



2001 Pennsylvania Avenue NW  
Suite 600 | Washington, DC 20006  
T 202 466 5460  
F 202 296 3184

March 4, 2016

*Via Electronic Submission*

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

**Re: Notice of Proposed Rulemaking on Regulation Automated Trading  
("Regulation AT"), RIN 3038-AD52**

Dear Mr. Kirkpatrick:

The Futures Industry Association ("FIA") is the leading trade organization for the futures, options, and over-the-counter cleared derivatives markets. Its members are active users of the commodity futures markets and include derivatives clearing firms of all sizes, as well as leading derivatives exchanges and large commodity firms. Many FIA members, including executing and clearing members, trading firms, end users, and exchanges will be directly impacted by the U.S. Commodity Futures Trading Commission's ("CFTC" or the "Commission") Automated Trading Rule ("Regulation AT").<sup>1</sup> For the reasons explained below, our members would like to request additional time to consider the many aspects of the 500-page proposed rule. Although we have drafted more than 100 pages of comments, we seek additional time to further consider the definitions and the cost-benefit analyses contained in the rule.

Regulation AT is one of the most significant rulemakings to be undertaken by the CFTC and will impact large numbers of market participants both within the U.S. and abroad. If Regulation AT is not properly drafted and implemented, it has the potential to disrupt current risk management safeguards that have developed and been proven effective over time, and even to discourage market participants from continuing these time-tested risk management practices.

In order to respond to the Notice of Proposed Rulemaking ("NPR"), FIA formed 10 working groups to consider the NPR. The groups include more than 200 participants, including representatives from futures commission merchants, designated contract markets, trading firms and commercial end users. Each group has been meeting weekly throughout the comment

---

<sup>1</sup> Regulation Automated Trading, 80 Fed. Reg. 78824 (proposed Dec. 17, 2015) (to be codified at 17 C.F.R. pts. 1, 38, 40, and 170).

Mr. Christopher Kirkpatrick  
March 4, 2016  
Page 2

period. FIA also met multiple times with Commission staff to better understand their objectives in certain sections of the rule.

While we have concerns about many aspects of the NPR, we found the definitions to be the most challenging. FIA members have spent considerable time trying to understand the scope and application of the proposed definition of AT Person. We also have spent many hours attempting to suggest amendments that would better meet the Commission's objectives. Given the importance of the definitions to the proposed rule, FIA requests more time to consider the impact of various definitions.

In addition, the NPR contains a substantial number of cost estimates that the FIA believes are key to evaluating the proposal. In order to provide meaningful comments, the industry is carefully examining several cost estimates in the NPR. We continue to assemble information and need time to survey firms on cost estimates contained within several aspects of the rule.

Finally, the FIA believes the industry needs more time to consider issues raised at the CFTC Technology Advisory Committee ("TAC") meeting on February 23, which unfortunately was delayed for approximately a month due to severe weather in Washington, DC, in January. Additional meetings with CFTC staff following the TAC meeting have refocused our approach on certain key topics. Additional time is needed to consider these recent developments.

### **Conclusion**

FIA appreciates Staff's willingness to consider an extension of time to respond to this important rulemaking. Please contact the undersigned at (202) 772-3057 if you have any questions about the relief requested by FIA herein.

Sincerely yours,



\_\_\_\_\_  
Allison Lurton  
Senior Vice President and General Counsel

Cc: Vincent A. McGonagle, Director, Division of Market Oversight  
Sebastian Pujol Schott, Associate Director, Division of Market Oversight