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1115 Broadway, 11th Floor, New York, NY 10010

To: The Commodities Futures Trading Commission
Re: Request for Input on LabCFTC Prize Competitions

8of9 is excited to be part of the CFTC's commitment to innovation in the area of financial regulations and leveraging FinTech and regulatory technology. We believe that this effort will spur exciting collaborations between private sector tech companies and regulators which could create more efficient ways for firms to meet regulatory requirements and for regulators to monitor financial market activities. The following proposal seeks to meet these goals:

Prize Competition Topic Selection:

1. Are there subject matter areas or specific topics that the Commission should particularly consider or focus on for a potential prize competition?

We believe that the Commission should focus on improving the accessibility of CFTC regulations for financial institutions, services providers, and technology companies.

- a. In each case, what is the relevant challenge to be addressed?

Rules, regulations, and guidance from US regulators are largely still delivered in written word format. This creates challenges for organizations to interpret, adopt, and implement effective ways of meeting regulatory requirements. As a result, firms have inconsistent application of regulatory requirements, take significant time to be able to comply with regulations, increase the burden on regulators to accurately assess firm compliance to regulations, and are challenged to respond to even minor changes in rules and guidance.

- b. In what ways can FinTech innovation potentially address this challenge?

With the scaling of many technologies, FinTech innovation can create ways to make the adoption and review of regulations swifter, more efficient, and cheaper for both financial services firms and the regulators that monitor them. For example, if rules are changed in accordance with a comprehensive ontology and structured data, they could be ingested by GRC software which would alleviate the burdens of manual tracking of updates, analysis and compliance.

- c. How would a prize competition spur development, interest, or broader adoption?
Please be specific as possible or provide examples where appropriate.

We are entrenched in the FinTech/RegTech space in New York and have had conversations with other companies in this area. From these discussions, we believe that a competition would be a galvanizing moment to have a US regulator show a deep commitment to utilizing technology solutions and moving into new ways of issuing, applying, and monitoring regulations. In specific, it would spur interest in the specific area of CFTC rules (i.e., the "derivatives space") and mobilize innovators to commit to developing the platforms, data, and infrastructure that would ease the burden of adapting to regulatory changes and enable smaller firms to expand their reach with confidence that they can meet regulatory requirements.



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2. What criteria should the Commission use to select prize competition topics?

The Commission should prioritize challenges which the industry will face as technology becomes more central to all processes, decisions, and responsibilities performed by financial institutions. Prize competition topics should demonstrate that the CFTC is actively engaged in supporting industry changes and in creating more efficient ways for financial institutions to meet their regulatory requirements.

Structure for the Administration of a Prize Competition:

3. What ground rules should govern participation in a CFTC-sponsored FinTech prize competition?

- a. For example, are there particular eligibility requirements that the agency should adopt?

The agency should identify specific eligibility requirements, but they should be based upon the scope of the topic selected for the competition.

- b. Should competition entries be designated “open source,” or should each participant retain full control of its entry and any decision about its availability?

Again, the appropriate level of control may differ based on the scope of the topic selected. In general, we believe that entrants should retain full control of their intellectual property developed for the competition, unless the agency or other prize sponsors are committing to adoption of the winning entry. This will encourage broader participation and encourage partnerships between solution providers and consumers.

4. How should prize competition judges be selected?

- a. Should the Commission select a single judge or panel to evaluate prize competition submissions?

We believe that a panel of judges is more appropriate.

- b. If a panel, how large?

We would recommend 5-7 participants on the panel.

- c. And what is the appropriate mix of stakeholders?

Ideally, the panel would be composed of financial services professionals as well as representatives of the agency.



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d. What additional requirements, if any, should apply to judges?

Judges should have a vested interest in the outcome of the specific competition which they are judging. This vested interest could exist as: the party responsible for producing or reviewing regulatory reports, participants or regulators of a specifically regulated market/product, or the executives tasked with managing implementation/oversight of new regulations.

5. What type of prize is likely to encourage the greatest participation from a broad range of innovators? What factors should the Commission consider? If the prize is other than a cash purse, what type of prize may be suitable?

We believe that there are a number of prizes which would encourage broad participation. These include:

- Cash prize(s)
- CFTC-sponsored opportunities for innovators to demo their products for potential customers
- A committed Proof-of-Concept contract with the agency and/or other prize sponsors/partners
- Committed investment capital
- Invitation(s) to participate in CFTC-sponsored industry working groups

Sincerely,

Aaron Heisler
Chief Operating Officer

Christine Min
Head of Business Development