August 24, 2026

Mr. Christopher Kirkpatrick, Secretary
U.S. Commodity Futures Trading Commission
Three Lafayette Centre 1155 21st Street, N.W.
Washington, D.C. 20581

Ms. Vanessa A. Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: Joint Request for Comment on Further Definition of "Swap" and "Security-Based Swap" and on Alternative Compliance [CFTC RIN 3038-AF71, SEC RIN 3235-AN79]

Joint Request for Comment on Swap and Security-Based Swap Data Reporting [CFTC RIN 3038-AF70, SEC RIN 3235-AN78]

Dear Secretary Kirkpatrick and Secretary Countryman,

B3 S.A. – Brasil, Bolsa, Balcão ("B3"), a company incorporated under the laws of Brazil, authorized to operate securities, commodities and futures exchanges, as well as over-the-counter ("OTC") markets, and also authorized to act as a clearinghouse, foreign exchange clearinghouse, central securities depository and trade repository, welcomes the opportunity to submit comments on the Commodity Futures Trading Commission ("CFTC") and the Securities and Exchange Commission's (the "SEC" and, together with the CFTC, the "Commissions") Joint Requests for Comments on Further Definition of "Swap" and "Security-Based Swap" and on Alternative Compliance, and on Swap and Security-Based Swap Data Reporting. B3 is registered with the CFTC as a Foreign Board of Trade ("FBOT") registered under Part 48 of Title 17 of the Code of Federal Regulations ("Part 48").

B3 supports the Commissions' efforts to provide greater regulatory clarity for innovative products that may implicate the regulatory interests of both agencies, as well as the Commissions' stated objective of reducing uncertainty, promoting coordination, and facilitating efficient markets while preserving market integrity and investor protection.

In an effort to contribute to the Commissions' evaluation of a consistent regulatory framework, B3 respectfully understands that the Commissions should consider greater harmonization of reporting and compliance obligations applicable to economically similar exchange-traded products, including products referencing

broad-based security indices, narrow-based security indices, single-name securities, security futures products, equity-linked futures products, and certain event contracts.

I. Harmonization of Reporting Requirements for Economically Similar Exchange-Traded Products

B3 recognizes that Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act established important statutory distinctions among swaps, security-based swaps, mixed swaps, futures, security futures products, and other financial instruments. B3 does not seek to discuss those statutory distinctions or the allocation of regulatory authority between the Commissions.

However, B3 respectfully submits that statutory or jurisdictional distinctions should not necessarily result in materially different reporting and compliance obligations where products are economically similar and traded in comparable regulated market environments.

Products referencing broad-based security indices, narrow-based security indices, individual securities, security futures products, equity-linked futures products, and certain event contracts may, in many cases, share similar economic characteristics, risk-management functions, trading mechanics, transparency features, and market surveillance needs. Nevertheless, such products may be subject to different reporting and compliance frameworks depending on whether the relevant reference asset is classified as broad-based, narrow-based, single-name, or otherwise within the jurisdictional boundaries of one or both Commissions.

This divergence can create operational complexity, increase compliance costs, produce duplicative regulatory processes, and contribute to uncertainty for exchanges, clearinghouses, intermediaries, and market participants. It may also discourage innovation in regulated and transparent markets, even where comparable investor protection, market integrity, and surveillance outcomes are already being achieved through exchange-based oversight.

Accordingly, B3 encourages the Commissions to evaluate whether differences in reporting obligations applicable to economically similar exchange-traded products remain justified by demonstrable differences in:

i. market integrity risks;
ii. investor protection considerations;
iii. surveillance needs;
iv. systemic risk concerns;

v. regulatory data requirements; or
vi. susceptibility to manipulation or information asymmetries.

Where such differences are not material, B3 believes that greater harmonization of reporting obligations would promote regulatory efficiency without diminishing market transparency or investor protection.

II. Broad-Based and Narrow-Based Distinctions Should Be Reassessed for Reporting Purposes

B3 understands that the distinction between broad-based security indices and narrow-based security indices is embedded in the statutory framework and remains relevant for determining whether a product falls primarily within the jurisdiction of the CFTC, the SEC, or both agencies.

However, B3 respectfully suggests that the existence of this distinction should not automatically require materially different reporting frameworks in all cases. In particular, where products referencing broad-based indices and products referencing narrow-based security indices are traded on regulated exchanges and subject to comparable pre-trade transparency, audit trail, surveillance, and post-trade reporting obligations, the Commissions should assess whether different reporting frameworks are necessary or appropriate.

B3 encourages the Commissions to consider whether products referencing narrow-based security indices present materially different economic, risk, market integrity, or investor protection characteristics from products referencing broad-based security indices when both product types are traded in regulated exchange environments.

In particular, B3 recommends that the Commissions consider:

1. whether exchange-traded products referencing narrow-based security indices present surveillance concerns materially different from those associated with exchange-traded products referencing broad-based security indices;
2. whether the current distinction in reporting obligations generates regulatory benefits that are proportionate to the operational and compliance burdens imposed;
3. whether duplicative or divergent reporting regimes create unnecessary uncertainty for exchanges, intermediaries, clearing organizations, and market participants;
4. whether harmonized reporting standards could improve data quality, regulatory usability, and oversight efficiency; and

5. whether comparable exchange-level controls, including market surveillance, audit trails, transaction reporting, position reporting, and access to data by regulators, already address the relevant regulatory concerns.

B3 believes this assessment would be especially valuable for products that are economically similar but are treated differently solely because of the broad-based versus narrow-based distinction.

III. Consideration of Part 48 Principles for Exchange-Traded Products

B3 further encourages the Commissions to consider whether principles reflected in the CFTC's approach to FBOT under Part 48 may provide a useful reference point in developing alternative compliance or streamlined reporting frameworks for exchange-traded products from foreign exchanges.

B3 is not proposing that Part 48 of the CFTC's rules be applied directly to domestic products or that the Commissions disregard statutory distinctions between swaps and security-based swaps. Rather, B3 suggests that the principles underlying Rule 48 of the CFTC's rules may be informative where a foreign exchange-traded product is already subject to robust market oversight and where regulators have access to relevant transaction, position, and audit trail information.

In particular, B3 believes that a Part 48-type analytical framework may be useful where:

1. the relevant exchange maintains comprehensive transaction records and audit trails;
2. the exchange conducts ongoing surveillance of trading activity;
3. regulators have access to transaction, position, and market data;
4. the product is traded in a transparent and regulated environment;
5. clearing and risk management arrangements are in place, where applicable; and
6. additional transaction-level reporting would provide limited incremental regulatory benefit.

In such circumstances, the Commissions should consider whether exchange-level reporting and surveillance could satisfy some or all otherwise applicable reporting obligations, particularly where duplicative reporting may increase operational complexity without materially improving regulatory oversight.

This approach would be especially appropriate for exchange-traded products that are economically similar to broad-based index products but may be subject to different treatment because they reference narrow-based security indices, single-

name securities (e.g. single stock, funds, depositary receipts), or other underlying interests that implicate SEC jurisdiction.

In this regard, B3 suggests the application of a Part 48-type framework to exchange-traded contracts that are classified as swaps.

Where a swap is executed on a regulated exchange and is cleared through a central counterparty, the transaction is already subject to extensive exchange-level transparency, surveillance, recordkeeping, and reporting requirements. In such cases, imposing a second layer of transaction-level swap reporting through Swap Data Reporting ("SDR") may generate limited incremental regulatory value while creating operational complexity and duplicative compliance costs. The Joint Request for Comment specifically recognizes that reporting frameworks producing duplicative information may reduce usability and reliability of regulatory data.

Accordingly, the Commissions should consider adopting an approach analogous to the framework already applied to FBOTs by the CFTC under Part 48. Under such an approach, exchange-traded contracts that are classified as swaps, including event contracts traded on regulated exchanges, could satisfy reporting objectives through exchange-level reporting and surveillance mechanisms rather than through duplicative SDR reporting by FBOTs.

This approach would be particularly appropriate where the items listed above are already met.

The Commissions have also requested comment regarding harmonization, operational complexity, and data quality. A Part 48-type framework would directly support these objectives by simplifying reporting obligations while preserving access to high-quality information through existing exchange infrastructures.

Therefore, B3 understands that the Commissions should consider establishing a reporting exemption, substitute-compliance mechanism, or simplified reporting framework for exchange-traded swaps where equivalent exchange reporting and surveillance arrangements already exist.

IV. Exclusion of Exchange-Traded Contracts from Swap Dealer De Minimis Calculations

The Commissions should also consider whether exchange-traded contracts that are classified as swaps ought to be excluded from the swap dealer de minimis threshold calculation. We note that the CFTC previously contemplated excepting swaps that are exchange-traded and/or cleared from the swap dealer de minimis threshold[1], and we encourage the Commissions to reconsider that proposal.

[1] De Minimis Exception to the Swap Dealer Definition, 83 Fed. Reg 27444 (June 12, 2018).

The statutory purpose of the swap dealer framework is generally to capture entities engaged in significant dealer activity that create counterparty, market, and systemic risks commonly associated with the over-the-counter derivatives market. Exchange-traded contracts differ materially from traditional OTC swaps because they are characterized by centralized execution, standardized contract terms, transparency, and central clearing.

Including exchange-traded contracts within the de minimis calculation may therefore produce outcomes that are inconsistent with the policy objectives underlying swap dealer registration. Market participants engaging in a substantial volume of standardized exchange-traded transactions could be pushed toward swap dealer status even though the associated activities do not raise the same concerns that originally motivated the creation of the swap dealer regime.

Excluding exchange-traded swaps from the de minimis calculation would:

- better align regulatory treatment with the economic reality of exchange-traded markets;
- avoid discouraging participation and liquidity provision on regulated exchanges;
- promote consistency between regulatory burden and actual market risk;
- reduce unnecessary compliance costs; and
- prevent the unintended expansion of swap dealer registration requirements to participants primarily active in transparent exchange-traded markets.

Such an exclusion would be particularly justified where the contracts are traded on a regulated exchange, are subject to ongoing market surveillance, and are reported through existing exchange reporting infrastructures.

For these reasons, the Commissions should consider clarifying that exchange-traded contracts classified as swaps are excluded from the calculation of the swap dealer de minimis threshold or, alternatively, establishing a separate methodology that reflects the distinct characteristics of these products.

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B3 appreciates the opportunity to comment on this important and timely matter. We remain at the Commissions' disposal to provide any additional information or to engage in further discussions that may assist the Commissions in their consideration of the issues addressed in these Joint Requests for Comments.

Respectfully submitted,

B3 S.A. – Brasil, Bolsa, Balcão