

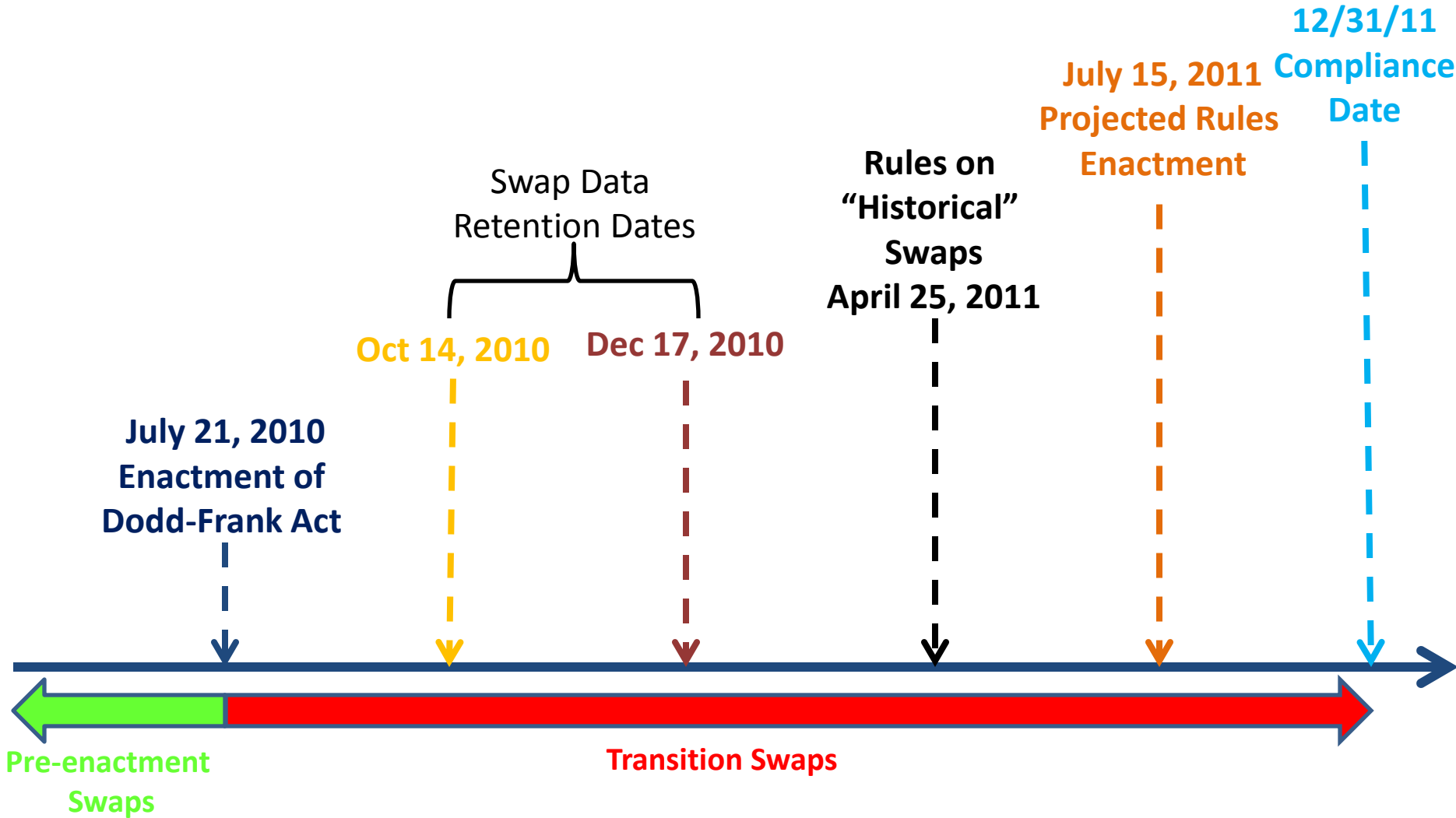


Historical (Legacy) Swap

Reporting – Historical or Legacy Swaps

- The CFTC has established record keeping, reporting and data retention rules for legacy or “historical” swaps which generally fall into two categories:
 - **Pre-enactment swaps (PE swaps)** – “any swap entered into prior to enactment of the Dodd-Frank Act (July 21, 2010), the terms of which have not expired as of the date of enactment of the Act.”
 - **Transition swaps (T swaps)**– “any swap entered into on or after the enactment of Dodd-Frank and prior to the Compliance Date (see below) specified in the final swap data reporting and record keeping requirements regulations.”
 - **Not covered:** PE Swaps terminated before 7/21/2010
- Of note, a **Compliance Date**, or the date on which registered entities and swap counterparties must begin to comply with the final swap data record keeping and reporting regulations is still to be determined by the CFTC.
 - The CFTC realizes that a reasonable period of time will be needed for market participants and entities to “adapt or create automated systems capable of fulfilling the requirements concerning swap data recordkeeping and reporting.” As such, the Commission has implied that a compliance date may occur later than the date when final regulations are issued.

Timeline & Reporting Requirements for Historical Swaps



Recordkeeping for Historical Swaps

- The CFTC has outlined relevant recordkeeping data based upon the type of historical swap and its status as a terminated (expired) or active transaction
 1. For PE and T swaps in existence on or after April 25, 2011
 - Minimum primary economic terms (see next page)
 - If, possessed by the counterparty on or after April 25, 2011
 - Confirmation
 - Master Agreement
 - CSA
 2. For PE swaps terminated prior to April 25, 2011
 - Any information and documents relating to the terms of the transaction that were possessed by the counterparty on or after October 14, 2010
 - In any format that the counterparty chooses to retain
 3. For T swaps terminated prior to April 25, 2011
 - Any information and documents relating to the terms of the transaction that were possessed by the counterparty on or after December 17, 2010
 - In any format that the counterparty chooses to retain

Reporting – Minimum Primary Economic Terms

	Sample Data Field	Comment	
1	Contract Type	Swap / Swaption / Option etc...	
2	Swap Transaction Date	Date when the swap was entered	
3	Quantity	The unit of measure applicable for the quantity on the swap	
4	Start Date	Predetermined start date from which payments will be exchanged	
5	End Date	Predetermined end date from which payments will be exchanged	
6	Buyer Pay Index	The published price as paid by the buyer	
7	Seller Pay Index	The published price as paid by the seller	
8	Buyer	Party purchasing product (e.g., fixed price payer on swap)	
9	Seller	Party offering product (e.g., floating price payer on swap)	
10	Price	Fixed price, Heat rate value etc...	
11	Price Unit	The unit of measure applicable for the price on the transaction	
12	Grade	The grade of oil or refined product being delivered	
	Any other Primary Economic Term(s) of the swap matched by the counterparties in verifying the swap.		

Record keeping for Historical Swaps

- **Retention:** With respect to the data noted above, at least five (5) years from the date of termination
- **Retrieval:** For non-SD/MSP's, within three (3) business days during the Retention period
- **Inspection:** Any record keeping data noted above is subject to inspection by the CFTC, DOJ, SEC or any prudential regulator in either an electronic or hard copy format at the expense of the counterparty.

Company Overview

Eco Risk Markets LLC is a private firm which specializes in helping companies manage commodity, interest rate, and foreign exchange risks.

Our team has worked with leading companies to establish a practical approach to managing these risks through the execution of consistent, efficient and well-communicated hedge programs and credit management processes.

In addition, we believe an integrated approach to managing overall commodity, FX and I-rate exposures is imperative, as new derivative legislation is enacted, and markets become increasingly complex from a compliance and execution perspective.

Our Mission

Our mission is to help our clients manage market and credit risks in a manner consistent with shareholder expectations, sustainability initiatives, and transparency needs



Company Overview

Eco Risk Markets has offices in Texas and Connecticut. Our primary office is in the Houston area:

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