

CME Term SOFR Reporting and Audit Guide

25 SEPTEMBER 2024

The Information License Agreement (ILA) requires two types of reporting related to use of CME Term SOFR Information; (i) standard market data use reporting and (ii) "notional reporting". One or both types of reporting may be required, depending on your use of CME Term SOFR Information. 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 Information under the Category 1 and Category 2 Use licenses. Here we will discuss these requirements in more detail and provide sample reporting formats. Capitalized terms used in this document have the same meaning as defined in the ILA.

Standard Reporting

Standard market data reporting requirements vary by license type and are submitted to CME using the data service portal.

- **Subscriber Display Devices** – Reporting obligations for accessing CME Term SOFR Information via Subscriber Display Devices will begin in **January 2023**.
 - Where CME Term SOFR Information is accessed for viewing on a screen provided by a licensed data distributor to a Subscriber then:
 - The distributor alone will report directly to CME, the total quantity of Subscriber Display Devices with access to the data by your Subscriber firm.
 - The total quantity of Subscriber Display 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 Subscriber Display Devices with access to the CME Term SOFR Information.
 - No personal or user level information is required to be reported.
- **Internal Display Devices** - Where CME Term SOFR Information is accessed for viewing on a screen within Licensee Group, and the access to Internal Display Device is managed by the license holder (Licensee),
 - Effective September 25, 2024, Licensees are NOT required to report directly to CME, the total quantity of Internal Display Devices with access to the CME Term SOFR Information.

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 Subscriber 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

- Licensees of CME Term SOFR Information for Non-Display Benchmark Use must report on an As Needed basis the use of CME Term SOFR in Applications.

• Category 3

- Licensees of CME Term SOFR Information 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 Information. This helps the regulator determine the use of and systemic importance of the benchmark.
- CME, therefore, requires licensees to report the total outstanding aggregated notional of their Category 1 and Category 2 financial products that reference CME Term SOFR Information, 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



Notional Reporting

Please provide the **Sum of Category 1 & 2 notional (in \$millions)**

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Please keep in mind that the **Notional Value** submitted in the above field should be representative of products issued by only the **UK Supervised Entity(ies)** within your license group.

- Licensees should report a single aggregated notional amount 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.

Audit

As a reminder, pursuant to the terms of your ILA, in order to help customers be compliant with the ILA, from time to time, CME may conduct an audit of data usage in respect of the licensees' usage of CME Term SOFR Information.

The audit may take place remotely, or in-person, and will be coordinated 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 Information licensing, we will not ask for personal user information.

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