



6351-01-P

COMMODITY FUTURES TRADING COMMISSION

Privacy Act of 1974; System of Records

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of a new system of records.

SUMMARY: The Commodity Futures Trading Commission (CFTC or Commission) is establishing a new system of records under the Privacy Act of 1974: CFTC-50, LabCFTC. LabCFTC is the focal point for the CFTC's efforts to promote responsible Financial Technology (FinTech) innovation and fair competition for the benefit of the American public. LabCFTC is designed to make the CFTC more accessible to FinTech innovators and serves as a platform to inform the Commission's understanding of new technologies. LabCFTC allows FinTech innovators to engage with the CFTC, learn about the CFTC's regulatory framework, and obtain feedback and information on the implementation of innovative technology ideas for the market. Further, LabCFTC functions as an information source for the Commission and the CFTC staff on responsible FinTech innovation that may influence policy development. LabCFTC allows FinTech innovators to engage with the CFTC, learn about the CFTC's regulatory framework, and obtain feedback and information on the implementation of innovative technology ideas for the market. New CFTC-50 addresses information collected from individuals who submit requests and other information to CFTC through LabCFTC.

DATES: Comments must be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. This action will be effective without further notice on [INSERT DATE 30 DAYS AFTER DATE OF

PUBLICATION IN THE FEDERAL REGISTER], unless revised pursuant to comments received.

ADDRESSES: You may submit comments identified as pertaining to “LabCFTC” by any of the following methods:

- CFTC website: <https://comments.cftc.gov>. Follow the instructions for submitting comments through the Comments Online process on the website.
- Mail: Christopher Kirkpatrick, 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.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

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. 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 (FOIA), 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 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 comment file and will be considered as required under all applicable laws, and may be accessible under the FOIA.

FOR FURTHER INFORMATION CONTACT: Chief Privacy Officer,
privacy@cftc.gov, Office of the Executive Director, Commodity Futures Trading
Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581.

SUPPLEMENTARY INFORMATION:

I. LabCFTC

The purpose of LabCFTC is twofold: first, to encourage responsible FinTech innovation in the markets the CFTC oversees, and second, to help accelerate Commission engagement with FinTech solutions that may enable the CFTC to carry out its mission responsibilities more effectively and efficiently. LabCFTC offers an additional, dedicated point of contact for FinTech innovators to engage with the CFTC, learn about the CFTC's regulatory framework, and obtain feedback on the implementation of innovative ideas for the market. Such feedback may include information that, particularly at an early stage, could help innovators/entities save time and money by helping them understand relevant regulations and the CFTC's oversight approach. LabCFTC also is designed to foster and increase the CFTC's familiarity with FinTech and its understanding of new technology that may have application within the CFTC's own operations through collaboration with FinTech industry and CFTC market participants. To accomplish CFTC's goals, LabCFTC will facilitate: the monitoring of trends and developments to ensure that CFTC's regulatory framework supports – and does not unduly impede – responsible technological innovation; the promotion of

information-sharing about applications of FinTech, including potential use cases, benefits, risks, and solutions; the engagement with academia, students, and professionals on application of FinTech relevant in the CFTC space; and the CFTC's participation in studies and research that promote responsible FinTech innovation. Previously, this information was generally collected under CFTC-2, Commission Correspondence files.

II. 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 by some identifying number, symbol, or other identifying particular assigned to the individual. The Privacy Act establishes the means by which government agencies must collect, maintain, and use information about an individual in a government system of records.

Each government agency is required to publish a notice in the *Federal Register* in which the agency identifies and describes each system of records it maintains, the reasons why the agency uses the 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.

In accordance with 5 U.S.C. 552a(r), CFTC has provided a report of this system of records to the Office of Management and Budget and to Congress.

SYSTEM NAME AND NUMBER: LabCFTC; CFTC-50.

SECURITY CLASSIFICATION: Unclassified.

SYSTEM LOCATION: This system is located at the Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581.

SYSTEM MANAGER(S): General Counsel, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: The collection of this information is authorized under 7 U.S.C. 5(b), and the rules promulgated thereunder.

PURPOSE(S) OF THE SYSTEM: The information in the system is being collected to assist CFTC in communicating with interested parties to encourage responsible FinTech innovation in the markets CFTC oversees and to help accelerate Commission engagement with FinTech solutions that enable the CFTC to carry out its mission responsibilities more effectively and efficiently. The information collected facilitates communications with FinTech innovators and the CFTC to enable innovators to learn about the CFTC's regulatory framework and to obtain feedback and information on the implementation of technology ideas for the market. This information also may help initiate the adoption of new technology within the CFTC's own mission activities through collaboration with FinTech industry and CFTC market participants.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Individuals covered by this system include individuals submitting requests or inquiries and other information to CFTC through LabCFTC.

CATEGORIES OF RECORDS IN THE SYSTEM: The system of records includes information that may contain: individual's name, physical address, telephone numbers (work, home, mobile), email addresses, employer, job title, relevant work experience, CFTC status (registrant, non-registrant), organization type (S Corporation, Limited Liability Corporation, etc.), and other business, business partner, or technology information that may be linked to an individual.

RECORD SOURCE CATEGORIES: Information in this system is obtained directly from the individual who is submitting the information.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES: These records and information in these records may be used:

- a) To disclose information to other financial regulators to facilitate regulatory discussions around technology innovations;
- b) To disclose information to external committees that advise the CFTC on the impact and implications of technological innovations on financial services and the derivatives markets;
- c) For use in conferences or other events consistent within the purpose of 7 U.S.C. 5(b);
- d) To disclose in any administrative proceeding before the Commission, in any injunctive action authorized under the Commodity Exchange Act, or in any other action or proceeding in which the Commission or its staff participates as a party or the Commission participates as amicus curiae;
- e) To disclose to Federal, State, local, territorial, Tribal, or foreign agencies for use in meeting their statutory or regulatory requirements;
- f) To disclose to any “registered entity,” as defined in section 1a of the Commodity Exchange Act, 7 U.S.C. 1, et seq. (“the Act”), to the extent disclosure is authorized and will assist the registered entity in carrying out its responsibilities under the Act. Information may also be disclosed to any registered futures association registered under section 17 of the Act to assist it in carrying out its

self-regulatory responsibilities under the Act, and to any national securities exchange or national securities association registered with the Securities and Exchange Commission to assist those organizations in carrying out their self-regulatory responsibilities under the Securities Exchange Act of 1934, 15 U.S.C. 78a, et seq.;

- g) To disclose to anyone during the course of a Commission investigation if Commission staff has reason to believe that the person to whom it is disclosed may have further information about matters relevant to the subject of the investigation;
- h) To disclose in a public report issued by the Commission following an investigation, to the extent that the disclosure is authorized under section 8 of the Commodity Exchange Act, 7 U.S.C. 12;
- i) To disclose to contractors, grantees, volunteers, experts, students, and others performing or working on a contract, service, grant, cooperative agreement, or job for the Federal government when necessary to accomplish an agency function;
- j) To disclose to Congress upon its request, acting within the scope of its jurisdiction, pursuant to the Commodity Exchange Act, 7 U.S.C. 1 et seq., and the rules and regulations promulgated thereunder;
- k) To disclose to appropriate agencies, entities, and persons when (1) the Commission suspects or has confirmed that there has been a breach of the system of records; (2) the Commission has determined that as a result of the suspected or confirmed breach there is a risk of harm to individuals, the Commission (including its information systems, programs, and operations), the Federal

Government, or national security; and (3) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the Commission's efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm; or

- 1) To disclose to another Federal agency or Federal entity, when the Commission determines that information from this system of records is reasonably necessary to assist the recipient agency or entity in (1) responding to a suspected or confirmed breach or (2) preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs, and operations), the Federal Government, or national security, resulting from a suspected or confirmed breach.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS: The LabCFTC system of records stores records in this system electronically or on paper in secure facilities. Electronic records are stored on the Commission's secure network and other electronic media as needed, such as encrypted hard drives and back-up media.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS: Certain information covered by this system of records notice may be retrieved by name, email address, physical address, or other unique individual identifiers, and other types of information by keyword search.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS: Records for this system will be maintained until the National Archives approves the records disposition schedules for their disposition. After the schedules are

approved, the records will be maintained in accordance with the retention periods in the schedules. All approved schedules are available at www.cftc.gov.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS: Records are protected from unauthorized access and improper use through administrative, technical, and physical security measures. Administrative safeguards include written guidelines on handling LabCFTC information. All CFTC personnel are subject to CFTC agency-wide procedures for safeguarding personally identifiable information and receive annual privacy and security training. Technical security measures within CFTC include restrictions on computer access to authorized individuals who have a legitimate need to know the information; required use of strong passwords that are frequently changed; multi-factor authentication for remote access and access to many CFTC network components; use of encryption for certain data types and transfers; firewalls and intrusion detection applications; and regular review of security procedures and best practices to enhance security. The technology also has a time-out function that requires users to re-access and input information if the time limit expires. Physical safeguards include restrictions on building access to authorized individuals, 24-hour security guard service, and maintenance of records in lockable offices and filing cabinets.

RECORD ACCESS PROCEDURES: 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 should address written inquiries to the Office of General Counsel, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. See 17 CFR 146.3 for full details on what to include in a Privacy Act access request.

CONTESTING RECORD PROCEDURES: Individuals contesting the content of records about themselves contained in this system of records should address written inquiries to the Office of General Counsel, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. See 17 CFR 146.8 for full details on what to include in a Privacy Act amendment request.

NOTIFICATION PROCEDURES: Individuals seeking notification of any records about themselves contained in this system of records should address written inquiries to the Office of General Counsel, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. See 17 CFR 146.3 for full details on what to include in a Privacy Act notification request.

EXEMPTIONS PROMULGATED FOR THE SYSTEM: None.

HISTORY: None.

Issued in Washington, DC, on December 27, 2017, by the Commission.

Christopher J. Kirkpatrick,

Secretary of the Commission.

[FR Doc. 2017-28297 Filed: 12/29/2017 8:45 am; Publication Date: 1/2/2018]