

CFTC approves final rule to amend swaps reporting requirements for cleared swaps

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On June 14 2016 the US Commodity Futures Trading Commission (CFTC) [approved a final rule](#) to amend existing swaps reporting regulations in order to provide additional clarity to swap counterparties and registered entities regarding their reporting obligations for cleared swap transactions.

The final rule modifies Part 45 of the CFTC's regulations by removing uncertainty as to which counterparty to a swap is responsible for reporting data for each of the components of a cleared swap transaction. The rule further clarifies whose obligation it is to report the extinguishment of a swap once a derivatives clearing organisation has accepted the transaction for clearing. The rule also improves the efficiency of data collection and maintenance associated with the reporting of the swaps in a cleared swap transaction.

Specifically, the CFTC indicated that it expects the rule to reduce the likelihood of double counting notional exposures and improve the ability to trace the history of a cleared swap transaction from execution between the original counterparties to clearing novation.

The rule will become effective 180 days after it is published in the Federal Register. The rule also codifies previous CFTC no-action letters by eliminating the requirement for swap dealer or major swap participant reporting counterparties to report daily valuation data for cleared swaps effective immediately upon publication in the Federal Register.

For further information on this topic please contact [Donna M Parisi](#), [Geoffrey B Goldman](#) or [Azam H Aziz](#) at Shearman & Sterling LLP by telephone (+1 212 848 4000) or email (dparisi@shearman.com, geoffrey.goldman@shearman.com or aaziz@shearman.com). The Shearman & Sterling website can be accessed at www.shearman.com.

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AUTHORS

[Donna M Parisi](#)



[Geoffrey B Goldman](#)



[Azam H Aziz](#)

