

May 26, 2021

Regulatory Oversight Committee

**Re: Revised CDE Technical Guidance**

Citadel appreciates the opportunity to provide comments to the Regulatory Oversight Committee (the “ROC”) on the April 2018 CPMI-IOSCO Technical Guidance for the harmonization of critical OTC derivatives data elements.<sup>1</sup> As the International Governance Body for this technical guidance, we recommend that the ROC regularly review its implementation and make any necessary refinements to enhance transparency in OTC derivatives markets. In that vein, we provide several recommendations below.

**I. Data elements related to clearing, trading, confirmation and settlement**

**Cleared (2.14).** It is critical that this data element be implemented in a consistent manner globally. In no event should this data element be marked “N” for an alpha transaction that is intended to be submitted for clearing. Otherwise, there is no way to distinguish an alpha transaction that is intended to be submitted for clearing from an uncleared transaction, which is a critical distinction for both public and regulatory reporting. We note this is a data element that should be included as part of any public reporting regime.

**Central Counterparty (2.15).** This data element should be applicable for an alpha transaction that is intended to be submitted for clearing. This is because the identity of the central counterparty is a key commercial term that affects pricing of the transaction, and therefore is known to the parties pre-trade. This is also a data element that should be included as part of any public reporting regime, and therefore it is necessary to populate for alpha transactions (since alpha transactions are typically the transactions publicly reported).

**Platform Identifier (2.17).** We note this is a data element that should be included as part of any public reporting regime and provide the following recommendations:

- Clarify that transactions may be executed on, *or pursuant to the rules of*, trading facilities. In many jurisdictions, block trades may be negotiated bilaterally pursuant to the rules of a trading facility, yet still should be marked with the relevant platform identifier.
- Clarify that this data element should be populated for transactions executed on third-country trading facilities that have been determined to be equivalent. The values XOFF or XXXX should not be used for transactions executed on equivalent third-country trading facilities.
- Ensure that any bilateral off-venue transactions where this data element may nonetheless may populated with a MIC code (*e.g.* transactions with Systematic

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<sup>1</sup> [https://www.leiroc.org/publications/gls/roc\\_20210505.pdf](https://www.leiroc.org/publications/gls/roc_20210505.pdf).

Internalisers in the EU) are distinguished from on-venue transactions on multilateral trading facilities.

## II. Data elements related to packages and links

We recommend consideration of an additional identifier for transactions that result from post-trade risk reduction services. Several jurisdictions continue to consider the appropriate regulatory treatment of these transactions and, if publicly reported, they are typically reported with off-market prices. As a result, it would be useful to ensure these transactions are accurately identified to market participants and regulators.

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We appreciate the opportunity to provide comments to the ROC on the CDE Technical Guidance. Please feel free to call the undersigned at (646) 403-8200 with any questions regarding these comments.

Respectfully,

/s/ Stephen John Berger

Managing Director

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