



Nasdaq Futures, Inc.
1900 Market Street
Philadelphia, PA 19103 / USA
business.nasdaq.com/futures

VIA ELECTRONIC SUBMISSION

March 17, 2017

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Notice of Proposed Rulemaking on Recordkeeping - RIN 3038-AE36

Dear Mr. Kirkpatrick:

NASDAQ Futures, Inc. (“NFX”) respectfully submits this letter in response to the request for public comment set forth in the Commission’s Notice of Proposed Rulemaking (“NOPR”) on Recordkeeping, in which the Commission proposes to reorganize and update Commission Rule 1.31, the existing recordkeeping regulation, by updating and eliminating certain outdated provisions.

NFX is a DCM listing key energy benchmarks of futures and options on oil, gas, and U.S. power futures that allow market participants to diversify their portfolios while providing a valuable hedging tool. All NFX trades are cleared by The Options Clearing Corporation. NFX is a wholly owned subsidiary of Nasdaq, Inc. (Nasdaq: NDAQ), a leading provider of trading, clearing, exchange technology, listing, information and public company services across six continents.

As the Commission acknowledged in the NOPR, recordkeeping has evolved significantly since the last major revision to Commission Rule 1.31 in 1999, from paper-based records to advanced electronically stored information systems that leverage complex databases, and even cloud computing. The Commission observed that most information is now produced and stored electronically on complex systems tailored to the needs of a given recordkeeper. NFX therefore supports this technology-neutral initiative by the Commission to revise Rule 1.31 to allow recordkeepers to benefit from evolving technological developments. It commends the Commission for taking this step, which should reduce current recordkeeping costs by, among other things, removing the prescriptive requirements to have an audit system, to maintain electronic records in limited specified formats, and to retain a third party technical consultant to provide an undertaking to the Commission regarding electronic storage media. Recordkeepers

will certainly benefit from the flexibility afforded by the updated rule to adopt new recordkeeping technologies as they evolve.

Finally, NFX is appreciative of the Commission's expressed commitment in the proposal to review its regulations to ensure they keep pace with technological developments and industry trends, and reduce regulatory burden. As an affiliate of Nasdaq, Inc., a financial technology innovator, NFX is particularly gratified by then-Chairman Massad's comment in Appendix 2 that it is the role of the private sector to develop innovations, and that it is the Commission's role to ensure that the Commission's rules do not stand in the way of their potential. By extending maximum possible flexibility toward innovators and adopters of financial technology, the Commission is in a unique position to facilitate significant advancements in the derivatives industry it oversees, to the benefit of the overall economy in the United States.

NFX appreciates this opportunity to comment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rick J. Beaman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rick Beaman
Chief Executive Officer