

FINANCIAL INFORMATION FORUM

December 20, 2024

By email

Office of Financial Research
U.S. Department of the Treasury
717 14th Street, NW
Washington, DC 20220

Attn: Michael Passante, Chief Counsel
Sriram Rajan, Associate Director of Financial Markets
Laura Miller Craig, Senior Advisor
Corey Garriott, Director of Research

Re: U.S. Department of the Treasury, Office of Financial Research, Ongoing Data Collection of Non-Centrally Cleared Bilateral Transactions in the U.S. Repurchase Agreement Market, 12 CFR Part 1610

Dear Mr. Passante, Mr. Rajan, Ms. Miller and Mr. Garriott,

Financial Information Forum (“FIF”) is submitting this letter on behalf of the members of FIF in response to (i) the rule adopted by the Office of Financial Research of the U.S. Department of the Treasury (the “OFR”) to require reporting of non-centrally cleared bilateral repos (the “NCCBR rule”),¹ (ii) FAQs published by the OFR relating to the NCCBR rule titled “Frequently asked questions about NCCBR reporting”,² and (iii) other documentation published by the OFR relating to the NCCBR rule. Under the NCCBR rule, firms that meet specified activity thresholds (“Covered Reporters”) are required to report to the OFR specified data relating to non-centrally cleared bilateral repurchase agreement transactions (“repos”). FIF is submitting this letter as a supplement to the letters that FIF submitted to the OFR on June 20, July 17, August 22, September 12, September 24, October 22 and November 5, 2024.³

¹ 12 CFR §1610.11 (Non-centrally Cleared Bilateral Repurchase Agreement Data).

² U.S. Treasury Department, Office of Financial Research, “Frequently asked questions about NCCBR reporting”, available at <https://www.financialresearch.gov/data/collections/nccbr-faq/>.

³ Letter from FIF to the OFR dated June 20, 2024, available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=2953:fif-letter-to-the-treasury-department-s-office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category>. Letter from FIF to the OFR dated July 17, 2024, available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=2967:fif-supplemental-letter-to-the-treasury-department-s->

In this letter, FIF requests written guidance on various interpretive questions. If guidance provided by the OFR requires a Covered Reporter to change its current operational set-up in place for reporting, this could require significant work for the Covered Reporter. Accordingly, Covered Reporters that are required to change their current operational set-up in place for reporting based on the OFR's guidance will require a reasonable amount of time to implement any required changes.

1. Current reporting status

Covered Reporters have undertaken significant work to implement reporting of NCCBR repos by the compliance date of December 2. Covered Reporters continue to take steps to address reporting issues and conform to FAQs published by the OFR.

Over the past few months, FIF members have raised questions on how Covered Reporters should report various fields for a number of different scenarios. FIF members appreciate that the OFR has published FAQs to address many of these questions. These FAQs are very important for Covered Reporters in complying with their reporting obligations. These FAQs also help to promote consistency in reporting across Covered Reporters. On November 15 the OFR published a significant number of new FAQs. The OFR published further FAQ updates on December 17.

FIF members will require a reasonable time period to conform their reporting to the FAQs published by the OFR on November 15 and December 17. FIF members further note that the OFR has not yet responded to certain scenarios previously raised by FIF members (please see below for additional detail). FIF members also will require a reasonable time period to review any future feedback from the OFR relating to these open scenarios and conform their reporting to this feedback. Based on the above, FIF members request that the OFR provide a reasonable conformance period for Covered Reporters that are making good faith efforts to address reporting issues that arise.

[office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category](#). Letter from FIF to the OFR dated August 22, 2024, available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=2990:fif-second-supplemental-letter-to-the-treasury-department-s-office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category>. Letter from FIF to the OFR dated September 12, 2024, available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=3001:fif-third-supplemental-letter-to-the-treasury-department-s-office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category>. Letter from FIF to the OFR dated September 24, 2024, available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=3010:fif-fourth-supplemental-letter-to-the-treasury-department-s-office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category>. Letter from FIF to the OFR dated October 22, 2024, available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=3024:fif-fifth-supplemental-letter-to-the-treasury-department-s-office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category>. Letter from FIF to the OFR dated November 5, 2024, available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=3030:fif-sixth-supplemental-letter-to-the-treasury-department-s-office-of-financial-research-relating-to-the-implementation-of-reporting-of-non-centrally-cleared-bilateral-repos&view=category>.

In a number of cases, the validation errors identified by the OFR's systems are not, in fact, errors, and the OFR and the impacted members have discussed ways for FIF members to identify to the OFR the specific scenario giving rise to the validation error (for example, through the comments field). As one of several examples that could be cited, the current repo reporting does not provide a means to report collateral that is posted as additional margin for a pool of repos. Some FIF members have determined to report this margin posting as a separate repo with a Current Cash Amount of zero, thereby generating an error in the OFR's systems. One potential approach for a Covered Reporter to address this scenario is through identifying the scenario in the comments field. While the OFR's systems will continue to generate an error in this scenario, the OFR will be alerted to this scenario. FIF members believe that there are several of these types of scenarios that must still be addressed.

2. Securities Quantity

A Covered Reporter is required to report the "Securities Quantity" for each repo that the Covered Reporter reports to the OFR. The NCCBR rule provides the following explanation for "Securities Quantity": "The number of units (e.g., shares, bonds, bills, notes) transferred to the cash lender as of the end of the business day."⁴ FIF members note that most securities that are provided as collateral for repos, including Treasury bonds, are priced based on notional value instead of units (some foreign sovereign bonds could be priced based on units). FIF members request written confirmation that it is permitted for Covered Reporters to report in this field the notional value of transferred securities that are priced based on notional value.

FIF members also request that the OFR provide written clarification as to whether a Covered Reporter should report the Securities Quantity for a mortgage-backed security or asset-backed security based on the original notional value or the factored notional value (i.e., the notional value reduced to reflect pre-payments on the underlying mortgages or other assets). FIF members note that the factor for a mortgage-backed security or asset-backed security for a calendar month typically is determined and disseminated after the start of the calendar month. Accordingly, if a Covered Reporter is required to report the Securities Quantity for these securities based on the factored notional value, the Covered Reporter would report based on the most recent factor that has been determined and disseminated. A Covered Reporter should not be required to resubmit for prior File Observation Dates based on an adjusted factor being disseminated.

3. Requirement to contact the OFR prior to submitting corrections

The Reporting Instructions document provides: "When corrections to previous reports are necessary, the filer should identify the prior file observation date and contact the OFR to inform staff that a full amended report for that file observation will be submitted."⁵ FIF members consider this requirement to

⁴ 12 CFR §1610.11(c)(3), Table 1.

⁵ Office of Financial Research, Reporting Instructions for Preparation of the Report of Non-centrally Cleared Bilateral Transactions in the U.S. Repurchase Agreement Market (Sept. 25, 2024), available at <https://www.financialresearch.gov/data/collections/files/nccbr-reporting-instructions.pdf>, at 6.

be burdensome and believe that Covered Reporters should have the ability to resubmit correcting files for a prior observation date without prior notice to the OFR. Because the File Observation Date is included in the file name, it should be clear to the OFR when a Covered Reporter submits a file for a prior File Observation Date.

4. Scenario involving repo entered into in the evening Eastern time

The following is in relation to repos, other than intra-day repos.

Some FIF members have identified the following scenario where a Covered Reporter enters into a repo in the evening Eastern time:

- Covered Reporter enters into a repo at 8 pm ET on Thursday December 12, 2024.
- The Covered Reporter reports the Start Date as 20241212T00:00:00.000Z.
- The Covered Reporter reports the Trade Timestamp based on UTC, as required: 20241213T01:00.000Z.
- This generates an error notification that “Start Date is before Trade Timestamp.”

FIF members request that the OFR provide guidance on how Covered Reporters should address this scenario. One suggestion is that the OFR remove the validation that causes the error notification that “Start Date is before Trade Timestamp.”

5. Issues previously raised by FIF members

FIF members understand that the following issues previously raised by FIF members remain outstanding. The list below is not intended to be a list of all previously-raised issues that are open.

Issue	Date of FIF Letter	Item Number	Comments
Substitution of securities when substituting securities have a different security identifier	July 17, 2024	2	FIF members request clarification on whether the Securities Value Currency field should be based on the Securities Value field or the Securities Value at Inception field when these fields have different currencies.
Securities transferred at the portfolio level	July 27, 2024	4	The current rule does not allow for proper reporting when securities are transferred at the portfolio level.
Reporting errors corrected on a subsequent business day	June 20, 2024	9	FIF members remain concerned about this requirement. FIF members understand that the OFR’s DCU group has instructed certain Covered Reporters to not submit error correction files at this time.
	August 22, 2024	7	Same as above

Issue	Date of FIF Letter	Item Number	Comments
	October 22, 2024	3	Same as above
Versioning of file names	October 22, 2024	2	This will assist firms in managing multiple submissions for a single observation date.
Error feedback	October 22, 2024	9	FIF members have requested that the OFR automate the feedback process, including by providing systematic feedback for each submitted record.
Reporting rates based on 360 or 365 days	November 5, 2024	2	FIF members request clarification on these questions.
Data validations for open variable trade	November 5, 2024	3	FIF members request clarification on this scenario.

* * * * *

FIF and our members appreciate the OFR’s attention to the items set forth in this letter. Please contact me at howard.meyerson@fif.com if you have any questions or would like further clarification as to any of the items above.

Very truly yours,

/s/ Howard Meyerson

Howard Meyerson
 Managing Director, Financial Information Forum