

CME Term SOFR Reporting and Audit Guide

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The Information License Agreement (ILA) requires two types of reporting related to use of CME Term SOFR; standard market data use reporting and “notional reporting”. One or both types of reporting may be required, depending on your use of CME Term SOFR. Standard market data reporting captures the quantity and type of use by license and is auditable under the ILA. Notional reporting is also a requirement under the ILA but is used by CME Group to meet UK Benchmark Regulation (UK BMR) reporting requirements. It captures the outstanding notional value of the financial products, issued by UK supervised entities, that reference CME Term SOFR under the Category 1 and Category 2 Use licenses. Here we will discuss these requirements in more detail and provide sample reporting formats.

Standard Reporting

Standard market data reporting requirements vary by license type and are submitted to CME using the Data Service Portal.

- **Display Devices** – Reporting obligations for accessing CME Term SOFR in Display Devices will begin in **January 2023**.
 - Where CME Term SOFR is accessed for viewing on a screen provided by a licensed data distributor then;
 - The distributor alone will report directly to CME, the total quantity of display devices with access to the data by your firm.
 - The total quantity of devices, in aggregate, is reported on a location basis each month.
 - For each location, the report captures, Firm Name, Firm Address, and total quantity of devices with access to the CME Term SOFR data.
 - No personal or user level information is required to be reported.
 - Where CME Term SOFR is accessed for viewing on a screen, and the access to Display Devices is managed by the license holder (Licensee),
 - Licensees are required to report directly to CME, the total quantity of Display Devices with access to the data.
 - The total quantity of devices, in aggregate, is reported on a location basis each month.
 - For each location, Firm Name and Firm Address are required, as well as the total number of devices at each of those locations. This is firm level information only, not personal or user level information.
 - CME provides a reporting template in Excel format. It can be downloaded from the CME Data Services Portal which can be accessed [here](#). A sample reporting template can also be found [here](#).
 - Completed templates should be submitted using the same portal. Your firm will be provided access to this portal to enable you to submit these reports each month. Below is a screenshot of where you will be asked to submit your report.



Get Started

Here are a few things you might need to do:

Licenses

Review your active market data licenses.

[View Licenses](#)

Orders

Review your orders, which are your requests for data licenses.

[View Orders](#)

Reporting

Submit your reporting as required by the data usage policy.

[Get Started](#)

Invoices

View your market data invoice details.

[View Invoices](#)

- Note that any display device that is provided by a licensed distributor will be reported by that distributor only. The same level of information and detail is required from the distributor. No personal or user level information is required.
- For additional information please refer to the [Unit of Count: Device guide](#).

• Non-Display

- Licensee of CME Term SOFR for Non-Display Benchmark Use have no reporting obligation for such use.

• Category 3

- Licensee of CME Term SOFR for Category 3 Use have no reporting obligation for such use.

Notional Reporting

• Category 1 and Category 2 Licenses

- CME Benchmark Administration, Ltd. is subject to UK BMR that requires CBA to report to the regulator the outstanding notional of financial products, issued by UK Supervised Entities that reference CME Term SOFR. This helps the regulator determine the use of and systemic importance of the benchmark.
- CME, therefore, requires licensees to report the total outstanding notional of their financial products that reference CME Term SOFR, issued by UK supervised entities.
- The following products are in scope of reporting:
 - o **Category 1**
 - Bonds and Floating Rate Notes
 - Retail Mortgages
 - Retail Loans
 - Money Market Instruments (e.g., Commercial Paper, Repo, Certificates of Deposit)
 - Outstanding notional of non-retail loans and Structured Notes is not required to be reported.
 - o **Category 2**
 - All OTC Derivative Hedge Products
- Licensees can report at an individual product level, at the overall Category level or as a single aggregated notional across Category 1 and Category 2 products combined.
- The request to report, a point in time assessment, will come in January of each year and will be due in February.
- Where a licensee does not have a UK supervised entity in its group that has issued financial products that reference CME Term SOFR, a figure of \$0 is required to be submitted.
- Where a licensee is unable to differentiate between notional attributable to its UK supervised entities and other entities within its group, the licensee should report the outstanding notional at a group level.
- This requirement will commence in 2023.

Audit

In order to help customers be compliant with the ILA, from time to time, and no more than once in a 12-month period, CME may conduct an audit of data usage in respect of the licensees' usage of Term SOFR.

The audit may take place remotely, or in-person, and will be co-ordinated with the licensee at a suitable time with 30-days' notice.

All information observed during an audit will be treated as confidential information and used only to verify compliance with the agreement.

Typically, we compare your license and reporting to your data management infrastructure – any entitlement systems you have, records of access and identifying the role of your applications processing the data. If we find any discrepancies, we will walk you through those and identify methods of remediation, which could include a financial settlement in respect of under-reporting of fee-liable access.

In respect of CME Term SOFR licensing, we will not ask for personal user information.

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