

MEMORANDUM OF UNDERSTANDING

OFFICE OF FINANCIAL RESEARCH And COMMODITY FUTURES TRADING COMMISSION To CONDUCT A JOINT ASSESSMENT OF SDR DATA AND TO DEVELOP A PROJECT PLAN FOR FURTHER COLLABORATION

I. PURPOSE

This Memorandum of Understanding (“MOU”) sets forth the terms and conditions under which the Office of Financial Research (“OFR”) and the Commodity Futures Trading Commission (“CFTC”) will conduct a joint assessment of the quality, types and formats of data collected from registered swap data repositories (SDRs) and develop a project plan for further collaboration between OFR and CFTC.

The joint assessment will build on work already completed by the CFTC staff responsible for harmonizing the data with the SDRs, and reviewing and improving data quality, data standards and OTC product taxonomies. The project plan will further the objectives of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) and the Commodity Exchange Act (“CEA”), and contribute to both CFTC and OFR’s analysis and understanding of swaps and other over the counter derivative transactions, and their resulting impact on financial stability. Specifically, the project plan will define the scope, content and intended outcomes of further collaboration between OFR and CFTC. Additionally, the project plan will include estimated timelines as well as identify the responsibilities of both agencies for staffing and other support needed to achieve the outcomes identified in the project plan.

II. BACKGROUND

To enhance transparency, promote standardization and reduce systemic risk, section 727 of the Dodd-Frank Act added to the CEA new section 2(a)(13)(G), which requires all swaps—whether cleared or uncleared—to be reported to swap data repositories (SDRs), which are new registered entities created by section 728 of the Dodd-Frank Act. SDRs are required to perform specified functions related to the collection and maintenance of swap transaction data and information and make such data and information directly and electronically available to identified regulators. Section 728 of the Dodd-Frank Act added to the CEA new section 21 governing registration, regulation and core duties of SDRs and directed the Commission to promulgate rules governing those duties and responsibilities. Those rules are codified at Part 49 of the Commission’s regulations. SDRs have begun reporting data to the CFTC. However, each of the registered SDRs has different systems architecture and reporting technology. These differences have created challenges to CFTC’s efforts to review, analyze and aggregate the data.

OFR and the Financial Stability Oversight Council (“Council”) in their financial-stability monitoring roles, have an interest in the ability to use and combine the data resulting from the SDRs. The Council was established by Section 111 of the Dodd-Frank Act; the CFTC Chairperson is a voting member of the Council. In addition, OFR has responsibilities with respect to the types, formats, and quality of data collected under the authority of the Dodd-Frank Act by Council member agencies.

III. LEGAL AUTHORITY

OFR is authorized under sections 153 and 154 of the Dodd-Frank Act to: (i) support the work of the Council; (ii) standardize the types and formats of data reported and collected; (iii) assist member agencies in determining the types and formats of data authorized by the Dodd-Frank Act to be collected by member agencies; (iv) perform other related services; and (v) maintain expertise in such areas as may be necessary to support specific requests for advice and assistance from financial regulators.

CFTC is authorized under Section 12 of the CEA to cooperate with any agency of the Government to further the purposes of the CEA.

IV. OFR RESPONSIBILITIES

OFR will:

- A. Work collaboratively with CFTC to develop the scope, timeline and plan for a joint assessment of the quality, types and formats of data collected from SDRs.
- B. Provide staff, resources and other support necessary to conduct a joint assessment with CFTC of the quality, types and formats of data accessed through SDRs.
- C. Comply with all CFTC confidentiality, data access, data handling, and other applicable requirements and protocols, including the requirement that OFR staff sign non-disclosure agreements reviewed by OFR prior to and while accessing SDR data for purposes of the joint assessment and development of the project plan.
- D. Perform all work at a CFTC office located in either Washington, DC or New York and only access and use SDR and other non-public CFTC data at a CFTC office.
- E. Work collaboratively with CFTC to develop a project plan that will define the scope, content, and intended outcomes of further collaboration between OFR and CFTC; set forth estimated timelines for work in the project plan; and identify the responsibilities of both agencies for staffing and other support needed to achieve the outcomes identified in the project plan.

V. CFTC RESPONSIBILITIES

CFTC will:

- A. Work collaboratively with OFR to develop the scope, timeline and plan for a joint assessment of the quality, types and formats of data collected from SDRs.
- B. Provide staff, resources and other support necessary to conduct a joint assessment with OFR of the quality, types and formats of data collected from SDRs.
- C. Provide appropriate space at a CFTC office located in either Washington, DC or New York for OFR staff conducting the joint assessment and developing the project plan.
- D. Provide OFR with the information and data necessary to complete the joint assessment and project plan, including access to SDR data (for the sole purpose of working with the CFTC to conduct the joint assessment and develop the project plan), subject to OFR's compliance with CFTC confidentiality, data access, data handling, and other applicable requirements, including the requirement that OFR staff sign non-disclosure agreements reviewed by OFR, prior to and while accessing SDR data for purposes of the joint assessment and development of the project plan.
- E. Work collaboratively with OFR to develop a project plan that will define the scope, content, and intended outcomes of further collaboration between OFR and CFTC; set forth estimated timelines for work in the project plan; and identify the responsibilities of both agencies for staffing and other support needed to achieve the outcomes identified in the project plan.
- F. Provide OFR supervisors with feedback regarding the work performed onsite at CFTC offices by OFR staff under OFR supervision.

VI. TERM/TERMINATION

This MOU shall become effective on the date of the last signature below, and end on May 1, 2014, with the option to extend for an additional period of six (6) months or less, upon the written agreement of both CFTC and OFR. Notwithstanding the preceding sentence, either OFR or CFTC may immediately terminate this MOU upon written notice to the non-terminating party.

VII. AMENDMENT

This MOU may be revised or modified only upon the written agreement of both OFR and CFTC, or as required by changes in relevant laws.

VIII. MISCELLANEOUS

- A. OFR and CFTC agree that no further authorizations are necessary for their respective staffs to conduct activities as described by this MOU.

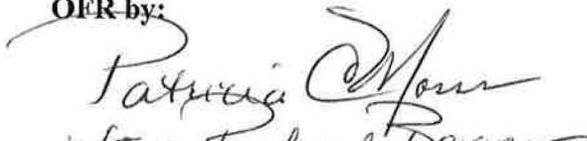
- B. This MOU does not create any right for or by any person or entity against OFR or CFTC or any of their members, officials, employees, or contractors. This MOU does not impose any discovery obligations in any matter in which OFR or CFTC is not a participant. This MOU is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable at law by any party in any matter civil or criminal.
- C. Nothing in this MOU will restrict either OFR or CFTC from participating in similar activities or arrangements with other public or private agencies, organizations, or individuals.
- D. Nothing in this MOU precludes separate activities being undertaken by either OFR or CFTC separately or together, and such activities will not undermine the intent and purpose of the letter agreement.

IX. PRINCIPAL CONTACTS

- A. OFR designates Mary Kay Kelleher Associate Director, Data Services, and her designee(s) as its point(s) of contact for the collaborative work to be performed under this MOU.
- B. CFTC designates John Rogers, Chief Information Officer, and his designee(s) as its point(s) of contact for the collaborative work to be performed under this MOU.

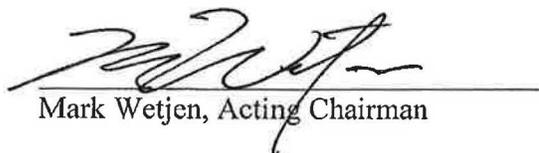
X. SIGNATORIES

OFR by:


for Richard Berner
Richard Berner, Director

Date: 3/28/14

CFTC by:


Mark Wetjen, Acting Chairman

Date: 3/27/14