January 31, 2025

BY ELECTRONIC MAIL

The Regulatory Oversight Committee (ROC)

rocsecretariat@ofr.treasury.gov

Re: Revised CDE Technical Guidance – version 4

Dear Regulatory Oversight Committee,

KOR appreciates the opportunity to provide comments to the Regulatory Oversight Committee ("ROC") as the International Governance Body (IGB) of the Unique Transaction Identifier ("UTI"), Unique Product Identifier ("UPI"), and Critical Data Elements ("CDE") for its consultation on the revised CDE Technical Guidance. KOR has provided responses to the ROC's proposed changes, as well as comments on select CDE fields based on our experience as a Trade Repository ("TR").

U.S.-based KOR is a fintech company that develops future-minded technology innovations tailored specifically for derivatives markets. KOR Reporting Inc is a licensed Trade Repository ("TR") under CFTC, SEC, Canadian and ASIC regulations, delivering solutions that enable market participants to meet reporting mandates for OTC derivative trades and lifecycle events. KOR Financial Inc provides a Reporting-as-a-Service (RaaS) offering to complement its TR, which together replace many common reporting functions and solve numerous systemic reporting challenges. The KOR team comprises former trade repository heads, SMEs and technology pioneers, creating the first intelligent transactional derivatives platform.

KOR supports the ROC and the implementation of the Critical Data Elements. It is important that the standards not only become adopted by global regulators, but also evolve to allow for the reporting of new markets. Doing so avoids preventing trades being reported due to the timelines of field adoptability by the CDE, global regulators, and the trade repositories.

It is our hope that regulators adopt the CDE fields even if it increases the number of reportable fields in a jurisdiction or changes the current reporting standards. Adopting these fields will reduce the overall cost of reporting for both the reporting parties and trade repositories. The attempt to reduce the field count by using a single field for multiple purposes is only accruing higher implementation costs.

General Comments

While progress has been made in harmonizing data fields, the lack of standardized validation criteria across jurisdictions risks unintended divergence. With the adoption of the UPI, field validations should align more closely with standardized products to enhance data quality.

One example of how differences in validation—or the absence of validation—can lead to costly reporting discrepancies is in the trade repository's UTI uniqueness checks. To preserve UTI uniqueness, it is crucial that uniqueness is maintained at the UTI plus Counterparty 1, allowing each side to report with consistent counterparties. This structure helps ensure correct message linkage, especially when a platform initially reports and Counterparty 1 subsequently assumes reporting. It also prevents errors from UTI reuse across multiple trades by the reporting counterparty. Misreported UTI or counterparty information requires either the cancellation and resubmission of the trade with a new UTI, or a defined action/event type combination to facilitate the update of transaction counterparties. Currently, cross-jurisdictional inconsistencies—where one jurisdiction blocks updates to Counterparty 2 while another allows it—can result in multiple UTIs for a single transaction.

Although a standardized field list is valuable, divergent implementations across regulators becomes more costly for the industry than differing field names. While some regulators may require slight adaptations, these should be limited to allowable enums based on specific reporting requirements.

Further, global harmonization is essential for managing the impact of LEI updates on UTI uniqueness.

To promote consistent validation standards across jurisdictions, we recommend adding the following standards for each field:

- Applicability to asset classes.
- For fields applicable to legs, providing precise naming and validation requirements rather than simply indicating "For each leg of the transaction" in the definition.
- Clear indication of whether arrays are permissible. Consistency is key to ensuring that one jurisdiction does not permit single or multiple values for a field (e.g., price) while another jurisdiction restricts it to a single value, leading to the addition of separate price schedule fields when multiple values should be submitted.

Number Formats

The validations should explicitly articulate that leading and trailing zeros are prohibited.

Data types

KOR recommends avoiding booleans as data types are possible and instead use ENUMs which allow greater flexibility for future changes. The issue with booleans is that a false can end up with two meanings, either not applicable for the trade or not true, where an ENUM can differentiate this.

Field Recommendations

1. **Identifier Type Fields**

   Given that certain jurisdictions permit identifier types beyond LEI and Natural Person (e.g., Privacy Law Identifiers), we recommend updating the data type to an ENUM rather than a boolean. This change would allow jurisdictions to add additional permitted values, accommodating a wider range of codes. Consequently, we advise against accepting "indicator" at the end of these field names as a redline change.
   This change should apply to all "Identifier Type" fields, including:

   - Counterparty 1 Identifier Type
   - Clearing Member Identifier Type
   - Counterparty 2 Identifier Type
   - Beneficiary 1 Identifier Type

   Additionally, for validations and ISO XML 2022 alignment, we suggest adding the fields:

   - Other Payment Receiver Identifier Type
   - Other Payment Payer Identifier Type

2. **Early Termination Date**

   While we support the inclusion of this field in the CDE, we strongly encourage its adoption across all jurisdictions. Currently, some jurisdictions have introduced unnecessary complexity by repurposing the event timestamp for multiple scenarios. In cases where the termination occurs in the future, some parties hold these messages rather than reporting them in real time as some repositories close the trade when the term is submitted when there is no early termination date reported. The inclusion of an Early Termination Date field would standardize and streamline this process. This field is essential for repositories to track transaction "close dates," preventing premature trade closures and subsequent validation and compliance issues.

3. **Schedule Fields**

   The text "Unadjusted end date of the price (not applicable if the unadjusted end date of a given schedule's period is back-to-back with the unadjusted effective date of the subsequent period)" can complicate validation, KOR recommends removing this language. Specifically, TRs need the ability to perform the following validation:

   - If populated, the field should contain more than one value.

- The number of amounts should equal the number of date terms.
- Effective dates must be reported in sequential order.
- Effective dates must be greater than the End Dates of the previous payment schedule.

4. **Collateral Portfolio Indicator**

   KOR recommends that this field be adopted by regulators where not yet implemented. Distinctions should be made between initial and variation margin. Updating this field to an ENUM data type would simplify the reporting and validation process. Without this, reporting parties and TRs face added complexity introduced by regulators who try to limit the number of reporting fields. Regulators have introduced the use of ENUM values like “NOTAPPLICABLE” and “TRANSACTIONLEVEL” in the portfolio code fields which are supposed to be freeform text fields. An ENUM structure (e.g., “Code,” “Transaction,” or “Not Applicable”) would provide clear guidance on when to populate the portfolio code field and would streamline validations.

5. **Collateralization Category**

   This field was previously available in transaction messages and could be updated in collateral messages. Recent regulatory updates limited this field to collateral messages, creating unintended challenges. When a trade is uncollateralized, daily collateral messages should not be necessary. Without this field in the transaction message, collateral messages are now required to indicate uncollateralized transactions, which complicates reporting for Trade Repositories as they lack an exemption indicator.

6. **Currency Fields**

   Since currency fields are restricted to ISO values, we recommend either expanding these fields to accept virtual currency values or introducing new fields specifically for cryptocurrency reporting. Reporting of XXX in these cases limits the reportable information critical for regulators.

7. **Expiration Date**

   Clarification should be provided that Expiration Date does not apply to CFD product transactions.

8. **Strike Price Currency / Currency Pair**

   We recommend renaming this field to “Strike Price Currency” and making it applicable only to non-FX transactions. This would align its use with ISO XML 2022 validations. For FX transactions, ISO XML fields for Exchange Rate Basis Base Currency and Exchange Rate Basis Quoted Currency are used, making coverage under this field unnecessary.

9. **Price, Quantity and Notional Fields**

The CDE should distinguish between Initial vs. Event values for Price, Quantity, and Notional to ensure clarity across regulatory regimes. The current framework lacks precision on whether reported values should reflect the initial transaction details or values updated due to lifecycle events, leading to inconsistencies in reporting and public price transparency.

Key Issues

- Price Misalignment: The CDE defines "Price" as:
  "For equity swaps, portfolio swaps, and similar products, this data element refers to the initial price of the underlying or reference asset."
    - This definition fails to differentiate between transaction price (event-based) and position price (cumulative value) for transparency reporting.
    - Lifecycle events like upsizes, novations, and terminations report the position price, distorting public price discovery.
- Notional & Quantity Reporting Ambiguity:
    - Current definitions do not clarify whether notional and quantity should reflect the transaction-level change (Event Notional/Quantity) or the total outstanding exposure (Outstanding Notional/Quantity).
    - This inconsistency creates data misalignment, especially in jurisdictions with real-time public reporting.

Proposed Amendments

- Introduce Distinct Fields for Lifecycle Event Reporting:
    - Event Price – Price at the time of lifecycle event (e.g., upsize, novation).
    - Outstanding Price – Ongoing position price post-event.
    - Event Quantity & Event Notional Amount – Reflect changes from lifecycle events.
    - Outstanding Quantity & Outstanding Notional Amount – Reflect total exposure post-event.

These distinctions will enhance regulatory clarity on lifecycle event reporting, ensure accurate public transparency reporting by reflecting transaction-level price, notional, and quantity; and promote cross-jurisdictional consistency, improving market data accuracy.

10. **Exchange Rate Basis**

This field should align with ISO XML 20022 standards, which specify two separate fields: “Exchange Rate Basis Base Currency” and “Exchange Rate Basis Quoted Currency.”

Question 1: Do you have any concerns regarding the potential removal of certain data elements?

KOR supports the removal of any unnecessary fields.

Do you have any other data elements you would suggest for us to review?

KOR recommends considering the addition of a "Corrected Prior UTI" field for cases where a UTI correction is needed. There are several scenarios where a UTI may require updating:

1. A UTI was submitted incorrectly by accident.
2. A placeholder UTI was submitted because the correct UTI was unavailable at the time of submission.
3. A trade was reported with an incorrect UTI by one counterparty, and the correct counterparty later attempts to report using the same UTI.

A dedicated “Corrected Prior UTI” field would allow lifecycle event UTIs to continue being reported in the “Prior UTI” field, preserving all necessary traceability and preventing loss of information regarding lifecycle changes.

In cases where an incorrect UTI was reported, the reporting party should cancel the affected swaps using the Action Type "Error" and submit a "NEWT" message with the correct UTI, referencing the misreported message in the “Corrected Prior UTI” field for traceability.

Question 3: ROC is considering adding a data element ‘Maturity date of the underlying derivative’ which, in the case of swaptions, informs about the maturity date of the underlying swap, which would come to the existence if the option is exercised. Do you have any comments on this proposal?

KOR supports this addition, as this field is already reported in many jurisdictions.

Question 4: Additionally, ROC is considering using this data element more broadly to obtain the information about the maturity date of the underlying derivative at the leg level such as when a leg references a futures contract. Do you have any comment on this proposal? Are there any other use cases that should be covered under this field?

KOR does not support this approach. If regulations intend to capture this information, a separate field should be introduced. Using a single field for multiple purposes significantly increases

reporting costs and complexity. Adding a dedicated field would be more efficient and cost-effective.

Question 5: ROC is revising the definition of this data element to allow for reporting of transactions executed on a platform where both counterparties are natural persons. Do you have any comments on the revision provided? Do you foresee any challenges with reporting this field with the proposed definition?

AND

Question 8: ROC is revising the definition of this data element to allow for reporting identifiers of individuals that can only clear digital assets derivative transactions for themselves. Do you have any comments on the revision provided? Do you foresee any challenges with reporting this field with the proposed definition?

KOR's response applies to all sections where the ROC includes the phrase, "In jurisdictions where digital assets alpha transactions." This phrasing is too restrictive and should be broadened to encompass any direct or fully collateralized clearing model executed on a platform, not limited solely to digital assets. Otherwise, KOR agrees with this change. Please refer to our comments under "Identifier Type Fields" for additional context.

Question 6: The purpose of this data element is to identify whether an LEI is used for data element Counterparty 1(Reporting Counterparty). Do you have any comments for this field?

Please refer to our comments under "Identifier Type Fields".

Question 7: This data element is common across many jurisdictions and is needed to identify the entity that submits the report to the trade repository. ROC proposes to add it as a CDE field. Do you have any comments on this data element?

KOR strongly supports including the Submitter Identifier, as it is essential for identifying the entity submitting the report. However, an additional field is needed to identify the entity actually responsible for reporting the transaction. In many cases, the reporting responsibility falls to a party other than Counterparty 1—such as when reporting is mandated by the venue or in dual-sided reporting regimes where reporting is delegated to a counterparty. In both of these cases it is becoming more prevalent where the reporter uses a third-party for submitting the reports. Therefore, KOR recommends adding a distinct field, "Other Submitter Identifier," separate from Counterparty 1. This field would clearly identify the party submitting the message to the vendor, which could be a venue, Counterparty 1, or Counterparty 2, and should be

mandatory. Including this field ensures that the submitting party has access to the data within the endpoint trade repository (TR). This is essential for accurate reconciliation and reporting processes.

Submitter Identifier
The identity of the entity submitting the report to the trade repository (TR).

Other Submitter Identifier
When the Submitter Identifier is not the same as the Reporter Identifier, this field identifies the entity that submitted the report to the Submitter Identifier platform.

Reporter Identifier
The entity with the regulatory obligation to report the message to the trade repository (TR).

Counterparty 1
One party to the trade, either the reporting entity or, in cases where the reporting entity is a platform, the party responsible for continuation reporting.

Use Case	Submitter Identifier	Other Submitter Identifier	Reporting Entity	Counterarty 1
CFTC - Platform reports direct to SDR	Platform	N/A	Platform	CP1
CFTC - Platform reports via third-party vendor to SDR	3rd Party	Platform	Platform	CP1
CFTC - Counterparty 1 reports direct to SDR	CP1	N/A	CP1	CP1
CFTC - Counterparty 1 reports via third-party vendor to SDR	3rd Party	CP1	CP1	CP1
CFTC - Counterparty 1 delegates their reporting to another party and that party reports direct to SDR	CP3	N/A	CP1	CP1
CFTC - Counterparty 1 delegates their reporting via third-party vendor to SDR	3rd Party	CP3	CP1	CP1
ASIC - CP1 delegated to CP2 who reports direct to TR	CP2	N/A	CP1	CP1

ASIC - CP1 delegated to CP2 who reports via third-party vendor to TR	3rd Party	CP2	CP1	CP1
EMIR - Mandatory Delegated Reporting reports direct to TR	CP2	N/A	CP2	CP1
EMIR - Mandatory Delegated Reporting reporting via third-party vendor to TR	3rd Party	CP2	CP2	CP1
EMIR - Voluntary Delegated Reporting reports direct to TR	CP2	N/A	CP1	CP1
EMIR - Voluntary Delegated Reporting reporting via third-party vendor to TR	3rd Party	CP2	CP1	CP1
CFTC - Agent reports pre-allocation transaction direct to SDR	Agent	N/A	Agent	Agent
CFTC - Agent reports pre-allocation transaction via third-party vendor to SDR	3rd Party	Agent	Agent	Agent
CFTC - Agent reports post-allocation transaction direct to SDR	Agent	N/A	CP1	CP1
CFTC - Agent reports post-allocation transaction via third-party vendor to SDR	3rd Party	Agent	CP1	CP1

Question 9: The purpose of this data element is to identify whether an LEI is used for data element Clearing member. Do you have any comments for this field?

Please refer to our comments under “Identifier Type Fields”.

Question 13: According to the feedback received from some market participants it is not clear whether valuation timestamp should be based on “calculation timestamp” or “input pricing timestamp”. Should ROC review the definition to specify that this data element refers to the calculation timestamp? Do you foresee any issues with this approach?

This field should indicate the valuation date for which the valuation is being submitted, in order to meet regulatory requirements. If it is necessary to track when the valuation was last calculated, that should be captured as a separate field, or the “event timestamp” could be used. It is essential for regulators, reporters, and trade repositories (TRs) to know the valuation date

being reported to meet the regulatory requirements, even if this date is different from the calculated date. This information is fundamental to generating compliance reports and verifying that regulatory obligations are met.

Additionally, it is critical to include a timestamp to ensure accurate UTC conversion. This avoids potential misreporting, such as a midnight UTC timestamp incorrectly reflecting midnight in Eastern Time (ET).

For example, where regulators specify in footnotes that “the time portion should be reported as '00:00:00',” it should be clarified that this local time should be converted to UTC prior to reporting. If the default time is set to midnight UTC, local timezone conversions can create discrepancies in the reporting day, potentially causing misalignment with the organization’s business day. Alignment with the reporting party’s business day is essential, as reporting obligations are determined by the business day rather than by Coordinated Universal Time (UTC). This clarification helps identify any gaps in reporting obligations for specific business days.

Question 14: Should this data element be separated into two, one for initial margin, one for variation margin? If you think that two separate portfolio codes for IM and VM should be reported, could you provide business cases where it is needed?

Yes, separating these fields aligns with ISO XML 20022 standards. When regulators use a single field name, while ISO splits it into two fields, it can create confusion in interpretation and implementation. The CDE should match the granularity of ISO XML 20022 to ensure consistency and clarity.

Question 20: The purpose of this data element is to inform authorities the date and time of the last margin update. If a reporting party missed reporting collateral for any day they need to be able to indicate what date the reported collateral applied to. Some authorities may decide to require only the date, without a time portion. Do you have any comments on this data element? Do you foresee any challenges with reporting this element (if so, please specify)?

KOR strongly supports the addition of this field. It is essential that, if a reporting party misses reporting collateral for any day, they have a means of indicating the applicable date for reporting missed collateral messages. However, a timestamp should always be included to ensure that trade repositories (TRs) and regulators understand the precise date and time associated with the collateral.

If the default time is set to midnight UTC, converting to the local timezone could cause discrepancies in the reporting day, potentially misaligning with the organization's defined business day. Alignment with the reporting party's business day is essential, as reporting obligations are based on the business day rather than Coordinated Universal Time (UTC). This alignment is critical for identifying any gaps in required reporting for specific business days.

Question 21: We have separated the scheduled fields into their own elements and shortened the field name. Are there any other fields that should be added in CDE in a schedule form?

Please refer to our comments under "Schedule Fields".

Question 24: In response to industry feedback, it is proposed to update the definition of data element 2.10.1. for Equity variance swaps and similar products from 'Variance amount' to 'Vega notional amount'. Do you have any comments or concerns on the proposed amendment?

Question 26/27/28/29: Originally, this field was included in the CDE to enable unambiguous reporting of notional amounts for foreign exchange options. In response to industry feedback, ROC is considering expanding the scope of this data element to cover options for all asset classes. Could you provide examples where this field would be useful for options that's not foreign exchange?

Regulators have rightly decided to remove these fields for other asset classes, and accordingly, the CDE should not be updated to include other asset classes.

Question 32: This data element is updated to further specify the allowable values. This is not an exhaustive list and other reference underliers may be used. Do you have any comments or concerns on the proposed amendment?

This field should be updated to allow values by leg when the product is a basis swap.

Ideally, a separate field name should be designated for each underlier type to ensure consistency with ISO standards.

Question 35: In light of the different approaches for reporting valuation and margin corrections, with either using 'CORR' for both types of data or limiting to 'VALU' for valuations and 'MARU' for margins, do you have any comments or concerns about either of the approaches?

There needs to be clear guidance on how “Corrections” are to be reported. Jurisdictions and reporting workflows should specify whether only the most recent message can be corrected, or if prior messages also require correction.

If corrections are permitted for messages other than the most recent, there must be a mechanism to identify which message is being corrected. This would necessitate a unique message identifier for each submission, allowing correction messages to clearly reference the message being amended.

As ‘CORR’ is currently an action type, it does not support the correction of an incorrect action type within a message. This same limitation applies to Valuations and Collateral messages, which may also need corrections.

It should be clarified that a correction event should be used when data is corrected or missing information is added, while a modification should reflect changes to trade terms agreed upon by the parties. This approach should be standardized across jurisdictions, even if some need to update their practices to align with global standards.

Therefore, we recommend that the correction indicator be moved to a separate field, rather than being part of the action type field.

We would like to thank the ROC for its consideration of the comments provided in this letter. Please feel free to contact me if you have any questions.

Sincerely,

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