



MANAGED FUNDS ASSOCIATION



CENTER FOR CAPITAL MARKETS COMPETITIVENESS



December 7, 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: Supplemental Notice of Proposed Rulemaking on Regulation Automated Trading (“Supplemental Proposal”), RIN 3038-AD52<sup>1</sup>**

Dear Mr. Kirkpatrick:

The Futures Industry Association (“FIA”), FIA Principal Traders Group (“FIA PTG”), International Swaps and Derivatives Association (“ISDA”), Managed Funds Association (“MFA”), Securities Industry and Financial Markets Association (“SIFMA”), SIFMA Asset Management Group (“AMG”), U.S. Chamber of Commerce (the “Chamber”) Center for Capital Markets Competitiveness (“CCMC”), and the Commodity Markets Council’s (“CMC”) (collectively, the “Group”<sup>2</sup>) memberships

<sup>1</sup> Regulation Automated Trading, 81 Fed. Reg. 85334 (supplemental notice proposed Nov. 25, 2016) (to be codified at 17 C.F.R. pts. 1, 38, 40, and 170).

<sup>2</sup> FIA is the leading trade organization for the exchange-traded and centrally cleared derivatives markets worldwide. FIA’s membership includes international and regional banking organizations, clearing houses, exchanges, brokers, vendors and trading participants. FIA’s mission is to support open, transparent and competitive markets, protect and enhance the integrity of the financial system and to promote high standards of professional conduct. Further information is available at [www.fia.org](http://www.fia.org).

FIA PTG is an association of 24 firms that trade their own capital on exchanges in futures, options and equities markets worldwide. FIA PTG members engage in manual, automated, and hybrid methods of trading, and they are active in a wide variety of asset classes, including equities, fixed income, foreign exchange and commodities. FIA PTG member firms serve as a critical source of liquidity, allowing those who use the markets, including individual investors, to manage their risks and invest effectively. FIA PTG advocates for open access to markets, transparency, and data-driven policy.

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over

include executing and clearing members, swap dealers, trading firms, investment managers, end users, and exchanges that will be directly impacted by the U.S. Commodity Futures Trading Commission's ("CFTC" or the "Commission") Notice of Proposed Rulemaking on Automated Trading ("Regulation AT")<sup>3</sup> and related proposed rulemakings, including the most recent Supplemental Proposal. We respectfully request that the Commission extend the comment deadline for the Supplemental Proposal by 180 days in order to accommodate the complexity of this particular suite of new automated trading regulations as well as the imminent period of transition at the Commission.

While we commend the Commission and CFTC Staff for attempting, in a thorough and detailed fashion in the Supplemental Proposal, to respond to and in certain places adopt earlier comments on the proposed automated trading rules, commenters and yet-to-be appointed Commissioners need sufficient time to understand and assess the new and interrelated aspects of this uniquely complex supplemental rulemaking.

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850 member institutions from 66 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: [www.isda.org](http://www.isda.org).

MFA represents the global alternative investment industry and its investors by advocating for sound industry practices and public policies that foster efficient, transparent and fair capital markets. MFA, based in Washington, D.C., is an advocacy, education and communications organization established to enable hedge fund and managed futures firms in the alternative investment industry to participate in public policy discourse, share best practices, learn from peers and communicate the industry's contributions to the global economy. MFA members help pension plans, university endowments, charitable organizations, qualified individuals and other institutional investors to diversify their investments, manage risk and generate attractive returns. MFA has cultivated a global membership and actively engages with regulators and policy makers in Asia, Europe, the Americas, Australia and many other regions where MFA members are market participants.

SIFMA is the voice of the U.S. securities industry. We represent the broker-dealers, banks and asset managers whose nearly 1 million employees provide access to the capital markets, raising over \$2.5 trillion for businesses and municipalities in the U.S., serving clients with over \$20 trillion in assets and managing more than \$67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

SIFMA AMG's members represent U.S. asset management firms whose combined global assets under management exceed \$34 trillion. The clients of SIFMA AMG member firms include, among others, tens of millions of individual investors, registered investment companies, endowments, public and private pension funds, UCITS and private funds such as hedge funds and private equity funds.

The Chamber is the world's largest federation of businesses and associations, representing the interests of more than three million U.S. businesses and professional organizations of every size and in every economic sector. These members are both users and preparers of financial information. The Chamber created the CCMC to promote a modern and effective regulatory structure for capital markets to fully function in a 21st century economy. To achieve these goals, the CCMC has supported the development of robust financial reporting systems and encouraged efforts to improve standards and reduce complexity.

CMC is a consistent voice of leadership in the derivatives industry for exchanges and their agricultural and energy end-user customers.

<sup>3</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).

The near-overlap of the January 24 comment deadline with the January 20 Presidential Inauguration means that the current Commission will not be able to finalize the Supplemental Proposal before leadership changes likely result in a newly constituted Commission. Retention of the current comment period deadline thus presents a real risk that the Group and other market participants will expend considerable time and resources submitting comments on the Supplemental Proposal that are rendered incomplete, unresponsive or altogether moot by a future Commission's actions with respect to the proposed automated trading rules. Given the uncertainty of the transition process, we submit that the most prudent approach for all parties is to extend the comment period for 180 days to allow the forthcoming Commission to review and take collective action in this area in 2017.

The Group appreciates the Commission and CFTC Staff's willingness to consider an extension of time to respond to these important rules in a deliberate and effective manner. We would kindly ask that you respond to this request as soon as possible in light of the proximity of the comment deadline and the length and complexity of the Supplemental Proposal. Timely action on this relief will enable commenters to allocate their limited resources appropriately over the next two months and beyond. Please contact the undersigned, Allison Lurton, at (202) 772-3057 if you have any questions about the relief requested herein.

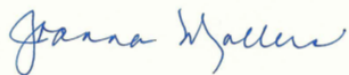
Sincerely yours,



Allison Lurton  
Senior Vice President and General Counsel  
FIA



Kyle Brandon  
Managing Director  
SIFMA



Joanna Mallers  
Secretary  
FIA PTG



Laura Martin  
Managing Director and Associate General  
Counsel  
SIFMA AMG



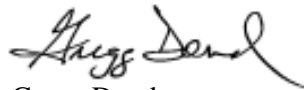
Katherine Tew Darras  
General Counsel  
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Tom Quaadman  
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/s/ Stuart J. Kaswell

Stuart Kaswell  
Executive Vice President, Managing Director &  
General Counsel  
MFA



Gregg Doud  
President  
CMC

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