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Larry E. Thompson
Vice Chairman

55 Water Street
New York, N.Y. 10041

Tel: 212-855-3240
lthompson@dtcc.com

March 20, 2017

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

Re: Proposed Amendments to the Parts 1 and 23 Recordkeeping Requirements (3038–AE36)

Dear Mr. Kirkpatrick,

The Depository Trust & Clearing Corporation (“DTCC”)¹ appreciates the opportunity to provide comments to the Commodity Futures Trading Commission (“CFTC” or “Commission”) regarding the proposed amendments to Regulation 1.31 (the “Proposal”).²

DTCC commends the CFTC for its efforts to modernize Regulation 1.31 and to make the form and manner in which records must be kept technology neutral. DTCC believes that the Commission has largely met its objectives with this proposal and agrees with many of the proposed changes.

DTCC agrees with the CFTC’s restatement and clarification of the retention period requirements in existing Regulation 1.31(a). We believe that extending the retention periods would impose additional costs on the industry that would, due to the limited value in data more than five years old, outweigh any limited benefits. As a result, we believe that the recordkeeping retention periods, as outlined in existing Regulation 1.31(a) and restated and clarified in 1.31(c) of the Proposal, are appropriate and should not be extended.

We also support the Commission’s efforts to make Regulation 1.31 technology neutral. As discussed in the Proposal, doing so will help ensure that the Commission’s rules do not stand in the way of the potential of new technologies. We believe that requiring records to be kept in a technology neutral environment supports the use of innovative technologies and would permit the

¹ DTCC provides critical infrastructure to serve all participants in the financial industry, including investors, commercial end-users, broker-dealers, banks, insurance carriers, and mutual funds. DTCC operates as a cooperative that is owned collectively by its users and governed by a diverse Board of Directors. DTCC’s governance structure includes more than 300 shareholders.

² Recordkeeping, 82 Fed. Reg. 6356 (Jan. 19, 2017) (the “Proposal”).

use of cloud storage as an acceptable means for storing Electronic Regulatory Records.³ We ask that the Commission make this clear in the adopting release.

DTCC's final comment on the Proposal relates to the inclusion of a metadata component in the proposed definition of "regulatory record." DTCC interprets this definition to require that a records entity treat as a regulatory record both the books and records themselves and all data actually produced and stored by the records entity about such books and records. DTCC does not interpret this proposed definition to require a records entity to affirmatively produce and store any new information about such a record, only to maintain the data already produced and stored in conjunction with the creation, access, modification and formatting of the record. We understand that the CFTC does not view its proposed definition as imposing any new obligations on records entities, and we believe our interpretation conforms with existing CFTC requirements. We ask that the Commission confirm this interpretation in the adopting release.

We appreciate the opportunity to provide comments on the Proposal and for the Commission's consideration. Should the Commission wish to discuss these comments further, please feel free to contact any of the signatories to this letter.

Sincerely,

A handwritten signature in cursive script that reads "Larry E. Thompson".

[Classification]

³ Cloud storage is increasingly utilized by financial firms for the benefits it offers including cost effectiveness, safety, and resiliency