

DTCC Data Repository

END-USER CLEARING EXCEPTION/EXEMPTION INSTRUCTIONS & FORM

Section 2(h)(7)(A) of the CEA and CFTC Regulations 50.50 and 50.51, as well as applicable CFTC Letters, provide for a number of exceptions and an exemption from required clearing for swaps entered into by certain non-financial end users, financial cooperatives, treasury affiliates, bank holding companies and savings and loan holding companies, and community development financial institutions (collectively, the “End-User Exception”).

Reporting obligations may be satisfied on either a swap-by-swap or annual basis. Each counterparty claiming the End-User Exception (“Electing Counterparty”) from clearing swaps that are reported to the DTCC Data Repository (U.S.) LLC (“DDR”), may provide the required information on an annual form to DDR (“Annual End-User Clearing Exception/Exemption Form”).

The following elections and representations must be reported by the Reporting Entity, as defined in CFTC Regulation 49.2 (“Reporting Entity”), on each swap they submit where the End-User Exception has been elected:

1. Notice of election of the End-User Exception;
2. The identity of the counterparty(s) making the election; and
3. The type of clearing exception or exemption being claimed.

The Electing Counterparty must have an Annual End-User Clearing Exception/Exemption Form on file with DDR whenever the Electing Counterparty elects the swap-by-swap exception or exemption, unless all required information is being reported by the Reporting Entity.

STEP 1: ON-BOARDING

DDR does not require that Electing Counterparties complete the onboarding process prior to filing the Annual End-User Clearing Exception/Exemption Form; however, it is suggested that firms onboard with DDR in order to take advantage of other DDR functionality including, viewing position reports and validating and disputing the information in swaps for which the Electing Counterparty is a counterparty (“alleged swaps”).

If the Electing Counterparty wants to onboard with DDR it must contact the DDR Onboarding team at gtr-onboarding@dtcc.com.

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STEP 2: ANNUAL FORM – ELECTING COUNTERPARTY PROCESS

Prior to claiming the End-User Exception for a swap, each Electing Counterparty should complete and return an Annual End-User Clearing Exception/Exemption Form; otherwise, all required information must be reported by the Reporting Entity. The process for filing an Annual End-User Clearing Exception/Exemption Form is as follows:

1. The Electing Counterparty contact completes the Annual End-User Clearing Exception/Exemption Form (located at the end of this document) electronically.
2. The Electing Counterparty submits the completed Annual End-User Clearing Exception/Exemption Form to GTREndUserExemption@dtcc.com.

ANNUAL END-USER CLEARING EXCEPTION/EXEMPTION FORM

Until all required information is provided, the Annual End-User Clearing Exception/Exemption Form will not be considered complete.

The information requested on the Annual End-User Clearing Exception/Exemption Form is as follows:

A) ENTITY INFORMATION

1. Full legal name of the Electing Counterparty;
2. DTCC Account Number – this is optional. If the Electing Counterparty has a DTCC Account Number, it may be provided; and
3. LEI - each Electing Counterparty must provide this number as a LEI is required pursuant to Part 45 of the CFTC's regulations. If the Electing Counterparty is an individual Person, and ineligible to register for a LEI, then "Individual" may be entered in this field.

B) PRIMARY CONTACT INFORMATION

1. Name - the name of the person responsible for filing the Annual End-User Clearing Exception/Exemption Form. This information is needed so DDR can contact the person identified if there is an issue with the form, if information is not provided or if DDR has questions about the information that is provided.
2. Contact phone.
3. Contact e-mail.

C) REQUIRED REGULATORY INFORMATION

1. **Financial Entity Status** – Pursuant to CFTC Regulation 50.50(b), the Electing Counterparty must disclose whether it is a Financial Entity and, if so, what type of Financial Entity. In particular, the form includes the following types of Financial Entities: an insured small bank, savings association, farm credit system institution or credit union; a captive finance company; an exempt cooperative; an eligible treasury affiliate; a bank holding company or savings and loan holding company; and a community development financial institution.
2. **Hedge or Mitigate Commercial Risk** – This section is required to be checked when the selected Financial Entity Status is any other than Exempt Cooperative or Eligible Treasury Affiliate.
3. **Eligible Treasury Affiliate Relief** - Consistent with CFTC requirements, this section is required to be checked to indicate whether the Reporting Entity has a reasonable basis to believe that the Electing

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Counterparty meets the conditions contained in CFTC Letter No. 14-144.

4. **Exempt Cooperative** - Consistent with the requirements of CFTC Regulation 50.51, this section is required to be checked to indicate whether the Reporting Entity has a reasonable basis to believe that the Electing Counterparty will only elect the cooperative exemption for:
 - swaps entered into with a member of the exempt cooperative in connection with originating a loan or loans for that member, which satisfies the requirements of CFTC Regulation 1.3(ggg)(5)(i)-(iii); or
 - swaps that hedge or mitigate commercial risk related to loans to or swaps with members (as such swaps are described above).
5. **Financial Obligations** – Pursuant to CFTC Regulation 50.50(b), this section is required to be checked to indicate how the Electing Counterparty generally meets its financial obligations associated with entering into non-cleared swaps. At least one of the choices must be checked, but more than one choice may be checked. Additionally, the Electing Counterparty has the option of providing information regarding the “other” methods of meeting financial obligations.
6. **Issuer of Securities** – Consistent with CFTC requirements, this section is required to be checked to indicate whether the Electing Counterparty is an issuer of securities, yes or no. If the Electing Counterparty is an issuer of securities, then this section should also indicate whether the Electing Counterparty’s appropriate committee of the board of directors (or equivalent body) has reviewed and approved the decision to enter into swaps that are not cleared.

D) SIGNATURE BLOCK

The following information about the person completing the Annual End-User Clearing Exception/Exemption Form is required:

1. Signature –electronic.
2. Name of the signatory.
3. Title of the signatory.
4. Date executed and submitted.

E) ANNUAL FORM – DDR PROCESS

Once the Electing Counterparty has returned the annual form, DDR will perform the following processes:

1. Each submitted annual form will be reviewed for completeness. If any required field or question is left blank, DDR will communicate to the contact person that the form is incomplete and will need to be completed fully before processing.
2. DDR will maintain a tracking spreadsheet showing the Reporting Entity name, the Electing Counterparty name, the LEI for each and the date on which the completed annual form was filed.
3. DDR will create a report showing: 1) Reporting Entities and Electing Counterparties to swaps that have elected the End-User Exception, and 2) each Electing Counterparty for which a valid Annual End-User Clearing Exception/Exemption Form or a Swap-by- Swap Form has been submitted. The report will be made available to the CFTC on a weekly basis

STEP 3: SWAP-BY-SWAP ELECTIONS

CFTC Regulation 43.4(b) requires that the Reporting Entity indicate on real time messages that the End-

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User Exception has been elected. There is no requirement to identify the party claiming exception or the type of exemption being claimed, on real time messages. A True/False flag is provided on the real time message for counterparties to indicate that the clearing exception is elected and the flag can exist on either party block.

<!-- This indicates Clearing Exception has been invoked -->

<endUserException>true</endUserException>

Applicable message types	Real-Time
* The recommendation is that this flag should only be set to “True” on Real Time messages.	

CFTC Regulation 45.3 requires the Reporting Entity to the swap to report the election of the End-User Exception, the type of clearing exception and identification of the Electing Counterparty, which refers to the counterparty(s) making the election. The Reporting Entity to the swap can indicate the Electing Counterparty by including a related party reference with the role of “ClearingExceptionParty”, or “Cooperative” as well as one of the standard identifiers for the party claiming the exception or exemption.

DDR will accept the message from its clients and derive the “Clearing Exception Type” field based on the on the role provided for the related party as follows.

- a. The “Clearing Exception Type” field will be populated with a value of “End-User” when:

```
//partyTradeInformation/relatedParty[role="ClearingExceptionParty"]
```

OR

```
//tradeHeader/partyTradeInformation/endUserException/text() - has a value of 'true'
```

Please note that the Part 43 real time message with the *enduserexception* flag set to true only indicates that the exemption is being elected, without identifying the counterparty making the election. In order to satisfy the Part 45 requirement that the reporting entity must identify the counterparty that is electing the end user exemption, the reporting entity must also send in a PET message identifying the counterparty electing the end user exception.

- b. The “Clearing Exception Type” field will be populated with a value of “Cooperative” when:

```
//partyTradeInformation/relatedParty[role="Cooperative"]
```

A) FpML

The related party reference below should be populated on the related party block of the Reporting Entity, and reference the Electing Counterparty as the related party.

The role should be specified as “ClearingExceptionParty” if the clearing exception type is “End-User”; or “Cooperative” if the clearing exception type is “Cooperative”.

Example 1:

Counterparty A claiming an *End-User* exception:

For example, if the non-Reporting Entity is the Electing Counterparty, then the party reference should

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be included on the Reporting Entity's related party block with reference to the non-Reporting Entity.

<!-- This indicates Clearing Exception has been invoked for Counterparty A -->

<relatedParty>

<partyReference href="CounterpartyA"/>

<role>ClearingExceptionParty</role>

<!--This role indicates the value of "End-user" should be auto-populated by DDR into the clearing exception type field-->

</relatedParty>

<!-- Prefix and Value for Counterparty A -->

<party id="CounterpartyA">

<partyId partyIdScheme="<http://www.dtcc.com/coding-scheme/party-id>">00001111</partyId>

Example 2:

CounterParty A claiming a *Cooperative* exemption:

<!-- This indicates Clearing Exception has been invoked for Counterparty A -->

<relatedParty>

<partyReference href="CounterpartyA"/>

<role>Cooperative</role>

<!--This role indicates the value of "Cooperative" should be auto-populated by DDR into the clearing exception type field-->

</relatedParty>

<!-- Prefix and Value for Counterparty A -->

<party id="CounterpartyA">

<partyId partyIdScheme="<http://www.dtcc.com/coding-scheme/party-id>">00001111</partyId>

Applicable Message Types	RT* PET RT-PET* Confirm PET-Confirm RT-PET-Confirm* Snapshot
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*If the RT message or any of the RT combination messages are sent in with the indication of the party claiming exception as opposed to the true/false flag described above, DDR will still disseminate a true/false indicator publicly

B) CSV

Clearing Exception or Exemption Party Prefix	(Conditional) Prefix of the party claiming End-User Exception
Clearing Exception or Exemption Party Value	“true” or “false” or Party ID Value of the party claiming End-User Exception. The Clearing Exception Party Prefix will be applicable only when Party ID value is provided.
Clearing Exception or Exemption Type	“End-User” or “Cooperative”

While the Clearing Exception Type field is auto-populated by DDR for FpML submissions based on the role provided in the FpML message, participants should submit the clearing exception or exemption type field with one of the appropriate values selected when submitting using CSV.

In case of both CSV and FPML – if the submission is done on behalf of one party – the Clearing Exception party information will be applied only on that side of the position.

If the submission is done on behalf of both parties – the Clearing Exception party information will be applied on both sides of the position.

**ANNUAL END-USER CLEARING
EXCEPTION / EXEMPTION FORM**

This form is being provided to satisfy the Electing Counterparty's annual reporting requirements under CFTC Regulations 50.50(b), 50.51(c) or applicable CFTC Letters.

ELECTING COUNTERPARTY INFORMATION

Full Legal Name: _____

DTCC Account Number (if applicable): _____ LEI: _____

PRIMARY CONTACT INFORMATION

Name: _____

Contact Phone: _____ E-mail: _____

FINANCIAL ENTITY STATUS

The Electing Counterparty is: (one must be checked)

- Not a Financial Entity, as defined in Section 2(h)(7)(C)(i) of the Commodity Exchange Act
- An Insured Small Bank, Savings Association, Farm Credit System Institution or Credit Union exempted under CFTC Regulation 50.50(d)
- A Captive Finance Company excepted under Section 2(h)(7)(C)(iii) of the Commodity Exchange Act
- An Eligible Treasury Affiliate excepted under Section 2(h)(7)(D) of the Commodity Exchange Act
- A Cooperative exempted under CFTC Regulation 50.51(a)
- An Eligible Treasury Affiliate meeting the conditions of CFTC Letter No. 14-144
- A Bank Holding Company or Savings and Loan Holding Company meeting the conditions of CFTC Letter No. 16-01
- A Community Development Financial Institution meeting the conditions of CFTC Letter No. 16-02

HEDGE OR MITIGATE COMMERCIAL RISK

(does not apply to Cooperative Exemption or Eligible Treasury Affiliate Relief)

- I certify that the Electing Counterparty will only elect the end-user exception for swaps that hedge or mitigate commercial risk as described in Section 2(h)(7)(A)(ii) of the Commodity Exchange Act and CFTC Regulation 50.50(c).

ELIGIBLE TREASURY AFFILIATE RELIEF

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I certify that the Electing Counterparty meets the conditions contained in CFTC Letter No. 14-144.

EXEMPT COOPERATIVE

I certify that the Electing Counterparty will only elect the cooperative exemption form for:

- swaps entered into with a member of the exempt cooperative in connection with originating a loan or loans for that member, which satisfies the requirements of CFTC Regulation 1.3(ggg)(5)(i)-(iii); or
- swaps that hedge or mitigate commercial risk related to loans to or swaps with members (as such swaps are described above).

FINANCIAL OBLIGATIONS

How does the Electing Counterparty generally meet its financial obligations associated with entering into non-cleared swaps? (Check all that apply. *At least one must be checked.*)

- A written credit support agreement
- Pledged or segregated assets (including posting or receiving margin pursuant to a credit support agreement or otherwise)
- A written guarantee from another party
- The electing counterparty's available financial resources
- Means other than those described above (optional description of other means may be provided below)

ISSUER OF SECURITIES

Is the Electing Counterparty an issuer of securities registered under section 12 of, or is required to file reports under section 15(d) of, the Securities Exchange Act of 1934?

- YES
- NO

If YES, please provide the required information below:

SEC Central Index Key Number: _____

- The appropriate committee of the board of directors (or equivalent body) has reviewed and approved the decision to enter into swaps that are exempt from the clearing requirement of section 2(h)(1), and section 2(h)(8) of the Commodity Exchange Act.

I hereby certify that the information contained in this Annual End-User Clearing Exception / Exemption Form is true and accurate to the best of my knowledge.

Signature: _____

Date: _____

Name: _____

Title: _____