

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

**Regulations Establishing and Governing the Duties of  
Swap Dealers and Major Swap Participants**

**OMB CONTROL NUMBER 3038-0084**

**Justification**

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

Section 731 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010)) amends the Commodity Exchange Act (CEA) to add section 4s(j) which imposes certain duties upon swap dealers (SDs) and major swap participants (MSPs) as part of the overall business conduct regime to which they are subject. Among the obligations imposed by section 4s(j) are the requirements that SDs and MSPs: (1) establish robust and professional risk management systems adequate for managing the day-to-day business of the SD or MSP; (2) monitor its trading in swaps to prevent violations of applicable position limits; (3) disclose to the Commission and to the prudential regulator for the SD or MSP, as applicable, information concerning (A) terms and conditions of its swaps, (B) swap trading operations, mechanisms, and practices, (C) financial integrity protections relating to swaps, and (D) other information relevant to its trading in swaps, (4) establish and enforce internal systems and procedures to obtain any necessary information needed to perform their duties and to provide such information to the Commission and any applicable prudential regulator. Accordingly, the Commission adopted regulations 23.600 (Risk Management Program for Swap Dealers and Major Swap Participants), 23.601 (Monitoring of Position Limits), 23.602 (Diligent Supervision), 23.603 (Business Continuity and Disaster Recovery), 23.606 (General Information: Availability for Disclosure and Inspection), and 23.607 (Antitrust considerations) that require SDs and MSPs to develop a risk management program.

The reporting and recordkeeping obligations imposed by these regulations include: (1) drafting, filing, distributing, and updating written policies and procedures designed to monitor and manage the risks associated with the swap activities of the SD or MSP (including, but not limited to, policies and procedures: (A) to identify the SD or MSP's risk tolerance limits, (B) to identify and account for the risks of new products, (C) to monitor and manage specific delineated types of risk, regarding the SD or MSP's use of central counterparties, (D) to monitor for and prevent violations of applicable position limits, (E) to maintain a business continuity and disaster recovery plan, and (F) to distribute and to detect violations of the SD or MSP's risk management program); (2) on an annual basis, documenting the results of the required testing of the firm's risk management program; (3) on an annual basis, documenting the required position limit training and position limit compliance audit; (4) on a quarterly basis, documenting position limit testing and compliance; (5) documenting the required testing and audit of the business continuity and disaster recovery plan, and the provision of emergency contact information to the

Commission; (6) as applicable, documenting the required risk assessment of new products; (7) on a quarterly basis, drafting and filing reports describing the market, credit, liquidity, foreign currency, legal, operational, settlement, and other applicable risk exposures of the SD or MSP and related information; and (8) as applicable, documenting position limit violations and other adverse events, and reporting such violations and events to the Commission.

The information collection is necessary to implement the CEA, as amended by the Dodd-Frank Act. Specifically, it is essential to ensuring that SDs and MSPs maintain adequate and effective risk management.

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

Commission staff will use the information collected when conducting the Commission's examination and oversight program to evaluate the completeness and effectiveness of the risk management, business continuity and disaster recovery, and position limit compliance policies and procedures that SDs and MSPs are required to implement.

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

Information that is required to be provided to the Commission may be submitted electronically. The regulations require that recordkeeping be performed in accordance with Commission Regulation 1.31, which permits the use of electronic storage.

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

The required information is not already collected by the Commission for any other purpose, collected by any other agency, or available for public disclosure through any other source.

- 5. If the collection of information involves small business or other small entities (Item 5 of OMB From 83-1), describe the methods used to minimize burden.**

This collection of information does not involve small businesses or small entities.

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

Failure to maintain the procedures, reports, and other records required by the regulations would adversely affect the Commission's ability to evaluate the completeness and effectiveness of the risk management, business continuity and disaster recovery, and position limit policies and procedures that SDs and MSPs are required to implement, and to timely identify and react to position limit violations and inordinate risk exposure levels maintained by Commission registrants.

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

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

This question does not apply as the reporting to the Commission contemplated by the regulations generally would not be performed more frequently than quarterly. While the regulations do require notification to the Commission of certain events/violations (e.g., certain violations of position limits, and any emergency or other disruption that may affect the ability of the SD or MSP to fulfill its regulatory obligations or would have a significant adverse effect on the SD or MSP, its counterparties, or the market) that could occur more often, the Commission believes that it is necessary and appropriate for the safety and soundness of the SD or MSP and applicable markets for the Commission to be alerted promptly in these circumstances.

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

In addition to the regular reporting and recordkeeping requirements set forth above, Commission Regulation 23.606 requires SDs and MSPs to make information related to their swaps; swaps trading operations, mechanisms and practices; and financial integrity and risk management protections, as well as other information related to their trading in swaps, available promptly to the Commission and any applicable prudential regulator, upon request. This regulation is mandated by the Dodd-Frank Act and is necessary for the Commission to effectively carry out its oversight and examination responsibilities.

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

This question does not apply. The regulations do not require the submission of multiple copies of required documents.

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

Commission Regulation 1.31(b) expressly requires that books and records required to be kept by the CEA or Commission regulations be retained for certain specified periods. Other than with respect to oral communications, the shortest of these periods is five years from the date of creation. All such books and records shall be open to inspection by any representative of the Commission or the U.S. Department of Justice.

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

This question does not apply. The regulations do not require nor involve the use of any statistical surveys.

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

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

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

This question does not apply. The regulations do not require a pledge of confidentiality.

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

The Commission has procedures to protect the confidentiality of an applicant's or registrant's data. These are set forth in the Commission's regulations at parts 145 and 147 of title 17 of the Code of Federal Regulations.

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

The Commission published a *Notice of Intent to Extend Collection 3038-0084: Regulations Establishing and Governing the Duties of Swap Dealers and Major Swap Participants*. See 90 FR 9075 (Feb. 6, 2025). The notice provided a 60-day period during which the public was invited to comment on the information collection and the burdens imposed by it. The Commission did not receive any relevant comments on the 60-day Federal Register notice.

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

As set forth above, the Commission affirmatively sought comments on the renewal of information collection requirements described herein.

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

No such circumstances are anticipated.

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

This question does not apply. No such decision was made.

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

The Commission does not provide respondents with an assurance of confidentiality beyond that provided by applicable law. The Commission fully complies with section 8(a)(1) of the CEA, which strictly prohibits the Commission, unless specifically authorized by the CEA, from making public “data and information that would separately disclose the business transactions or market positions of any person and trade secrets or names of customers.” The Commission has procedures to protect the confidentiality of a respondent’s data. These are set forth in the Commission’s regulations at part 145 of the Code of Federal Regulations.

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

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

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

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

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

See Attachment A

Considering the current number of Commission-registered SDs and MSPs, the total number of respondents (combined SDs and MSPs) is estimated to be 106 and the aggregate hour burdens set forth below are based upon that estimate. As delineated below, the hour burden associated with the regulations, per respondent, is estimated to be 1,149.5 hours, and the cost, per respondent, is \$114,950 annually.

The estimated burden for the following activities is:

**Recordkeeping:**

Documentation of Risk Management Program (including Position Limit Procedures, and Business Continuity and Disaster Recovery Plan)

Number of registrants: 106

Estimated number of responses: 106

Estimated total annual burden per registrant: 900 hours

Frequency of collection: one-time filing with the Commission, annual distribution, updating as needed

Total annual burden: 95,400 burden hours [106 registrants x 900 hours]

Annual Documentation of Risk Management Testing

Number of registrants: 106

Estimated number of responses: 106

Estimated total annual burden per registrant: 200 hours

Frequency of collection: annual

Total annual burden: 21,200 hours [106 registrants x 200 hours]

Annual Documentation of Position Limit Compliance Training and Audit

Number of registrants: 106

Estimated number of responses: 106

Estimated total annual burden per registrant: 2 hours

Frequency of collection: annual

Total annual burden: 212 hours [106 registrants x 2 hours]

Quarterly Documentation of Position Limit Compliance

Number of registrants: 106

Estimated number of responses: 424  
Estimated total annual burden per registrant: 10 hours  
Frequency of collection: quarterly  
Total annual burden: 1,060 hours [106 registrants x 10 hours]

Documentation of Business Continuity Testing and Audit

Number of registrants: 106  
Estimated number of responses: 106  
Estimated total annual burden per registrant: 1 hour  
Frequency of collection: annual  
Total annual burden: 106 hours

Documentation of Risk Assessment of New Products

Number of registrants: 106  
Estimated number of responses: 530  
Estimated total annual burden per registrant: 3 hours  
Frequency of collection: as needed  
Total annual burden: 318 hours [106 registrants x 3 hours]

**Reporting:**

Quarterly Risk Exposure Reports

Number of registrants: 106  
Estimated number of responses: 424  
Estimated total annual burden per registrant: 32 hours  
Frequency of collection: quarterly  
Total annual burden: 3,392 burden hours [106 registrants x 32 hours]

Reporting of Position Limit Violations and Other Adverse Events

Number of registrants: 106  
Estimated number of responses: 212  
Estimated total annual burden per registrant: .5  
Frequency of collection: as needed  
Total annual burden: 53 hours [106 registrants x .5 hours]

Filing of Emergency Contact Information

Number of registrants: 106  
Estimated number of responses: 106  
Estimated total annual burden per registrant: 1 hour  
Frequency of collection: as needed  
Total annual burden: 106 hours

Based upon the above, the aggregate cost for all registrants is 121,847 burden hours and \$12,184,700 [121,847 x \$100 per hour].

The annualized costs per affected registrant and in the aggregate were determined using

an average salary of \$100.00 per hour. The Commission believes that this is an appropriate salary estimate for purposes of this regulation.

In support of this determination, the Commission notes that the salary estimate is based upon May 2024 Bureau of Labor Statistics' findings of National Occupation Employment and Wage Estimates, United States,<sup>1</sup> including the mean hourly wage of an employee under occupation code-23-1011, "Lawyers" that is employed by the "Securities and Commodity Contracts Intermediation and Brokerage Industry," which is \$128.34; the mean hourly wage of an employee under occupation code 11-3031, "Financial Managers," in the same industry, which is \$126.19; and the mean hourly wage of an employee under occupation code-13-1041, "Compliance Officers" in the same industry, which is \$49.34.

The Commission also notes that, the Commission took the foregoing data and then estimated its hourly wage in recognition of the fact that some respondents may be large financial institutions whose employees' salaries may exceed the mean wage. The Commission recognizes that some respondents may hire outside counsel with expertise in the various regulatory areas covered by the combined final regulations and that outside counsel may be able to leverage its expertise to substantially reduce the number of hours needed to fulfill a requested assignment. While the Commission is uncertain about the billing rates that these respondents may pay for outside counsel, the Commission believes that such counsel may bill at a rate of several hundred dollars per hour. Any determination to use outside counsel, however, is at the discretion of the respondent.

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

- **The cost estimate should be split into two components; (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major costs factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software, monitoring, sampling, drilling and testing equipment, and record storage facilities.**
- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate, agencies may consult with a sample of respondents (fewer than ten), utilize the 60-day pre-OMB submission public comment process and use**

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<sup>1</sup> See <https://data.bls.gov/oes/#/industry/523000>.

**existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**

- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

The information collections required by the regulations would not involve any capital or start-up capital, operations or maintenance costs as the Commission anticipates that these costs have already been incurred by the 106 SD and MSP registrants and are part of customary or usual business practices.

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

It is not anticipated that the final regulations will impose any additional costs to the Federal Government.

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

In light of the current number of Commission-registered SDs, the total number of respondents decreased from 107 to 106. There are currently no Commission registered MSPs. There are changes in the estimated burden and cost per respondent. The estimated burden increased from 1,148.5 hours to 1,149.5 hours, and the cost increased from \$114,850 to \$114,950 per respondent. These increases reflect the separation of the “filing of emergency contact information” and “documenting business continuity testing and audit” requirements. In the prior renewal, estimated burden and cost calculations were combined for these two requirements and treated as one requirement. Since the filing of emergency contact information is a reporting requirement and the documentation of business continuity testing and audit is a recordkeeping requirement, separating these requirements provides a more accurate burden calculation for these two requirements.

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

This question does not apply.

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

This question does not apply.

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

This question does not apply.

**Attachment A**

**Part 23 – Regulations Establishing and Governing the Duties of Swap Dealers and Major Swap Participants**

**OMB Collection File 3038-0084**

Number of Respondents	106
Estimated Average Burden Hours Per Respondent	1,149.5
Estimated Annual Cost Per Respondent	\$114,950
Estimated Aggregate Burden Hours	121,847
Estimated Aggregate Cost	\$12,184,700
% of Responses Collected Electronically	100
Frequency of Reporting	Annually, quarterly, or on occasion

1. Regulation(s)	2. Estimated # of Respondents	3. Estimated # of Responses Per Respondent	4. Estimate d Average Number of Burden Hours Per Response	5. Annual Number of Burden Hours Per Respondent (3 x 4)	6. Estimated Average Burden Hour Cost	7. Total Average Hour Burden Cost Per Respondent (5 x 6)	8. Total # Annual Responses (2 x 3)	9. Total Annual Number of Burden Hours (2 x 5)	10. Total Annual Burden Hour Cost of All Responses (2 x 7)
<b>Recordkeeping</b>									
Documentation of Risk Management Program (including Position Limit Procedures, and Business Continuity and Disaster	106	1	900	900	\$100	\$90,000	106	95,400	\$9,540,000

Recovery Plan)									
Annual Documentation of Risk Management Testing	106	1	200	200	\$100	\$20,000	106	21,200	\$2,120,000
Annual Documentation of Position Limit Compliance Training and Audit	106	1	2	2	\$100	\$200	106	212	\$21,200
Quarterly Documentation of Position Limit Compliance	106	4	2.5	10	\$100	\$1,000	424	1,060	\$106,000
Documentation of Business Continuity Testing and Audit	106	1	1	1	\$100	\$100	106	106	\$10,600
Documentation of Risk Assessment of New Products	106	5	0.6	3	\$100	\$300	530	318	\$31,800
<b>Reporting</b>									
Quarterly Risk Exposure Reports	106	4	8	32	\$100	\$3,200	424	3,392	\$339,200
Reporting of Position Limit Violations and Other Adverse Events	106	2	0.25	0.5	\$100	\$50	212	53	\$5,300
Filing of Emergency Contact Information	106	1	1	1	\$100	\$100	106	106	\$10,600
<b>TOTALS:</b>				1,149.5		\$114,950	2,120	121,847	\$12,184,700