



AMSTERDAM ATLANTA CALGARY CHICAGO HOUSTON LONDON NEW YORK SINGAPORE WINNIPEG

May 31, 2016

**Via Electronic Submission**

Christopher Kirkpatrick  
Secretary of the Commission  
Commodities Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street NW  
Washington, DC 20581

***RE: Comments on Notice of Intent to Renew Collection of Futures Volume, Open Interest, Price, Deliveries and Purchases/Sales of Futures for Commodities or for Derivatives Positions (OMB Control No. 3038-0012)***

Dear Mr. Kirkpatrick:

Intercontinental Exchange, Inc. (“ICE” or the “exchange”) appreciates the opportunity to provide comments and recommendations to the Commodity Futures Trading Commission (“CFTC” or “Commission”) in response to the Commission’s notice of intent to renew the collection of futures volumes, open interest, price, deliveries and purchase/sales of futures for commodities or for derivatives positions pursuant to Commission Regulation 16.01 (collectively the “Collection Notice” or “Proposed Collection”). As background, ICE operates regulated derivatives exchanges and clearing houses in the United States, Europe, Canada and Singapore, including ICE Futures U.S. (“IFUS”), a U.S. designated contract market (“DCM”), and ICE Futures Europe (“IFEU”), a London-based Recognised Investment Exchange, that currently report and publish daily information on the items listed in the Collection Notice pursuant to Commission Regulation 16.01. This letter is in response to the estimated annual reporting burden set forth in the Proposed Collection.

ICE supports the Commission’s efforts to collect comprehensive and accurate information on trading volume, open contracts, futures delivery notices, exchanges of futures for cash, and prices, and appreciates that this information represents a critical component of the Commission’s market surveillance program. However, ICE is concerned that the estimated annual reporting burden included in the Proposed Collection does not accurately reflect the time or resources currently dedicated to reporting market data under Regulation 16.01 at the exchange. In order to ensure that the public record is accurate, and for the sake of the Commission’s future rulemakings and collection efforts, ICE believes it is important that the Collection Notice be revised to reflect a burden estimate that is commensurate with the time and resources expended by the exchange to meet its regulatory reporting obligations.

Specifically, the Collection Notice estimates that it takes exchanges approximately 30 minutes per day to generate the data required under Regulation 16.01, transmit the data to the Commission, and publish the data in a publically available format on its website. The Commission estimates an annual burden of approximately 125 hours per exchange, or 1,875 total hours across the 15 exchanges that currently submit and publish reports under Regulation 16.01.<sup>1</sup> ICE notes that the Commission has

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<sup>1</sup> The 15 exchanges included in the Commission’s estimate, however, do not appear to include foreign exchanges, like IFEU, that report market data to the Commission pursuant to Regulation 16.01 for U.S.-linked contracts.



estimated a 30 minutes per day time burden in each proposal regarding the collection of information under Regulation 16.01 since 1986, despite significant changes in market volumes, technology, and the Commission's reporting standards since that time.<sup>2</sup>

ICE is concerned that while it may take 30 minutes for responsive physical files to be published and transmitted to the Commission, the estimate in the Proposed Collection neglects to consider the extensive man-hours that go into developing and maintaining the systems and processes involved in reporting data under Regulation 16.01 and ensuring its accuracy. In response to the Proposed Collection, ICE conducted an internal review of the various resources required to comply with Regulation 16.01 and estimates that the exchange utilizes approximately 7,320 full-time equivalent ("FTE") hours annually to perform this regulatory function, or approximately 29 FTE hours per day. A brief summary of these resources is provided below. Although not included in its analysis, ICE would like to stress that exchanges generally have also made, and continue to make substantial up-front capital investments in operational infrastructure, personnel and training to comply with the Commission's reporting requirements.

As background, the processes necessary to make accurate and timely market reports under Regulation 16 require the efforts and resources of multiple business units at the exchange, including clearing and trading platforms, data warehousing, quality assurance and validation, operations and compliance. ICE currently generates 27 separate files for IFUS and IFEU that are responsive to the various reporting requirements of Regulation 16, nine of which are in response to obligations set out under 16.01.<sup>3</sup> On a daily basis, exchange clearing systems generates and reconciles the responsive data before the files are sent to the data warehouse. At the data warehouse, the files are consolidated into the required XML format and additional validations are performed to ensure completeness. Afterwards, the files are sent to quality assurance for validation and then ultimately submitted to the Commission and published to the website in a publically accessible format by exchange operations. Production support teams serve to address any issues that may arise during file submission.

Beyond the daily submission workflow, however, a significant amount of ongoing development, testing, and coordination is required to ensure that the files are complete and continue to meet the standards of Regulation 16.01. For each major and minor system release and ahead of any product launch, the clearing and trading platforms, data warehouse and quality assurance teams must perform impact assessments specifically tailored to regulatory reporting requirements. From these impact assessments, the necessary development requirements must be drafted and coordinated across a wide array of business units. Once the necessary development is completed, extensive integration testing is performed along with updated reconciliation and validation processes. Finally, the exchange's compliance function devotes substantial time to assessing the impact of clearing and trading platform releases and new products, providing production support, communicating with the Commission, and managing potential issues.

For the avoidance of doubt, the processes outlined above are necessary to support the regulatory reporting obligations set out under Regulation 16 and are in addition to the normal development processes the exchange would engage in to support a system release or product launch. As mentioned previously,

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<sup>2</sup> There have been 14 extension or revision requests under OMB Control No. 3038-0012, including the renewal requested in the Collection Notice, since June 20, 1986 (ICR Ref. No. 198605-3038-02). Information collection history and currently approved collections are made publically available by the Office of Management and Budget (OMB) at [Reginfo.gov](http://Reginfo.gov).

<sup>3</sup> Exchanges submit 3 copies of the EMKTDATA, PMKTDATA, and DMR reports to the Commission pursuant to Regulation 16.01.



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ICE understands the need for accurate and timely trading information to support the Commission's surveillance programs. However, based on the foregoing, ICE encourages the Commission to revisit the calculated reporting burden included in the Collection Notice and ensure that the burden statement accurately reflects the time, resources and capital costs incurred by exchanges in complying with Commission Regulation 16.01. ICE appreciates the opportunity to comment on the Proposed Collection and looks forward to working with the Commission on this initiative going forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt Windeler", written in a cursive style.

Kurt Windeler  
Intercontinental Exchange, Inc.