the GLEIS—which issues legal entity identifiers—as an internationally recognized-standards setting body that meets the standards of Rule 903. In addition to the hourly burden associated with obtaining and renewing the LEI, the Commission estimates that the cost of registering a new LEI with a local operation unit of the GLEIS is approximately \$111, with an additional cost of \$91 per year (after the first

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<sup>121</sup> See SDR Registration Proposing Release, 75 FR 77348-50. See also SDR Adopting Release, 80 FR 14523-4. This estimate was based on discussions with industry members and market participants, including entities that may register as SDRs under Title VII, and includes time necessary to design and program a registered SDR's system to calculate and disseminate initial and subsequent trade reports.

<sup>122</sup> The Commission derived the total estimated initial dollar cost burden from the following:  $[(\$10,000,000 \text{ in information technology costs}) \times (0.2) \times (10 \text{ registered SDRs})] = \$20,000,000.$

<sup>123</sup> The Commission derived the total estimated ongoing dollar cost burden from the following:  $[(\$6,000,000 \text{ in information technology costs}) \times (0.2) \times (10 \text{ registered SDRs})] = \$12,000,000.$

year) for maintaining an LEI.<sup>124</sup> As a result, the Commission estimates that the three-year cost of obtaining and maintaining an LEI will be \$293 per participant, or \$97.67 per year, for a total cost of approximately \$126,971 for all participants who do not already have GLEIS LEIs.<sup>125</sup> The Commission notes, however, that for those 3,500 participants that have already obtained an LEI, the annual maintenance cost will be \$91 per participant for a total cost of \$318,500 per year. These collections are third-party disclosure type of collections.

d. Substituted Compliance – Rule 908

The Commission estimates that the total paperwork burden associated with submitting all anticipated requests for substituted compliance determinations with respect to regulatory reporting and public dissemination will be approximately \$1,120,000 for 14 requests.<sup>126</sup>

Because only a small number of jurisdictions have substantial OTC derivatives markets and are implementing OTC derivatives reforms, the Commission estimates that it will receive approximately 10 requests in the first year for substituted compliance determinations with respect to regulatory reporting and public dissemination pursuant to Rule 908(c)(2)(ii) of Regulation SBSR. Assuming 10 requests in the first year, the Commission staff estimates an aggregated burden for the first year will be \$800,000 for the services of outside professionals.<sup>127</sup> The Commission estimates that it will receive 2 requests for substituted compliance determinations pursuant to Rule 908(c)(2)(ii) in each subsequent year. Assuming the same approximate time and costs, the aggregate burden for each year following the first year will be \$160,000 for the services of outside professionals.<sup>128</sup> Because the Commission anticipates that

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<sup>124</sup> See “GMEI Utility: Frequently Asked Questions” (available at: <https://www.gmeiutility.org/frequentlyAskedQuestions.jsp>, detailing registration and maintenance costs for LEIs issued by GMEI, an endorsed pre-LOU of the interim GLEIS, last visited July 18, 2019.)

<sup>125</sup> The Commission derived this estimate as follows: [ $\$111/\text{initial registration cost per participant} + (\$91/\text{annual maintenance cost per participant} \times 2 \text{ (accounting for years 2 and 3)}) = \$293 \text{ (three year cost per participant)} \div 3 \text{ or } \$97.67/\text{year/participant}$ ]. The resulting total cost for all 1,300 participants will be approximately \$126,971 ( $\$97.67 \times 1,300$  participants who do not already have GLEIS LEIs).

<sup>126</sup> The Commission estimated that the paperwork burden associated with making a substituted compliance request pursuant to Rule 908(c)(2)(ii) of Regulation SBSR will be approximately \$80,000 for the services of outside professionals (based on (200 hours of outside counsel time) x (\$400/hour)).

<sup>127</sup> The Commission estimated that the paperwork burden associated with making a substituted compliance request pursuant to Rule 908(c)(2)(ii) of Regulation SBSR will be \$800,000 for the services of outside professionals (based on (200 hours of outside counsel time) x (\$400) x (10 respondents)).

<sup>128</sup> The Commission staff estimated that the paperwork burden associated with making a substituted compliance request pursuant to Rule 908(c)(2)(ii) of Regulation SBSR will be \$160,000 for the services of outside professionals (based on (200 hours of outside

entities will request substituted compliance beyond the initial implementation of Regulation SBSR, the Commission believes that it is appropriate to characterize these burdens as annual recurring burdens. However, the Commission also believes that these burdens will largely occur in the first year of implementation. As a result, the Commission believes that the average annual dollar cost of Rule 908(c) will be approximately \$373,334.<sup>129</sup>

#### **14. Estimate of Cost to the Federal Government**

The Commission may incur costs related to the request, receipt, and storage of security-based swap transaction data. The Commission could potentially incur significant costs in analyzing the data. However, at this time, the Commission is unable to quantify these costs.

#### **15. Explanation of Changes in Burden**

There are no changes in the estimated hourly burdens. Because entities subject to Regulation SBSR are not yet required to comply with the provisions of Regulation SBSR, the Commission believes that its one-time and ongoing hour burden estimates are still applicable.

However, the Commission has revised the estimated cost burdens associated with registering a new LEI along with the annual cost of maintaining an LEI. Since the adoption of Regulation SBSR, the GLEIS—which issues legal entity identifiers required by Rule 903(a)—has lowered the cost of obtaining and maintaining an LEI. As a result, the Commission estimates of the three-year cost of obtaining and maintaining an LEI will be \$293 per participant, or \$97.67 per year, for a total cost of approximately \$126,971 for all participants who do not already have GLEIS LEIs. This cost is approximately \$72,362 less than previously estimated. In addition, for those 3,500 participants that have already obtained an LEI, the annual maintenance cost will be \$91 per participant for a total cost of \$318,500 per year. This cost is approximately \$101,500 less than previously estimated.<sup>130</sup>

#### **16. Information Collection Planned for Statistical Purposes**

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counsel time) x (\$400) x (2 respondents)).

<sup>129</sup> The Commission estimates that the average annual dollar cost associated with making 14 substituted compliance requests, during the first three years following implementation, will be approximately \$373,334 (((\$80,000 for services of outside professionals) x (14 respondents) ÷ 3 years = \$373,333.333 rounded up to \$373,334)).

<sup>130</sup> The estimate in the previous supporting statement for this category of costs (i.e., the 3,500 participants that have already obtained an LEI) was \$420,000. As a result of an error that occurred three years ago when inputting these costs in the chart for the supporting statement and in ROCIS, the costs were incorrectly entered as \$280,000. As a result, ROCIS reflects an increase of 38,500 for this category of costs instead of a decrease of \$101,500. The net impact of these two cost reductions is thus only \$33,862 (\$72,362 - \$38,500) as reflected in ROCIS instead of the actual total reduction which is \$173,862 (\$72,362 + \$101,500).

Not applicable.

**17. Approval to Omit OMB Expiration Date**

The Commission is not seeking approval to omit the expiration date.

**18. Exceptions to Certification Statement**

Not applicable.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection does not involve statistical methods.

### Summary of Hourly Burdens

Rule	Type of Burden	Entity Type	# Entities Impacted	Annual Responses per Entity	Initial Burden per Entity	Initial Burden Annualized per Entity	Ongoing Burden per Entity	Annual Burden Per Entity per Response	Total Annual Burden Per Entity	Total Burden	Total Initial Burden For All Respondents	Total Ongoing Burden For All Respondents
901	Recordkeeping	SDR	10	2	120.00	40.00	152.00	96.00	192.00	1,920.00	1,200.00	1,520.00
902	Third-Party	SDR	10	1	8,400.00	2,800.00	5,040.00	7,840.00	7,840.00	78,400.00	84,000.00	50,400.00
904	Third-Party	SDR	10	12	0.00	0.00	36.00	3.00	36.00	360.00	0.00	360.00
905	Third-Party	SDR	10	1	730.00	243.33	1,460.00	1,703.33	1,703.33	17,033.33	7,300.00	14,600.00
906	Third-Party	SDR	10	160,000	112.00	37.33	308.00	0.002158	345.33	3,453.33	1,120.00	3,080.00
907	Recordkeeping	SDR	10	1	16,500.00	5,500.00	33,000.00	38,500.00	38,500.00	385,000.00	165,000.00	330,000.00
<b>Totals</b>									<b>48,616.67</b>	<b>486,166.67</b>	<b>258,620.00</b>	<b>399,960.00</b>
901	Third-Party	Platforms	10	1	723.00	241.00	726.00	967.00	967.00	9,670.00	7,230.00	7,260.00
905	Third-Party	Platforms	10	1	51.40	17.13	24.8	41.93	41.93	419.33	514.00	248.00
<b>Totals</b>									<b>1,008.93</b>	<b>10,089.33</b>	<b>7,744.00</b>	<b>7,508.00</b>
901	Third-Party	Clearing Agencies	4	1	707.00	235.67	1,754.00	1,989.67	1,989.67	7,958.67	2,828.00	7,016.00
905	Third-Party	Clearing Agencies	4	365	103.40	34.47	76.80	0.30	111.27	445.07	413.60	307.20
<b>Totals</b>									<b>2,100.93</b>	<b>8,403.73</b>	<b>3,241.60</b>	<b>7,323.20</b>
906(c)	Recordkeeping	Registered Clearing Agencies and Platforms	14	1	216.00	72.00	120.00	192.00	192.00	2,688.00	3,024.00	1,680.00
<b>Totals</b>									<b>192.00</b>	<b>2,688.00</b>	<b>3,024.00</b>	<b>1,680.00</b>
903(a)	Third-Party	Participants w/o LEIs	1,300	1	1.00	0.33	0.67	1.00	1.00	1,300.00	1,300.00	866.67
903(a)	Third-Party	Participants w/ LEIs	3,500	1	0.00	0.00	1.00	1.00	1.00	3,500.00	0.00	3,500.00
<b>Totals</b>									<b>2.00</b>	<b>4,800.00</b>	<b>1,300.00</b>	<b>4,366.67</b>
901	Third-Party	Reporting Sides	300	1	723.00	241.00	699.00	940.00	940.00	282,000.00	216,900.00	209,700.00
905	Third-Party	Reporting Sides	300	365	50.00	16.67	23.50	0.11	40.17	12,050.00	15,000.00	7,050.00
<b>Totals</b>									<b>980.17</b>	<b>294,050.00</b>	<b>231,900.00</b>	<b>216,750.00</b>
901	Third-Party	Reporting Sides – New Respondents	20	1	707.00	235.67	654.7	890.33	890.33	17,806.53	14,140.00	13,093.20
905	Third-Party	Reporting Sides – New Respondents	20	365	48.40	16.13	21.80	0.10	37.93	758.67	968.00	436.00
<b>Totals</b>									<b>928.26</b>	<b>18,565.20</b>	<b>15,108.00</b>	<b>13,529.20</b>
906(c)	Recordkeeping	Security-Based Swap Dealers and Major Security-Based Swap Participants	55	1	216.00	72.00	120.00	192.00	192.00	10,560.00	11,880.00	6,600.00
<b>Totals</b>									<b>192.00</b>	<b>10,560.00</b>	<b>11,880.00</b>	<b>6,600.00</b>
906(c)	Recordkeeping	Registered Broker-Dealer Participants	20	1	216.00	72.00	120.00	192.00	192.00	3,840	4,320.00	2,400.00
<b>Totals</b>									<b>192.00</b>	<b>3,840.00</b>	<b>4,320.00</b>	<b>2,400.00</b>
905	Third-Party	Participants	4,800	365	0.00	0.00	208.05	0.57	208.05	998,640.00	0.00	998,640.00
906(a)	Third-Party	Participants	4,800	463.6	0.00	0.00	46.36	0.10	46.36	222,504.00	0.00	222,504.00
906(b)	Third-Party	Participants	2,880	2	0.00	0.00	2.00	1.00	2.00	5,760.00	0.00	5,760.00
<b>Totals</b>									<b>256.41</b>	<b>1,226,904.00</b>	<b>0.00</b>	<b>1,226,904.00</b>
908	Reporting	Requesting Entities	14	1	80.00	26.67	0.00	26.67	26.67	373.33	1,120.00	0.00
<b>Totals</b>									<b>26.67</b>	<b>373.33</b>	<b>1,120.00</b>	<b>0.00</b>

<b>TOTAL HOURLY BURDEN FOR ALL RESPONDENTS</b>	54,496.03	2,066,440.27	538,257.60	1,887,021.07
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**Summary of Dollar Costs**

Rule	Type of Burden	Entity Type	# Entities Impacted	Annual Responses per Entity	Initial Cost per Entity	Initial Cost Annualized per Entity	Annual Ongoing Cost per Entity	Annual Cost Per Entity per Response	Total Annual Cost Per Entity	Total Cost	Total Initial Cost For All Respondents	Total Ongoing Cost For All Respondents
902	Third-Party	SDR	10	1	\$2,000,000	\$666,666.67	\$1,200,000.00	\$1,866,666.67	\$1,866,666.67	\$18,666,667	\$20,000,000.00	\$12,000,000.00
<b>Totals</b>									<b>\$1,866,666.67</b>	<b>\$18,666,667</b>	<b>\$20,000,000.00</b>	<b>\$12,000,000.00</b>
901	Third-Party	Reporting Sides	300	1	0	\$0.00	\$201,000.00	\$201,000.00	\$201,000.00	\$60,300,000.00	\$0.00	\$60,300,000.00
<b>Totals</b>									<b>\$201,000.00</b>	<b>\$60,300,000.00</b>	<b>\$0.00</b>	<b>\$60,300,000.00</b>
901	Third-Party	Reporting Sides – New Respondents	20	1	0	\$0.00	\$201,000.00	\$201,000.00	\$201,000.00	\$4,020,000.00	\$0.00	\$4,020,000.00
<b>Totals</b>									<b>\$201,000.00</b>	<b>\$4,020,000.00</b>	<b>\$0.00</b>	<b>\$4,020,000.00</b>
901	Third-Party	Platforms	10	1	0	\$0.00	\$201,000.00	\$201,000.00	\$201,000.00	\$2,010,000.00	\$0.00	\$2,010,000.00
<b>Totals</b>									<b>\$201,000.00</b>	<b>\$2,010,000.00</b>	<b>\$0.00</b>	<b>\$2,010,000.00</b>
901	Third-Party	Clearing Agencies	4	1	0	\$0.00	\$401,000.00	\$401,000.00	\$401,000.00	\$1,604,000.00	\$0.00	\$1,604,000.00
<b>Totals</b>									<b>\$401,000.00</b>	<b>\$1,604,000.00</b>	<b>\$0.00</b>	<b>\$1,604,000.00</b>
903(a) [2]	Third-Party	Participants w/o LEIs	1,300	1	\$111	\$37.00	\$60.67	\$97.67	\$97.67	\$126,971.00	\$144,300.00	\$78,871.00
903(a)	Third-Party	Participants w/ LEIs	3,500	1	\$0	\$0.00	\$91.00	\$91.00	\$91.00	\$318,500.00	\$0.00	\$318,500.00
<b>Totals</b>									<b>\$188.67</b>	<b>\$445,471.00</b>	<b>\$144,300.00</b>	<b>\$397,371.00</b>
908	Reporting	Requesting Entities	14	1	\$80,000	\$26,666.67	\$0.00	\$26,666.67	\$26,666.67	\$373,333.33	\$1,120,000.00	\$0.00
<b>Totals</b>									<b>\$26,666.67</b>	<b>\$373,333.33</b>	<b>\$1,120,000.00</b>	<b>\$0.00</b>
<b>TOTAL COST FOR ALL RESPONDENTS</b>										<b>87,419,471.30</b>	<b>21,264,300.00</b>	<b>80,331,371.00</b>