

UNITED STATES OF AMERICA  
Before the  
**COMMODITY FUTURES TRADING COMMISSION**

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**10:41 am, Sep 27, 2021**

In the Matter of: )  
CITIBANK, N.A. and )  
CITIGROUP GLOBAL )  
MARKETS LIMITED, )  
Respondents. )  
\_\_\_\_\_  
)

CFTC Docket No. 21-15

**ORDER INSTITUTING PROCEEDINGS PURSUANT TO  
SECTION 6(c) AND (d) OF THE COMMODITY EXCHANGE ACT, MAKING  
FINDINGS, AND IMPOSING REMEDIAL SANCTIONS**

**I. INTRODUCTION**

The Commodity Futures Trading Commission (“Commission”) has reason to believe that from in or about 2013 to at least September 2020 (“Relevant Period”), Citibank, N.A. (“CBNA”) and Citigroup Global Markets Limited (“CGML”) (collectively, “Respondents” or “Citi”) violated Sections 2(a)(13)(G), 4r(a)(3), and 4s(h)(1)(B) of the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 2(a)(13)(G), 6r(a)(3), 6s(h)(1)(B) (2018), and Regulations 23.602(a), 45.3, 45.4, and 45.6, 17 C.F.R. §§ 23.602(a), 45.3, 45.4, 45.6 (2020), of the Commission Regulations (“Regulations”) promulgated thereunder, and from in or about September 2017 to at least September 2020, violated a prior Commission Order. Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether Respondents engaged in the violations set forth herein and to determine whether any order should be issued imposing remedial sanctions.

In anticipation of the institution of an administrative proceeding, Respondents have submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Without admitting or denying any of the findings or conclusions herein, Respondents consent to the entry of this Order Instituting Proceedings Pursuant to Section 6(c) and (d) of the Commodity Exchange Act, Making Findings, and Imposing Remedial Sanctions (“Order”), and acknowledge service of this Order.<sup>1</sup>

<sup>1</sup> Respondents consent to the use of the findings of fact and conclusions of law in this Order in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party or claimant, and agree that they shall be taken as true and correct and be given preclusive effect therein, without further proof. Respondents do not consent, however, to the use of this Order, or the findings or conclusions herein, as the sole basis for any other proceeding brought by the Commission or to which the Commission is a party or claimant, other

## II. FINDINGS

The Commission finds the following:

### A. SUMMARY

CBNA and CGML, as provisionally registered swap dealers, are required to comply with certain requirements related to reporting their swap transactions to a swap data repository (“SDR”), including requirements in Part 45 of the Regulations, 17 C.F.R. pt. 45 (2020), concerning reporting the legal entity identifier (“LEI”) of each counterparty to a swap.<sup>2</sup> During the Relevant Period, CBNA and CGML failed to report LEIs properly for tens of thousands of swaps; failed to satisfy the conditions of available CFTC no-action relief on which they sought to rely for over one hundred thousand swaps that lacked LEIs; and failed to supervise their swap dealer activities diligently with respect to LEI swap data reporting, in violation of the Act and Regulations. In doing so, CBNA and CGML also violated the cease-and-desist provision of a prior Commission Order filed in September 2017 that found CBNA and CGML in violation of LEI swap data reporting and supervision requirements.

Reporting is at the heart of the Commission’s market and financial surveillance programs, which are critical to the Commission’s mission to protect market participants and promote market integrity. Accurate swap data is thus essential to effective fulfillment of the regulatory functions of the Commission, including meaningful surveillance and enforcement programs.

In accepting Respondents’ Offer, the Commission recognizes the substantial cooperation of Citi with the Division of Enforcement’s (“Division”) investigation of this matter. The Commission also acknowledges Respondents’ representations concerning their remediation in connection with this matter. The Commission’s recognition of Respondents’ substantial cooperation, and appropriate remediation is further reflected in the form of a reduced penalty.

### B. RESPONDENTS

Respondent CBNA is a national banking association with its main office in Sioux Falls, South Dakota, and offices in, among other places, New York City. CBNA provides consumer finance, investment banking, commercial banking, and other services. CBNA became a provisionally registered swap dealer on December 31, 2012.

Respondent CGML is a non-U.S. swap dealer with a principal place of business in London, United Kingdom. CGML became a provisionally registered swap dealer on October 9, 2013.

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than: a proceeding in bankruptcy or receivership; or a proceeding to enforce the terms of this Order. Respondents do not consent to the use of the Offer or this Order, or the findings or conclusions in this Order, by any other party in any other proceeding.

<sup>2</sup> An LEI is a unique, 20-character, alpha-numeric code, used to uniquely identify legally distinct entities that act as counterparties to swap transactions, among other financial transactions.

## C. **FACTS**

### 1. **The 2017 Order**

In September 2017, the Commission entered an Order against Citi finding that from at least April 2015 to December 2016, Citi failed to report LEI data for swap transactions properly to an SDR for tens of thousands of swaps, failed to establish the electronic systems and procedures necessary to do so, failed to correct errors in LEI data previously reported to an SDR, and failed to perform its supervisory duties diligently with respect to LEI swap data reporting, in violation Regulations 23.204, 23.602, 45.4, 45.6, 45.14, 46.3, 46.4, and 46.11, 17 C.F.R. §§ 23.204, 23.602, 45.4, 45.6, 45.14, 46.3, 46.4, 46.11 (2017).<sup>3</sup> *In re Citibank, N.A.*, CFTC No. 17-26, 2017 WL 4280594, at \*5 (Sept. 25, 2017) (consent order) (the “2017 Order”).

The Commission required Citi to pay a \$550,000 civil monetary penalty and further required Citi to cease and desist from violating Regulations 23.204, 23.602, 45.4, 45.6, 45.14, 46.3, 46.4, and 46.11, 17 C.F.R. §§ 23.204, 23.602, 45.4, 45.6, 45.14, 46.3, 46.4, 46.11 (2017).<sup>4</sup> *Id.* at \*6.

### 2. **Division of Market Oversight No-Action Relief from LEI Reporting Requirements**

Recognizing potential conflicts between the Commission’s reporting requirements and non-U.S. privacy, secrecy, and blocking laws, the Division of Market Oversight (“DMO”) has issued certain time-limited and conditional no-action relief from LEI reporting requirements. *See, e.g.*, CFTCLTR No. 17-16, 2017 WL 956324 (Mar. 10, 2017) (“CFTC No-Action Letter 17-16”). The no-action relief permits a reporting party to mask the LEI of certain counterparties in its swaps reporting pursuant to Part 43 and Part 45 of the Regulations, 17 C.F.R. pt. 43, 45 (2020), provided several conditions set forth in the no-action relief are met.<sup>5</sup> One condition is that the reporting party must report an alternative counterparty identifier, a “Privacy Law Identifier” (“PLI”), in each instance in which it would otherwise have been required to report an LEI.<sup>6</sup> Another condition is that once the relief expires, those relying on the relief must comply

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<sup>3</sup> In connection with certain LEI reporting errors, the Order also found that Citi did not satisfy the conditions of available no-action relief from the Division of Market Oversight because they failed to report a unique Privacy Law Identifier for masked counterparties, as required by the no-action relief. *Id.* at \*3.

<sup>4</sup> The Order also required Citi “to enhance its LEI reporting processes relating to the reporting of unique [Privacy Law Identifiers] in a manner reasonably designed to satisfy the conditions of CFTC Letter No. 17-16, CFTCLTR No. 17-16, 2017 WL 956234 (Mar. 10, 2017), or any successor thereto, where Citi intends to rely upon such no-action relief.” *Id.* at \*7.

<sup>5</sup> See CFTC No-Action Letter 17-16, 2017 WL 956324, at \*5.

<sup>6</sup> *Id.* at \*4-5 (extending, but declining to expand, the PLI condition granted in prior DMO masking no-action relief letters). “Privacy Law Identifier” is defined in prior DMO masking no-action relief letters as:

[A] unique identifier, which is not an LEI, and is used to identify a Privacy Law Counterparty pursuant to this Division Letter. Each Reporting Counterparty shall use a consistent and static Privacy Law Identifier for a Privacy Law Counterparty in each instance that it would use the Opposite LEI and other Enumerated Identifier.

with certain backloading conditions, which require the reporting party to correct all counterparty identifiers previously omitted or submitted in a masked form by reporting corrected data to an SDR by no later than 30 days of the expiration of the relief.<sup>7</sup>

### **3. Citi’s Continued LEI Swap Data Reporting and Supervision Failures**

During the Relevant Period, including after the date of the 2017 Order, Citi had numerous LEI swap data reporting failures. Citi’s continued LEI reporting failures involve several issues related to the masking of counterparty LEIs.

From 2013 until November 2019, Citi misreported LEIs for tens of thousands of swaps that Citi reported using a certain third party service provider (the “Reporting Service Provider”).<sup>8</sup> For these swaps, the Reporting Service Provider erroneously reported, on Citi’s behalf, “Name Withheld” as the counterparty identifier rather than reporting a valid LEI or a PLI compliant with available no-action relief.<sup>9</sup> Many of these reporting errors also involved the incorrect masking of the LEI of a counterparty that did not require masking.

These failures were due in part to Citi failing to supervise the Reporting Service Provider diligently. Since 2013, Citi communicated LEI masking instructions to the Reporting Service Provider on an informal, ad hoc basis, and Citi did not keep an audit trail of its masking instructions. In September 2017, around the same time as the 2017 Order, Citi implemented a monthly control requiring Citi to review the Reporting Service Provider’s LEI reporting for Citi, identify counterparties that were incorrectly masked, and send the Reporting Service Provider updated masking instructions. Yet even after it implemented this control, Citi did not maintain a consistent record of the unmasking instructions it sent to the Reporting Service Provider or take steps sufficient to ensure that the Reporting Service Provider implemented Citi’s masking instructions on a going forward basis. As a result, in many instances, the Reporting Service Provider continued to misreport counterparty identifiers on Citi’s behalf.

Citi’s LEI reporting failures were also due in part to Citi taking over eighteen months to complete upgrades to its internal systems needed for it to report PLIs properly when reporting via the Reporting Service Provider. Prior to making these upgrades, Citi was unable to feed PLIs from its trade processing system to the Reporting Service Provider.

Citi also masked LEIs for swaps for which no-action relief was available, but for which Citi did not satisfy the backloading conditions of the no-action relief. Although the no-action

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*See, e.g.*, CFTCLTR No. 15-01, 2015 WL 221101, at \*4 (Jan. 8, 2015).

<sup>7</sup> CFTC No-Action Letter 17-16, 2017 WL 956324, at \*5 & n.30 (incorporating the backloading conditions of CFTC Letter No. 16-03, CFTCLTR No. 16-03, 2016 WL 192281, at \*4 (Jan. 15, 2016), which in turn incorporates the backloading conditions of CFTC Letter No. 13-41, CFTCLTR No. 13-41, 2013 WL 3355714, at \*4 (June 28, 2013)).

<sup>8</sup> The Regulations permit swap reporting parties like Citi to contract with third party service providers to facilitate swap data reporting, but make clear that the swap reporting party “remain[s] fully responsible for reporting as required.” *See* Regulation 45.9, 17 C.F.R. § 45.9 (2020).

<sup>9</sup> Over 90% of the misreported swaps were original swaps between two Citi affiliates that were submitted to a derivatives clearing organization (“DCO”); accepted for clearing within the same day; and replaced by equal and opposite swaps, with the DCO as the counterparty.

relief required backloading LEIs in place of previously reported PLIs to an SDR within 30 days of the expiration of the relief, during the Relevant Period, Citi had not designed its LEI reporting processes to meet this condition. For live trades, Citi's process generally took at least 30-60 days after the expiration of no-action relief to begin backloading LEIs to an SDR. For expired or terminated trades, Citi had no process whatsoever for backloading LEIs to an SDR after the expiration of no-action relief. This failure resulted in untimely backloading for approximately one hundred thousand swaps and a failure to backload LEIs entirely for additional swaps. These failures occurred through at least September 2020, despite the fact that in the 2017 Order, Citi committed to enhancing its reporting processes in a manner reasonably designed to satisfy the conditions of the CFTC's masking no-action relief where it intended to rely upon such relief. *See In re Citibank*, 2017 WL 4280594, at \*5.

Citi's continued LEI reporting failures resulted in part from a failure to supervise its swap dealer activities diligently with respect to LEI swap data reporting. In addition to the supervision failures described above, Citi's supervisory system did not detect its repeated LEI reporting failures. After the Division of Enforcement brought certain LEI reporting errors to Citi's attention, Citi engaged an external consultant to conduct a comprehensive review of Citi's LEI reporting systems and processes. That review identified the issues described above with respect to Citi's failure to meet the backloading conditions of the no-action relief, as well as additional areas in Citi's LEI reporting systems and processes that could be strengthened. Citi's supervision failures are further magnified by the fact that the 2017 Order highlighted Citi's need to address LEI-related deficiencies in its swap data reporting systems and controls.

Citi cooperated with the Division's investigation which included disclosing to Division staff the findings of its external consultant's review, analyzing its LEI swap data reporting, and categorizing and detailing errors for Division Staff. Citi also proactively remediated LEI reporting failures beyond those that were the subject of the 2017 Order and made other enhancements to its LEI reporting systems and processes, including by implementing the recommendations of its external consultant.

### III. LEGAL DISCUSSION

#### A. Violation of Prior Commission Order

On September 25, 2017, the Commission issued the 2017 Order filing and settling charges against Citi for, among other things, failing to report LEIs for swap transactions properly to an SDR and failing to perform supervisory duties diligently with respect to LEI swap data reporting, in violation of Regulations 23.602, 45.4, and 45.6, 17 C.F.R. §§ 23.602, 45.4, 45.6 (2017), among others. *See In re Citibank*, N.A., CFTC No. 17-26, 2017 WL 4280594, at \*5 (Sept. 25, 2017) (consent order). The Commission has authority to bring an action for a violation of this Order under Section 6(c)(4) of the Act, 7 U.S.C. § 9(c)(4)(2018).

Section VI.A of the 2017 Order directed Citi to cease and desist from violating Regulations 23.602, 45.4, and 45.6, among others. *Id.* at \*6. As discussed above, after the 2017 Order, Citi failed to report LEIs for swap transactions properly and failed to perform its supervisory duties diligently with respect to LEI swap data reporting, in violation of Regulations 23.602, 45.4, and 45.6. Thus, Citi violated the 2017 Order.

## B. LEI Swap Data Reporting

The Act requires all swaps, both cleared and uncleared, to be reported to a registered SDR. *See Sections 2(a)(13)(G), 4r(a)(3) of the Act, 7 U.S.C. §§ 2(a)(13)(G), 6r(a)(3) (2018).* These sections of the Act and the Commission’s implementing regulations in Parts 43 and 45 of the Regulations, 17 C.F.R. pts. 43, 45 (2020), were designed to enhance transparency, promote standardization, and reduce systemic risk. “The accuracy and completeness of swap reporting are critical to the Commission’s mission to protect market participants and to ensure market integrity.” *CFTC v. Deutsche Bank AG*, No. 1:16-cv-6544 (WHP), 2020 WL 4611985, at \*8 (S.D.N.Y. June 17, 2020) (citing *In re Société Générale Int’l Ltd.*, CFTC No. 19-38, 2019 WL 4915485, at \*6 (Sept. 30, 2019) (consent order) (collecting cases)). The Commission requires complete and accurate reporting data to engage in meaningful oversight of the swaps market. *Id.* “[S]wap data that does not identify eligible counterparties with an LEI hinders the Commission’s fulfillment of its regulatory mandates,” including monitoring systemic risk, market monitoring, and market abuse prevention. *Swap Data Recordkeeping and Reporting Requirements*, 85 Fed. Reg. 75,503, 75,530 (Nov. 25, 2020).

The Regulations mandate LEI reporting. Regulation 45.6 requires the reporting of LEIs in all swap data reporting pursuant to Part 45 of the Regulations.<sup>10</sup> *See* 17 C.F.R. § 45.6 (2020).

Regulation 45.3 requires the reporting of required swap creation data, which, as defined in Regulation 45.1, includes the primary economic terms data and all confirmation data for the swap. 17 C.F.R. §§ 45.1, 45.3 (2020). Primary economic terms data, as defined in Regulation 45.1, includes the LEIs for both counterparties to a swap. *See* Regulation 45.1; 17 C.F.R. pt. 45 app. 1 (2020).

Regulation 45.4 requires the reporting of required swap continuation data, which as defined in Regulation 45.1, includes “all of the data elements that must be reported during the existence of a swap to ensure that all swap data concerning the swap in the [SDR] remains current and accurate, and includes all changes to the primary economic terms of a swap occurring during the existence of the swap.”<sup>11</sup> *See* 17 C.F.R. §§ 45.1, 45.4 (2020).

The Regulations permit swap counterparties required to report required swap creation data or swap continuation data under Part 45 of the Regulations, “while remaining fully responsible for reporting as required by [Part 45 of the Regulations],” to contract with third party service providers to facilitate reporting. Regulation 45.9, 17 C.F.R. § 45.9 (2020).

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<sup>10</sup> The conduct at issue took place before recent amendments to Part 45 of the Regulations. *See Swap Data Recordkeeping and Reporting Requirements*, 85 Fed. Reg. 75,503, 75,560-62 (Nov. 25, 2020) (to be codified at 17 C.F.R. pts. 45, 46, 49); *Certain Swap Data Repository and Data Reporting Requirements*, 85 Fed. Reg. 75601, 75,654 (Nov. 25, 2020) (to be codified at 17 C.F.R. pts. 43, 45, 49).

<sup>11</sup> Required swap continuation data includes, but is not limited to, all “life cycle event data” for the swap. 17 C.F.R. § 45.1 (2020). “Life cycle event data” means all of the data elements necessary to fully report any “life cycle event.” *Id.* “Life cycle event” includes “any event that would result in a change to a primary economic term of a swap or to any primary economic terms data previously reported to [an SDR] in connection with a swap.” *Id.* Examples of such events include, without limitation, the “availability of a legal entity identifier for a swap counterparty previously identified by name or by some other identifier.” *Id.*

During the Relevant Period, Respondents failed to report LEIs properly. For certain swaps, Respondents reported, via the Reporting Service Provider, “Name Withheld” as a counterparty identifier, which did not satisfy the conditions of the available no-action relief because that relief required, among other things, the reporting of a PLI. For other swaps, Respondents masked LEIs, but failed to satisfy the conditions of the no-action relief because they failed to complete backloading corrected swap data to an SDR within 30 days of the expiration of relief. Respondents therefore violated Sections 2(a)(13)(G) and 4r(a)(3) of the Act and Regulations 45.3, 45.4, and 45.6.

### C. Supervision

Section 4s(h)(1)(B) of the Act requires “diligent supervision of the business of the registered swap dealer.” 7 U.S.C. § 6s(h)(1)(B) (2020). Regulation 23.602(a) requires each swap dealer to establish and maintain a system to supervise, and to diligently supervise, all activities relating to its business performed by its partners, members, officers, employees, and agents (or persons occupying a similar function). 17 C.F.R. § 23.602(a) (2020).

Under Regulation 23.602, a violation is demonstrated by showing either that: (1) the registrant’s supervisory system was generally inadequate; or (2) the registrant failed to perform its supervisory duties diligently. *See In re Bank of Nova Scotia*, CFTC No. 20-26, 2020 WL 4926053, at \*10 (Aug. 19, 2020) (consent order) (citing *In re Commerzbank AG*, CFTC No. 19-03, 2018 WL 5921385, at \*10-11 (Nov. 8, 2018) (consent order); *In re INTL FCStone Mkts., LLC*, CFTC No. 15-27, 2015 WL 4980321, at \*3 (Aug. 19, 2015) (consent order) (interpreting Regulation 23.602 and noting its similarity to Regulation 166.3, 17 C.F.R. § 166.3, making case law concerning Regulation 166.3 instructive); cf. *In re Murlas Commodities, Inc.*, CFTC No. 85-29, 1995 WL 523563, at \*9 (Sept. 1, 1995) (consent order) (interpreting Regulation 166.3)). Evidence of violations that “should be detected by a diligent system of supervision, either because of the nature of the violations or because the violations have occurred repeatedly’ is probative of a failure to supervise.” *CFTC v. Deutsche Bank AG*, No. 16-cv-6544 (WHP), 2020 WL 4611985, at \*9 (June 17, 2020) (consent order) (citing *INTL FCStone Mkts.*, 2015 WL 4980321, at \*3 (quoting *In re Paragon Futures Ass’n*, CFTC No. 8818, 1992 WL 74261, at \*14 (Apr. 1, 1992)).

As described above, during the Relevant Period, Respondents failed to maintain an adequate supervisory system and failed to perform their supervisory obligations diligently with respect to LEI swap data reporting, including failing to supervise a Reporting Service Provider by failing to take steps to ensure it implemented Respondents’ masking instructions. Respondents’ failure to supervise is also demonstrated by their failure to detect, prevent, and remediate repeated LEI swap data reporting errors, even after the 2017 Order. Accordingly, Respondents violated Section 4s(h)(1)(B) of the Act and Regulation 23.602(a).

## IV. FINDINGS OF VIOLATIONS

Based on the foregoing, the Commission finds that, during the Relevant Period, CBNA and CGML violated Section VI.A of the 2017 Order, Sections 2(a)(13)(G), 4r(a)(3), and

4s(h)(1)(B) of the Act, 7 U.S.C. §§ 2(a)(13)(G), 6r(a)(3), 6s(h)(1)(B) (2018), and Regulations 23.602(a), 45.3, 45.4, and 45.6, 17 C.F.R. §§ 23.602(a), 45.3, 45.4, 45.6 (2020).

## **V. OFFER OF SETTLEMENT**

Respondents have submitted the Offer in which they, without admitting or denying the findings and conclusions herein:

- A. Acknowledge service of this Order;
- B. Admit the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;
- C. Waive:
  - 1. The filing and service of a complaint and notice of hearing;
  - 2. A hearing;
  - 3. All post-hearing procedures;
  - 4. Judicial review by any court;
  - 5. Any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
  - 6. Any and all claims that they may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2018), and 28 U.S.C. § 2412 (2018), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. pt. 148 (2020), relating to, or arising from, this proceeding;
  - 7. Any and all claims that they may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, tit. II, §§ 201–253, 110 Stat. 847, 857–74 (codified as amended at 28 U.S.C. § 2412 and in scattered sections of 5 U.S.C. and 15 U.S.C.), relating to, or arising from, this proceeding; and
  - 8. Any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief, including this Order;
- D. Stipulate that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Respondents have consented in the Offer;
- E. Consent, solely on the basis of the Offer, to the Commission's entry of this Order that:
  - 1. Makes findings by the Commission that Respondents violated Section VI.A of the 2017 Order, Sections 2(a)(13)(G), 4r(a)(3), and 4s(h)(1)(B) of the Act, 7 U.S.C.

- §§ 2(a)(13)(G), 6r(a)(3), 6s(h)(1)(B) (2018), and Regulations 23.602(a), 45.3, 45.4, and 45.6, 17 C.F.R. §§ 23.602(a), 45.3, 45.4, 45.6 (2020);
2. Orders Respondents to cease and desist from violating Section VI.A of the 2017 Order, Sections 2(a)(13)(G), 4r(a)(3), and 4s(h)(1)(B) of Act and Regulations 23.602(a), 45.3, 45.4, and 45.6;
  3. Orders Respondents to pay, jointly and severally, a civil monetary penalty in the amount of one million dollars (\$1,000,000), plus post-judgment interest;
  4. Orders Respondents and their successors and assigns to comply with the conditions and undertakings consented to in the Offer and as set forth in Part VI of this Order; and
- F. Represent that they have already undertaken significant remediation efforts, including, but not limited to, the following:
1. Engaging a third-party consultant to conduct a review of certain of Citi's swap data reporting systems and processes and implementing various enhancements recommended by that consultant;
  2. Discontinuing Citi's use of the Reporting Service Provider to report swaps on Citi's behalf;
  3. Enhancing Citi's controls and reporting technology to facilitate backloading counterparties' LEIs within 30 days of the expiration of CFTC no-action relief; and
  4. Implementing new technology to automatically backload counterparties' LEIs for certain expired and terminated swaps.

Upon consideration, the Commission has determined to accept the Offer.

## VI. ORDER

### **Accordingly, IT IS HEREBY ORDERED THAT:**

- A. Respondents shall cease and desist from violating Section VI.A of the 2017 Order, Sections 2(a)(13)(G), 4r(a)(3), and 4s(h)(1)(B) of the Act, 7 U.S.C. §§ 2(a)(13)(G), 6r(a)(3), 6s(h)(1)(B) (2018), and Regulations 23.602(a), 45.3, 45.4, and 45.6, 17 C.F.R. §§ 23.602(a), 45.3, 45.4, 45.6 (2020).
- B. Respondents shall pay, jointly and severally, a civil monetary penalty in the amount of one million dollars (\$1,000,000) ("CMP Obligation"), within ten days of the date of the entry of this Order. If the CMP Obligation is not paid in full within ten days of the date of entry of this Order, then post-judgment interest shall accrue on the CMP Obligation

beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961 (2018).

Respondents shall pay the CMP Obligation and any post-judgment interest by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

CFTC  
C/O ESC/AMK-326; HQ RM 265  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169  
(405) 954-6569 office  
(405) 954-1620 fax  
[9-AMC-AR-CFTC@faa.gov](mailto:9-AMC-AR-CFTC@faa.gov)

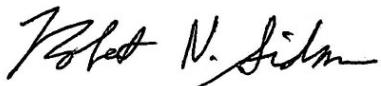
If payment is to be made by electronic funds transfer, Respondents shall contact Marie Thorne or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Respondents shall accompany payment of the CMP Obligation with a cover letter that identifies the paying Respondent and the name and docket number of this proceeding. The paying Respondent shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

- C. Respondents and their successors and assigns shall comply with the following conditions and undertakings set forth in the Offer:
1. Public Statements: Respondents agree that neither they nor any of their successors and assigns, agents or employees under their authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect Respondents': (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondents and their successors and assigns shall comply with this agreement, and shall undertake all steps necessary to ensure that all of their agents and/or employees under their authority or control understand and comply with this agreement.
  2. Cooperation, in General: Respondents shall cooperate fully and expeditiously with the Commission, including the Commission's Division of Enforcement, in this action, and in any current or future Commission investigation or action related thereto. Respondents shall also cooperate in any investigation, civil litigation, or administrative matter related to, or arising from, this action.

3. Partial Satisfaction: Respondents understand and agree that any acceptance by the Commission of any partial payment of Respondents' CMP Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.
4. Change of Address/Phone: Until such time as Respondents satisfy in full their CMP Obligation as set forth in this Order, Respondents shall provide written notice to the Commission by certified mail of any change to their telephone number and mailing address within ten calendar days of the change.
5. Remediation:
  - a. Within 60 days of the entry of this Order, Respondents shall provide its SDR corrected swap data with respect to the swap data reporting errors brought to the attention of Division Staff as of the date of the filing of this Order.
  - b. Within 180 days of the entry of this Order, Respondents shall make a report to the Commission, through the Division, concerning their remediation efforts before and since the entry of this Order. Within 365 days of the entry of this Order, Respondents shall submit a written report to the Commission, through the Division explaining how Respondents have complied with the undertakings set forth herein. The written report shall provide an update on the status of Respondents' remedial efforts, including but not limited to discussion of: the policies, procedures and controls governing Respondents' LEI swap data reporting obligations, including the procedure for the escalation to senior management of LEI swap data reporting issues; independent periodic testing to test compliance with Respondents' LEI swap data reporting obligations; the qualifications and training of staff responsible for compliance; and the status of any LEI swap data reporting issues escalated to senior management. The written report shall contain a certification from Respondents' chief compliance officer(s) regarding whether Respondents have established policies, procedures, and controls to satisfy the terms set forth in this Order.

**The provisions of this Order shall be effective as of this date.**

By the Commission.



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Robert N. Sidman  
Deputy Secretary of the Commission  
Commodity Futures Trading Commission

Dated: September 27, 2021