August 24, 2026

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Christopher J. Kirkpatrick, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

Re: Joint Request for Comment on Swap and Security-Based Swap Data Reporting (File No. S7-2026-22)

Dear Ms. Countryman and Mr. Kirkpatrick:

We appreciate the opportunity to comment on the Securities and Exchange Commission's ("SEC") and the Commodity Futures Trading Commission's ("CFTC") (collectively, the "Commissions") swap and security-based swap reporting requirements.[1]

More than a decade of market experience conclusively demonstrates the significant benefits of real-time post-trade transparency under the current CFTC regime for interest rate swaps and credit default swaps. As the Commissions consider how to further improve swaps reporting frameworks, there are opportunities to increase the timeliness of public reporting by swap data repositories, replace the SEC's interim rules with a durable public reporting regime, and further enhance the quality of publicly available data. In addition, in light of the frequent use of total return swaps as part of investment strategies, the Commissions should take steps to address the data quality issues plaguing the reporting of these instruments, including by requiring the various underliers to be separately reported and ensuring important data fields such as price and notional are reported in a consistent manner.

Comprehensive, timely, and accurate real-time public reporting is critical to the resiliency, efficiency, and liquidity of swaps markets and we look forward to working with the Commissions to further improve outcomes for investors.

[1] Joint Request for Comment on Swap and Security-Based Swap Data Reporting, 91 Fed. Reg. 37877 (June 24, 2026), available at: https://www.federalregister.gov/documents/2026/06/24/2026-12742/joint-request-for-comment-on-swap-and-security-based-swap-data-reporting.

I. Continuing to Enhance Interest Rate Swap & Credit Default Swap Public Reporting

The CFTC's public reporting framework has significantly improved market conditions for firms transacting interest rate swaps ("IRS") and credit default swaps ("CDS"), with real-time transparency leading to increased liquidity and competition. As the Commissions consider how to further enhance and harmonize their swap reporting requirements, it is important to preserve the gains achieved in these important markets.

A. The Importance of Real-Time Public Reporting

Across asset classes, academic research has found that real-time post-trade transparency improves price discovery and competition, lowers transaction costs, and enhances market resiliency and investor confidence.[2] By enabling investors to compare the prices they receive from liquidity providers with concurrent trading activity across the market, post-trade transparency enhances investor confidence and incentivizes price competition as investors are able to demand more accountability from their liquidity providers. Reducing information asymmetries also contributes to market resiliency by ensuring that changes in supply and demand are more efficiently reflected in current price levels.

The CFTC's public reporting framework for IRS and CDS has delivered these market benefits, while at the same time appropriately addressing concerns about larger size block trades. In particular, through the use of volume caps and the targeted delayed dissemination of block trades, the CFTC's approach has improved liquidity conditions for block trades as well.[3] Under this current approach, approximately 67% of traded notional in a specific type of swap is subject to real-time reporting, while the remainder qualifies for block treatment and a 15-minute public dissemination delay.[4]

As a leading liquidity provider in these markets, Citadel Securities can attest to the fact that the current public reporting framework is suitable across the full range of transaction sizes. In particular, the current 15-minute deferral period provides adequate time to hedge a block trade (particularly at a macro level), and average bid-offer spreads for blocks are extremely competitive, often even tighter than would be expected when extrapolating the average bid-offer of standard-

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[2] *See, e.g.,* Goldstein, M. A., et al., "Transparency and Liquidity: A Controlled Experiment on Corporate Bonds," Review of Financial Studies (2007), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=686324; Edwards, A. K., et al., "Corporate bond market transaction costs and transparency," The Journal of Finance (2007), available at https://www.jstor.org/stable/4622305; Asquith, P., et al., "The Effects of Mandatory Transparency in Financial Market Design: Evidence from the Corporate Bond Market" (April 2019) available at https://www.nber.org/papers/w19417; Loon, Y. C. & Zhong, Z. K., "Does Dodd-Frank affect OTC transaction costs and liquidity? Evidence from real-time CDS trade reports," Journal of Financial Economics, (2015), available at https://ssrn.com/abstract=2443654; and Erick Sirri, "Report on Secondary Market Trading in the Municipal Securities Market" (July 2014), available at https://www.msrb.org/msrb1/pdfs/MSRB-Report-on-Secondary-Market-Trading-in-the-MunicipalSecurities-Market.pdf.

[3] *See also* Jacobsen, S., et al., "Does trade reporting improve market quality in an institutional market? Evidence from 144A corporate bonds" (2018) at pages 1 and 7, available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3171056.

[4] Real-Time Public Reporting Requirements, 85 Fed. Reg. 75,422, 75,453 (Nov. 25, 2020), available at: https://www.govinfo.gov/content/pkg/FR-2020-11-25/pdf/2020-21568.pdf.

sized transactions. As a result, the current CFTC regime for publicly disseminating IRS and CDS transaction data should serve as the baseline as the Commissions consider how to further improve swaps reporting.

B. Ensuring Timely Public Dissemination by Swap Data Repositories

One aspect of the Commissions' reporting regimes that deserves further attention is whether swap data repositories ("SDRs") are complying with the obligation to publicly disseminate swap transaction data "as soon as technologically practicable after such data is received."[5] Doing so is critically important, as delaying the public dissemination of transaction data results in all transactions being treated as though they were a block trade eligible for a dissemination delay, undermining the CFTC's carefully calibrated approach to setting block thresholds and reducing the market-wide benefits of public transparency.

We have recently observed a significant deterioration in the timeliness of DTCC SDR reporting. Specifically, prior to November 2025, standard size IRS transactions were publicly disseminated in well under a minute after execution time. However, since then, the average dissemination delay has increased to approximately five minutes, with many transactions taking even longer. It cannot be the case that, after demonstrating the technological capability to efficiently report transactions within a minute for over a decade, the market leading SDR can reverse course and increase dissemination delays by over 1,000% while remaining in compliance with the CFTC's "as soon as technologically practicable" requirement.

We urge the CFTC to engage directly with the DTCC SDR to ensure compliance with this important element of the swaps reporting regime. In particular, data validation procedures and other operational considerations must be designed to ensure that public dissemination timeliness is preserved.

C. Replacing the SEC's Interim Public Reporting Framework

When introducing post-trade transparency in the single-name CDS market, the SEC concluded that it lacked the necessary data to establish block trade thresholds and, therefore, established an interim approach that permitted market participants to delay the reporting of all security-based swap transactions for up to 24 hours.[6] In addition, the SEC determined that the reported notional of single-name CDS transactions should be capped at $5 million, relying on FINRA's TRACE dissemination caps as a proxy.[7] The SEC also issued a "no-action statement" in early 2020 that

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[5] 17 C.F.R. § 43.3(b)(1).

[6] Regulation SBSR—Reporting and Dissemination of Security-Based Swap Information, 81 FR 53546 (Aug. 12, 2016), available at: https://www.govinfo.gov/content/pkg/FR-2016-08-12/pdf/2016-17032.pdf.

[7] *See* Cross-Border Application of Certain Security-Based Swap Requirements, 85 Fed. Reg. 6270 at note 768 (Feb. 4, 2020), available at: https://www.govinfo.gov/content/pkg/FR-2020-02-04/pdf/2019-27760.pdf.

allowed market participants to comply with SEC reporting requirements by simply following the already-implemented CFTC rules, which do not contain a 24-hour reporting delay.[8]

Now is the opportune time to replace these interim measures with a more durable framework for single-name CDS reporting. Particular focus should be on (i) increasing harmonization with existing CFTC requirements and (ii) establishing appropriate block trade thresholds, thus formally eliminating the "interim" approach of permitting all security-based swap transactions to be delayed for up to 24 hours.

The SEC's blanket 24-hour delay for all single-name CDS transactions, irrespective of size, contrasts sharply with the CFTC regime and ignores the widely documented benefits of real-time transparency requirements. In addition, using block trade thresholds for corporate bonds, which have not been updated in decades, does not accurately reflect the liquidity characteristics of the single-name CDS market and are set far too low. Indeed, many single-name CDS instruments are now centrally cleared and electronically traded. The SEC has years of transaction data and market experience in order to calibrate block trade thresholds and establish a real-time transparency regime. In doing so, the SEC should harmonize with the CFTC approach of ensuring approximately 67% of traded notional in a specific type of swap is subject to real-time reporting and limiting dissemination delays for block trades to 15 minutes.

D. Streamlining Swap Reporting Requirements

We support the Commissions' efforts to improve the utility of the publicly reported swaps data and recommend continuing to focus on increasing consistency in how specific data fields are reported, enhancing the data where appropriate, and eliminating unnecessary fields. For example:

- For cleared transactions, the name of the clearinghouse (or exempt clearinghouse) where the transaction is cleared should be publicly disclosed given that this is a key data element that affects transaction pricing.

- Transactions that are executed on non-U.S. trading venues that have been deemed equivalent (e.g. EU MTFs and OTFs) should not be considered "off-facility transactions." These regulated trading venues should report a MIC code as part of transaction reports in order to distinguish this activity from bilateral trading and to allow regulators and market participants to assess the impact of equivalence assessments.

- The publicly reported data for interest rate swaps should be enhanced by including the first coupon date. This will enable market participants to identify the coupon convention used for any stub periods (particularly relevant for IRS that are not benchmark tenors).

[8] 85 FR 6270 (Feb. 4, 2020), available at: https://www.govinfo.gov/content/pkg/FR-2020-02-04/pdf/2019-27760.pdf at 6347. *See also* Frequently Asked Questions on Regulation SBSR at Q1, available at: https://www.sec.gov/rules-regulations/staff-guidance/trading-markets-frequently-asked-questions/frequently-asked-0#_ftn1.

II. Improving the Public Reporting of Total Return Swaps

Total return swaps are commonly used across asset classes in order to obtain synthetic exposure to an underlying asset (or basket of assets). Given the significant trading volumes in these instruments,[9] it is important to ensure the publicly reported data provides sufficient market transparency that is broadly consistent with the level of transparency provided for cash transactions in the associated underliers. Otherwise, total return swaps may be employed to sidestep public reporting regimes.

Unfortunately, the publicly reported data for total return swaps continues to be plagued by data quality issues. We recommend that the Commissions:

- **Standardize the definition of a reportable swap or security-based swap transaction**. At the moment, reporting parties may incorrectly disaggregate a single transaction into multiple reports and/or incorrectly aggregate multiple transactions into a single report. For example, a series of transactions involving the same underlier and executed on the same day may be reported by one dealer as a single swap while another dealer reports the same activity as multiple separate swaps.

- **Require the underlying constituents to be reported**. As custom baskets of reference assets grow in use, it is important to publicly report each reference asset in a particular total return swap. Otherwise, the reported data regarding that transaction does not provide any transparency to market participants.

- **Require the reported price to relate to the specific transaction that is being reported**. Often, reported prices only provide an average across multiple transactions.

- **Require the reported notional to be precise**. Often, reported notional appears rounded.

- **Update the volume caps**. The Commissions should update the volume caps for publicly reported total return swaps by analyzing current trading activity.

- **Improve lifecycle reporting**. The Commissions should require SDRs to maintain and disseminate standardized lifecycle records that clearly associate all events relating to a particular swap contract, such as new transactions, modifications, corrections, cancellations, and terminations.

III. Conclusion

The Commissions have an important opportunity to strengthen the swap reporting frameworks by focusing on the quality and usefulness of the publicly available data. Meaningful transparency requires information that is timely, accurate, standardized, and accessible to support price discovery and informed execution decisions. The Commissions should build upon the CFTC's

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[9] *See, e.g.*, https://www.clarusft.com/sbsdr-a-look-at-equity-total-return-swaps/.

real-time public reporting regime for IRS and CDS, while further harmonizing and streamlining requirements. In addition, the Commissions should take steps to address the data quality issues plaguing the reporting of total return swaps.

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Please feel free to contact the undersigned with any questions regarding these comments.

Respectfully,

/s/ Stephen John Berger

Managing Director

Global Head of Government & Regulatory Policy