

CFTC Brings Enforcement Action for Swap Reporting Violations

October 21, 2015

The Commodity Futures Trading Commission (CFTC) recently brought its first enforcement action arising from the Dodd-Frank requirement that swap transactions be reported to a registered swap data repository (SDR). The CFTC has emphasized that the accuracy and completeness of swap reporting is essential to enhance market transparency, promote standardization and reduce systemic risk. According to CFTC Director of Enforcement Aitan Goelman, when reporting parties fail to meet their reporting obligations, the CFTC cannot carry out its vital mission of protecting market participants and promoting market integrity.

Swap market participants are subject to multiple CFTC regulations related to swap data reporting, recordkeeping and supervision.

CFTC Regulations Part 43 establishes real-time [reporting requirements for swap transactions](#). Pursuant to Part 43, a reporting party must report all publicly reportable swap transactions, including subsequent events that affect the price of the swap, to a SDR as soon as technologically practicable after the transaction is executed.

CFTC Regulations Part 45 requires the reporting party to, among other things, report swap creation and continuation data and to correct any errors in swap reporting to ensure that the information available to the CFTC remains current and accurate. A swap market participant's [trade reporting obligations under Parts 43 and 45](#) vary depending on, among other things, its status, the status of its counterparty and whether the swap is exchange traded or cleared.

In addition, CFTC Rule 23.602 requires swap dealers and major swap participants to establish and maintain a [swaps supervisory system](#) reasonably designed to achieve compliance with the requirements of the Commodity Exchange Act and CFTC regulations.