

Summary of Discussions of Costs with Commenters

In April and May 2012, Commission staff participated in conference calls with representatives from various organizations that submitted comment letters to the Commission regarding the quantifiable costs of establishing and operating a swap execution facility (SEF) under the Commission's proposal, Core Principles and Other Requirements for Swap Execution Facilities, 76 FR 1214 (Jan. 7, 2011). A summary of the cost estimates follows:

Start-Up Cost Estimates:

- Registration: up to \$500,000.
- Technology development costs: Up to \$4 million for a new firm, much less (\$250,000) for an existing firm to develop minimum functionality.
- Overall start-up costs for an existing platform: \$1-3 million.

Ongoing Operational Cost Estimates:

- Monitoring financial information for members: \$800,000 to \$1 million per year.
- Annual audit trail reviews: \$300,000 per year.
- Made Available to Trade Determinations: \$30,000 - \$50,000 first year, less in subsequent years.
- Regulatory costs (possibly outsourced to third party providers) such as surveillance and disciplinary procedures: \$500,000 per year.
- Financial Resource quarterly reports: \$100,000 per year.
- Public Directors: \$250,000.