



## COMMODITY FUTURES TRADING COMMISSION

### Privacy Act of 1974 System of Records Notice

**AGENCY:** Commodity Futures Trading Commission

**ACTION:** Notice; publication of character of a revised system of records

**SUMMARY:** The Commodity Futures Trading Commission (Commission) is revising a system of records under the Privacy Act of 1974, CFTC-15, Large Trader Report Files (Integrated Surveillance System), and renaming the system “Enterprise Surveillance, Oversight & Risk Monitoring System” to be more descriptive of its contents and enhancements.

**DATES:** Comments must be received on or before [INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]. This action will be effective without further notice on [INSERT DATE 40 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER], unless revised pursuant to comments received.

**ADDRESSES:** You may submit comments identified by “Enterprise Surveillance, Oversight & Risk Monitoring System SORN” by any of the following methods:

- Agency web site, via its Comments Online process: <http://comments.cftc.gov>. Follow the instructions for submitting comments through the web site.
- Federal eRulemaking Portal: Comments may be submitted at <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Mail: Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581.
- Hand Delivery/Courier: Same as mail above.

Please submit your comments using only one method.

All comments must be submitted in English, or if not, accompanied by an English translation. Comments will be posted as received to [www.cftc.gov](http://www.cftc.gov). You should submit only information that you wish to make available publicly. If you wish the Commission to consider information that you believe is exempt from disclosure under the Freedom of Information Act, a petition for confidential treatment of the exempt information may be submitted according to the procedures established in § 145.9 of the Commission's regulations, 17 CFR § 145.9.

The Commission reserves the right, but shall have no obligation, to review, pre-screen, filter, redact, refuse or remove any or all of a submission from <http://www.cftc.gov> that it may deem to be inappropriate for publication, such as obscene language. All submissions that have been redacted or removed that contain comments on the merits of the notice will be retained in the public comment file and will be considered as required under all applicable laws, and may be accessible under the Freedom of Information Act.

**FOR FURTHER INFORMATION CONTACT:** Kathy Harman-Stokes, Chief Privacy Officer, [khorman-stokes@cftc.gov](mailto:khorman-stokes@cftc.gov), 202-418-6629, Office of the Executive Director, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

**SUPPLEMENTARY INFORMATION:**

**I. The Privacy Act**

Under the Privacy Act of 1974, 5 U.S.C. 552a, a "system of records" is defined as any group of records under the control of a federal government agency from which information about individuals is retrieved by name or other personal identifier. The Privacy Act establishes the means by which government agencies must collect, maintain, and use personally identifiable information associated with an individual in a government system of records.

Each government agency is required to publish a notice in the Federal Register of a system of records in which the agency identifies and describes each system of records it maintains, the reasons why the agency uses the personally identifying information therein, the routine uses for which the agency will disclose such information outside the agency, and how individuals may exercise their rights under the Privacy Act to determine if the system contains information about them, among other things.

## **II. Routine Uses**

Information in the systems of records covered by this Federal Register notice may be disclosed in accordance with the blanket routine uses numbered 1 through 19 published at 76 Fed. Reg. 5974 (Feb. 2, 2011). These blanket routine uses apply to all CFTC systems of records, except as otherwise provided in a specific system of records notice.

## **III. Enterprise Surveillance, Oversight & Risk Monitoring System**

The Commission proposes to revise a system of records, CFTC-15 “Large Trader Report Files (Integrated Surveillance System),” and rename the system as “Enterprise Surveillance, Oversight & Risk Monitoring System.” The notice revises the description of the system and enhancements to more broadly cover the Commission’s market oversight, and market, risk and financial surveillance activities. The data covered by this expanded system includes records required to monitor the commodity futures and swaps markets, perform various mission-critical commodity futures and swaps market analyses, review activities of registered entities for compliance with the Commodity Exchange Act and Commission rules, and conduct surveillance on both intra and inter-exchange and across side-by-side electronic trading platforms.

### **Notice: Enterprise Surveillance, Oversight & Risk Monitoring System**

**SYSTEM NUMBER:**

CFTC-15

**SYSTEM NAME:**

Enterprise Surveillance, Oversight & Risk Monitoring System

**SECURITY CLASSIFICATION:**

Unclassified.

**SYSTEM LOCATION:**

The electronic systems that comprise the Enterprise Surveillance, Oversight & Risk Monitoring System are located at the Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581.

**CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:**

Individuals who own, hold, or control a reportable position, volume threshold account, or reportable sub-account, individuals who have reporting, regulatory, or oversight responsibility at firms regulated by the Commission, and individuals requesting exemptions, as defined in 17 CFR Parts 17, 18, 19, 20, 39 and 151, including but not limited to individuals who process reportable positions, volume threshold accounts, or reportable sub-accounts and/or submit information related to such positions, accounts, or sub-accounts to the Commission; employees, officers or agents of registered derivatives clearing organizations (DCOs); and individuals whose cleared positions are reported by a DCO pursuant to Commission regulations.

**CATEGORIES OF RECORDS IN THE SYSTEM:<sup>1</sup>**

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<sup>1</sup> On July 26, 2012, the Commission published a Notice of Proposed Rulemaking, which proposes new rules and related forms for public comment that are designed to enhance the Commission's identification of futures and swap market participants. The proposed rules would leverage the Commission's existing position and transaction reporting programs by requiring the electronic submission of trader identification and market participant data on

1. Reports filed by the individual who owns, holds or controls the reportable position, volume threshold account, or reportable sub-account:

a. Statements of Reporting Trader (CFTC Forms 40 and 40S)

b. Information reported on CFTC Form 40 is described in part 18 of the Commission's rules and regulations

c. Large trader reporting form (Series 04 Form).

2. Reports to be filed by futures commission merchants, designated contract markets, clearing members and other members of contract markets, originating firms, foreign brokers, swap dealers, and, for large option traders, by contract markets

a. Identification of "Special Accounts" (CFTC Form 102A)

b. Identification of "Volume Threshold Accounts" (CFTC Form 102B)

c. Identification of "Omnibus Volume Threshold Accounts" and "Reportable Sub-Accounts" (CFTC Form 71)

d. Information reported on CFTC Forms 102A, 102B and 71 is described in part 17 of the Commission's rules and regulations

e. Identification and Reporting of a Swap Counterparty or Customer "Consolidated Account" with a Reportable Position (CFTC Form 102S)

f. Information reported on CFTC Form 102S is described in part 20 of the Commission's rules and regulations

g. Large trader reporting form (Series 01 Form).

3. Computer records prepared from information on the forms described in items (1) and (2) above.

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amended Forms 102 and 40, and on new Form 71. See Federal Register Vol. 77, No. 144, July 26, 2012, RIN 3038-AD31, Ownership and Control Reports, Forms 102/102S, 40/40S, and 71.

4. Other information submitted to the Commission by the covered individuals via registration channels or gathered by the Commission to review compliance with the Commodity Exchange Act and Commission rules.
5. Correspondence and memoranda of telephone conversations between the Commission and the individual or between the Commission and other agencies dealing with matters of official business concerning the covered individual.
6. Regulatory report filings, regulatory notice filings and correspondence and memoranda with individuals concerning such filings.
7. Records containing contact information on individuals associated with registration applicants or registered firms or other entities, including business, home and cell phone numbers, email addresses and home addresses.
8. Other miscellaneous information, including intra-agency correspondence and memoranda concerning the individual and documents relating to official actions taken by the Commission against the individual.
9. Reports by DCOs of cleared positions of clearing member customers.
10. Information related to hedge exemptions and requests for disaggregation and re-aggregation in accordance with Part 151 of the Commission's rules.

#### **AUTHORITY FOR MAINTENANCE OF THE SYSTEM**

The Commodity Exchange Act, 7 U.S.C. 1 *et seq.*, including Sections 4g, 4i, 8, 7 U.S.C. 4t, 6g, 6i, 12, 2(d), 76 FR 43851 Section 20 and the rules and regulations promulgated thereunder.

#### **PURPOSE(S):**

The records in this system are used to support market oversight, and market, risk and financial surveillance activities, specifically, monitoring the commodity futures and swaps markets, performing various mission-critical commodity futures, and swaps market analyses, reviewing activities of registered entities for compliance with the Commodity Exchange Act and Commission regulations, and conducting surveillance on both intra and inter-exchange and across side-by-side electronic trading platforms. Records are also used to support firm and registrant oversight, including compliance with the Commission's financial and regulatory requirements.

**ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:**

Information concerning firms, traders and their activities may be disclosed and made public by the Commission to the extent permitted by law when deemed appropriate to further the practices and policies of the Commodity Exchange Act. When not otherwise prohibited by law, information in this system may also be disclosed in accordance with the blanket routine uses numbered 1 through 19 that appear at the beginning of the Commission's compilation of its systems of records notices.

**DISCLOSURE TO CONSUMER REPORTING AGENCIES:**

None.

**POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESS CONTROLS, SAFEGUARDS, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:**

**STORAGE:**

The data will be collected and maintained electronically and/or in paper files. Paper records are stored in file folders, binders, computer files and computer disks. Electronic records, including computer files and electronically maintained data, are stored on the Commission's network and other electronic media as needed, such as encrypted hard drives.

**RETRIEVABILITY:**

Files may be retrieved by firm or registrant name, individual name or other identifier (e.g., account number or firm number) related to the individual.

**ACCESS CONTROLS, SAFEGUARDS:**

Records are protected from unauthorized access and improper use through administrative, technical and physical security measures. Technical security measures within CFTC include restrictions on computer access to authorized individuals, strong passwords that are frequently changed, use of encryption for certain data types and transfers, and regular review of security procedures and best practices to enhance security. Physical measures include restrictions on building access to authorized individuals and maintenance of records in lockable offices and filing cabinets.

**RETENTION AND DISPOSAL:**

The records will be maintained in accordance with records disposition schedules approved by the National Archives and Records Administration. The schedules are available at [www.cftc.gov](http://www.cftc.gov).

**SYSTEM MANAGER(S) AND ADDRESS:**

Chief Information Officer, Office of Data and Technology, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581.

**NOTIFICATION PROCEDURE:**



Individuals seeking to determine whether this system of records contains information about themselves or seeking access to records about themselves in this system of records, or contesting the content of records about themselves contained in this system of records should address written inquiry to the Office of General Counsel, Paralegal Specialist, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581. Telephone (202) 418-5011.

**RECORD SOURCE CATEGORIES:**

Individuals, agencies, firms, Exchanges, DCOs and Designated Self-Regulatory Organizations will provide the information for this system of records, which includes correspondence from individuals, agencies, firms, Exchanges, DCOs and Designated Self-Regulatory Organizations requested to provide information on the individual.

**EXEMPTIONS CLAIMED FOR THIS SYSTEM:**

None.

Issued in Washington, DC on this 19<sup>th</sup> day of September, by the Commission.

Sauntia S. Warfield

Assistant Secretary of the Commission

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