

## SUPPORTING STATEMENT FOR NEW AND REVISED INFORMATION COLLECTIONS

### Core Principles and Other Requirements for Designated Contract Markets

OMB CONTROL NUMBER 3038-0052

#### Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The regulations governing designated contract markets (“**DCMs**”) originally were adopted pursuant to the Commodity Futures Modernization Act of 2000, which amended section 5 of the Commodity Exchange Act (“**CEA**”) to impose requirements concerning the registration and operation of DCMs.<sup>1</sup> The DCM statutory framework subsequently was revised as a result of further amendments to the CEA under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“**Dodd-Frank Act**”).<sup>2</sup> Part 38 of the Commission’s regulations governs the activities of DCMs. The information collected pursuant to part 38 is necessary for the Commission to evaluate whether entities operating as, or applying to become, DCMs comply with the part 38 and other Commission requirements and the CEA’s statutory requirements.<sup>3</sup>

Collection 3038-0052 was created in response to the part 38 regulatory requirements for DCMs. In general, OMB Control Number 3038-0052 covers all information collections in part 38, including Subpart A and the DCM core principles (*i.e.*, Subparts B through X) as well as the related appendices thereto (*i.e.*, Appendix A—Form DCM; Appendix B—Guidance on, and Acceptable Practices in, Compliance with Core Principles; and Appendix C—Demonstration of Compliance That a Contract Is Not Readily Susceptible to

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<sup>1</sup> 7 U.S.C. 1 *et seq.*

<sup>2</sup> See Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203, tit. VII, 124 Stat. 1376 (2010) (codified as amended in various sections of 7 U.S.C.), *available at* <https://www.cftc.gov/sites/default/files/idc/groups/public/@lrfederalregister/documents/file/2013-12242a.pdf>.

<sup>3</sup> The Commission notes that § 1.52 of the Commission regulations also impose information collection burdens on DCMs, which is noted in the recordkeeping table in Attachment A under the “Examination Program and Audit Program” line item.

Manipulation). This OMB control number, 3038-0052, also includes all information collections related to part 9 (“Rules Relating to Review of Exchange Disciplinary, Access Denial Or Other Adverse Actions”) to the extent part 9 is applicable to DCMs.<sup>4</sup> However, any information collections related to § 38.12 of the Commission’s regulations are subject to a separate information collection with OMB control number 3038-0099 (“Process for a Swap Execution Facility or Designated Contract Market to Make a Swap Available to Trade”), which covers the information collections related to the “made available to trade” process for determining which swaps are subject to the statutory trade execution requirement under CEA section 2(h)(8) and must be traded on either a DCM or swap execution facility (“**MAT process**”).

The Commission published a notice of proposed rulemaking related to parts 9, 36, 37, 38, 39, and 43 of the Commission’s regulations (the “**2018 NPRM**”). The Commission notes that the majority of the changes affect swap execution facilities (“**SEFs**”) under corresponding OMB control number 3038-0074.<sup>5</sup> While the 2018 NPRM would mostly affect SEFs with corresponding OMB control number 3038-0074, upon the 2018 NPRM becoming a final rule, the Commission would eliminate the MAT process in §38.12 for DCMs under OMB control number 3038-0099 and create a new MAT process related to DCMs in revised part 36 of the Commission’s regulations.

This new MAT process would create a new reporting information collection under this OMB control number 3038-0052 that would impose an additional 5 annual burden hours per DCM and is reflected under the new “Part 36 (MAT Process)” line item in Attachment A. Specifically, the 2018 NPRM would eliminate the current MAT process for SEFs and DCMs and establish a new approach based on a revised interpretation of the trade execution requirement for swaps in CEA section 2(h)(8). The trade execution

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<sup>4</sup> Section 38.707 specifically references part 9. Accordingly, the Commission’s previous information collection estimates under part 38 have included compliance with part 9 to the extent applicable to DCMs. The Commission is referencing DCMs’ compliance obligations with part 9 for the sake of clarity, but this does not represent a new or modified information collection.

<sup>5</sup> The Commission notes that it is also submitting a supporting statement for revised information collection estimates related to SEFs under corresponding OMB control 3038-0074 as a result of the 2018 NPRM. For the avoidance of doubt, the Commission further notes that in OMB control number 3038-0074’s supporting statement, the Commission instead refers to the “2018 NPRM” as the “Part 37 NPRM” since the majority of the changes in this proposed rulemaking would affect SEFs under part 37 of the Commission’s regulations (and corresponding OMB control number 3038-0074). However, for clarity, the “2018 NPRM” as used in this supporting statement for control number 3038-0052 and the “Part 37 NPRM” used in the 3038-0074 supporting statement refer to the same Commission notice of proposed rulemaking. The Commission also notes that informally, Commission staff and market participants have referred to the proposed rulemaking as the “Part 37 NPRM” or “SEF NPRM” but the Commission declines to use these terms under this OMB control number 3038-0052 since this control number generally applies to DCMs rather than SEFs and therefore could cause confusion for the diligent reader.

requirement would apply to swaps that are both (i) subject to the clearing requirement and (ii) listed by a SEF or DCM for trading. The proposed MAT process under new part 36 of the Commission’s regulations would impose a reporting information collection since each DCM would be required to submit to the Commission new Form TER that identifies any swap that the DCM lists for trading that is, or becomes, subject to the CEA’s clearing requirement under section 2(h)(1) of the CEA.

The Commission believes that the change related to the revised MAT process – and related information collection – reflects the Commission’s enhanced knowledge and experience with swaps trading characteristics, and the Commission believes this change is needed to further the Dodd-Frank Act’s twin statutory goals to promote the trading of swaps on SEFs and to promote pre-trade price transparency in the swaps market.

Additionally, the Commission notes that the number of registered, active DCMs has decreased from 15 to 14.<sup>6</sup> The reduction in the number of registered DCMs, which the Commission notes is unrelated to the proposed amendments in the 2018 NPRM, will reduce the total information collection burdens for OMB control number 3038-0052 as noted in Attachment A.

**2. Indicate how, by whom, and for what purpose the data would be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The Commission will continue to use all information previously collected under OMB Control Number 3038-0052 as previously justified, and will use the new information concerning the revised MAT process to determine compliance with the CEA’s statutory trade execution requirement in section 2(h)(8).

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

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<sup>6</sup> The Commission notes that previous submissions to OMB have referred to “registered” or “designated” DCMs. The Commission notes that the terms “registered” and “designated” are used interchangeably and mean the same thing. Further, as used in this supporting statement, the Commission’s reference to “registered” or “designated” DCMs refer to active DCMs rather than to “dormant” DCMs. The Commission notes that as a legal matter, an active DCM may become dormant through inactivity – and therefore would not be subject to any substantive compliance or related PRA information collection obligations – although the dormant DCM would still be legally deemed to be a “registered/designated” DCM.

All required submissions by DCMs to the Commission may be submitted electronically. Records required to be kept may similarly be maintained electronically.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

Information collected under this OMB Control Number is not already collected by the Commission for any other purpose, nor is it collected by any other agency, nor is the information available from any other source.

**5. If the collection of information involves small business or other small entities (Item 5 of OMB Form 83-I), describe the methods used to minimize burden.**

The required information collected under this OMB Control Number will not affect any small business or small entities. The Commission notes that it has previously established certain definitions of “small entities” to be used by the Commission in evaluating the impact of its regulations on small entities in accordance with the Regulatory Flexibility Act and determined that DCMs are not small entities for purposes of the Regulatory Flexibility Act.<sup>7</sup>

**6. Describe the consequence to the Federal Program or policy activities if the collection were conducted less frequently as well as any technical or legal obstacles to reducing burden.**

This question is not applicable.

**7. Explain any special circumstances that require the collection to be conducted in a manner:**

- **requiring respondents to report information to the agency more often than quarterly;**

The current rules require respondents to report the disciplinary and access denial information to the National Futures Association (“**NFA**”) within 30 days of the adverse action.

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<sup>7</sup> Policy Statement and Establishment of Definitions of “Small Entities” for Purposes of the Regulatory Flexibility Act, 47 FR 18618 (Apr. 30, 1982).

- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it:**

In order for the Commission to adequately perform its statutory responsibility to determine whether DCMs, and applicants to become DCMs, are in compliance with the applicable core principles and implementing regulations, a request for information may require the collection and presentation of information in fewer than 30 days depending on the exigency of the situation.

- **requiring respondents to submit more than an original and two copies of any document;**

Respondents are not required to submit more than an original and two copies of any of documents.

- **requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**

Commission Regulation 1.31 and Core Principle 18 (Recordkeeping) require that books and records required to be kept by the CEA or Commission regulations be retained for certain specified periods. Other than with respect to oral communications and records exclusively created and maintained on paper, the shortest of these periods is five years from the date of creation.

- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**

The collection does not involve a statistical survey.

- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

The collection does not involve the use of any statistical data.

- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

The collection does not involve any pledge of confidentiality.

- **requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

The Commission has procedures to protect the confidentiality of an applicant's or registrant's data. These are set forth in the Commission's regulations at parts 145 and 147 of title 17 of the Code of Federal Regulations.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice required by 5 C.F.R. 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

- **Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any, and on the data elements to be recorded, disclosed, or reported.**

With respect to the 2018 NPRM, the Commission and staff have spent the past two years informally discussing various aspects of the proposed changes as well as learning more about business models of various derivatives exchanges and the swaps markets in general. In addition, the Commission received additional public comments – many either directly or indirectly related to PRA obligations in part 37 for SEFs and part 38 for DCMs – as part of the Commission's formal "Project KISS" initiative to apply the Commission's rules "in ways that are simpler, less burdensome and less of a drag on the American economy."<sup>8</sup>

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<sup>8</sup> CFTC Requests Public Input on Simplifying Rules, CFTC Release No. 7555-17 (May 3, 2017), *available at* <https://www.cftc.gov/PressRoom/PressReleases/pr7555-17>.

- **Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years—even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

No such circumstances are anticipated.

- 9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

The question is not applicable.

- 10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulations, or agency policy.**

The Commission does not provide respondents with an assurance of confidentiality beyond that provided by applicable law. The Commission fully complies with section 8(a)(1) of the CEA, which strictly prohibits the Commission, unless specifically authorized by the CEA, from making public “data and information that would separately disclose the business transactions or market positions of any person and trade secrets or names of customers.” The Commission has procedures to protect the confidentiality of an applicant’s or registrant’s data. These are set forth in the Commission’s regulations at parts 145 and 147 of title 17 of the Code of Federal Regulations.

- 11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

The final rules covered by this collection do not require the giving of sensitive information, as that term is used in Question 11.

- 12. Provide estimates of the hour burden of the collection of information. The Statement should:**

- **Indicate the number of respondents, frequency of response, annual hour burden and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than ten) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- **If the request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.**
- **Provide estimates of annualized cost to respondents for the hours burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.**

See Attachment A for more detailed discussion.

#### Registered DCMs

As a result of creating a new reporting information collection related to the proposed new MAT process under new part 36 of the Commission's regulations, the 2018 NPRM would increase the annual burden hours imposed on each registered DCM from 490.5 to 495.5 burden hours.

Additionally, unrelated to the 2018 NPRM, the number of registered DCMs has decreased from 15 to 14, which will also decrease the total aggregate burden hours across all registered DCMs from 7,357.5 burden hours<sup>9</sup> to 6,937 burden hours.<sup>10</sup>

#### Applicants for DCM Registration

The Commission is creating a separate table in Attachment A below to explicitly distinguish the estimated number of respondents that are applicants for DCM registration from those respondents that are registered DCMs. As noted in Attachment A, based on the number of applicants that have applied for permanent DCM registration in the Commission's experience, the Commission expects to

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<sup>9</sup> 490.5 current burden hours x 15 DCMs = 7,357.5 total burden hours across all DCMs.

<sup>10</sup> 495.5 revised burden hours x 14 DCMs = 6,937 total burden hours across all DCMs.

receive 4 applicants per year for DCM registration and estimated the DCM application process to impose about 1,200 burden hours per DCM applicant (4 DCM applicants per year x 300 burden hours per applicant = 1,200 burden hours per year related to the DCM application process).

However, the Commission underscores that these estimated 4 applicants for DCM registration and related burden hours do not represent new respondents or a new information collection burden or adjustment. Rather, while the Commission did consider the number of respondents and related burden hours related to the DCM application process in its original information collection in its previous information collection submissions for this OMB Control Number 3038-0052, the Commission did not explicitly distinguish the burden hours related to the registration process for DCM applicants from the Commission's estimate of the on-going annual burden hours for registered DCMs, but rather provided an aggregate number. For the sake of clarity, the Commission is explicitly distinguishing in this revision request between the number of respondents and related burden hours for registered DCMs and applicants for DCM registration.

- 13. Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**
- **The cost estimate should be split into two components; (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major costs factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software, monitoring, sampling, drilling and testing equipment, and record storage facilities.**
  - **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate, agencies may consult with a sample of respondents (fewer than ten), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**

- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

It is expected that DCMs will utilize existing software, information technology, and systems. Thus, the Commission believes that there will not be additional capital/startup costs or operational/maintenance costs incurred by DCMs to report the information required by the final rule.

- 14. Provide estimates of the annualized costs to the Federal Government. Also provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.**

It is not anticipated that the final rule will impose any additional costs to the Federal Government.

- 15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.**

This question does not apply.

- 16. For collection of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis, and publication. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

This question does not apply.

- 17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

This question does not apply.

**18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.**

This question does not apply.

**Attachment A**

**Collection 3038-0052**

**Part 38 Establishing Procedures for  
Designated Contract Markets and Applicants Seeking Designation**

Attachment A includes both (1) a discussion of the Commission’s general assumption and methodology in determining its information collection estimates and (2) tables listing the individual information collection estimates and related burdens for both respondent DCMs and applicants for DCM registration.

**General Assumptions and Methodology**

**Scope and Applicability of Information Collections**

As discussed in the response to question 1 above, OMB Control Number 3038-0052 covers all information collections in part 38 of the Commission’s regulations, including Subpart A of part 38 and the DCM core principles (*i.e.*, Subparts B through X) as well as the related appendices thereto (*i.e.*, Appendix A—Form DCM, Appendix B—Guidance on, and Acceptable Practices in Compliance with Core Principles, and Appendix C—Demonstration of Compliance That a Contract Is Not Readily Susceptible to Manipulation). The OMB control number also includes all information collections related to part 9 and the revised “made available to trade” process (“**MAT process**”) in part 36 to the extent applicable to DCMs. For clarity, existing § 38.12, which covers the information collections related to the current MAT process is not covered under this OMB control number, but rather is subject to a separate information

collection under OMB control number 3038-0099.<sup>11</sup> Upon the 2018 NPRM becoming a final rule, the Commission would eliminate OMB control number 3038-0099 and move the information collections related to the MAT process to revised part 36 of the Commission’s regulations and create new information collections for DCMs related to the MAT process under this OMB Control Number 3038-0052.<sup>12</sup> This new MAT process information collection is reflected under the “Part 36 (MAT Process)” line item in the reporting table below for registered DCMs.

### **Average Burden Hour Cost**

The Commission calculates the average burden hour cost based on a blended hourly rate of \$59 (rounded up) that consists of ¼ Financial Specialist’s wage, ¼ Lawyer’s wage, ¼ Paralegal’s wage, and ¼ Accountant’s wage provided by the Department of Labor’s Bureau of Labor Statistics, available at [https://www.bls.gov/oes/current/naics4\\_523000.htm](https://www.bls.gov/oes/current/naics4_523000.htm).

### **Estimated Number of Respondents**

1. Registered DCMs: The Commission notes that the number of registered DCMs has decreased from 15 to 14, although the Commission notes that this reduction is unrelated to the proposed changes in the 2018 NPRM. Accordingly, this reduction has been noted in the tables below as applicable. For the avoidance of doubt, as used here the term “registered DCM” refers to non-dormant registered DCMs. The Commission notes that dormant DCMs have ceased operations, including compliance with related information collection obligations, but are technically still deemed to be “registered” under the Commission’s regulations.<sup>13</sup>

2. Applicants for DCM registration: The Commission is creating a separate table below to explicitly distinguish the estimated number of respondents that are applicants for DCM registration from those respondents that are registered DCMs. As noted below, based on the number of applicants that have applied for permanent DCM registration in the Commission’s experience, the Commission expects to receive 4 applicants per year for DCM registration. However, these estimated 4 applicants for DCM registration do not represent new respondents or a new information collection burden or adjustment. Rather, while the Commission did consider the number of respondents and related burden hours related to the DCM application process in its original information collection in its previous information collection submissions for this OMB Control Number 3038-0052, the Commission did not explicitly distinguish the burden hours related to the registration process for DCM applicants from the Commission’s estimate of the

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<sup>11</sup> 78 FR 33606 (June 4, 2013) (Process for a Swap Execution Facility or Designated Contract Market to Make a Swap Available to Trade)

<sup>12</sup> The 2018 NPRM would be a “notice of proposed rulemaking” rather than a final rule.

<sup>13</sup> For clarity, the Commission is excluding all “dormant” DCMs from the number of respondents since dormant DCMs, while technically registered, are inactive and not required to comply with any of the Commission’s substantive obligations or related information collections.

on-going annual burden hours for registered DCMs, but rather provided an aggregate number. For the sake of clarity, the Commission is explicitly distinguishing in this revision request between the number of respondents and related burden hours for registered DCMs and applicants for DCM registration.

### **Baseline for Burden Hour Estimates**

1. Distinguishing between respondents and information collection categories. As notes above, while the Commission has considered and incorporated the information collections associated with DCM registration from those associated with the operation of registered DCMs in its previous PRA estimates, it is explicitly distinguishing between these two categories of respondents in this submission. Accordingly, the tables below also will distinguish between information collections related to DCM registration and those related to the operations of registered DCMs. In this submission, the Commission will also explicitly distinguish between recordkeeping, reporting, and third-party information collections in separate tables as well.

2. Registered DCMs: As a result of the 2018 NPRM, the Commission estimates that the annual burden hours imposed per registered DCM would increase by 5 annual burden hours from 490.5 hours to 495.5 hours as a result of the new information collection related to the new MAT process, which will require DCMs to provide the Commission with new Form TER as part of the 2018 NPRM’s revision to part 36 of the Commission’s regulations.<sup>14</sup> However, the aggregate burden hours across all active registered DCMs would decrease from 7,357.5<sup>15</sup> burden hours to 6,937<sup>16</sup> burden hours since the number of registered active DCMs has decreased from 15 to 14. As noted above, the previous burden hour estimate table combined the “reporting” and “recordkeeping” information collections in a single table (*i.e.*, the last column in the previous table is listed as “Annual Reporting and Recordkeeping Burden”) and provided an aggregate total. For the sake of clarity, the Commission is explicitly distinguishing in this revised

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<sup>14</sup> The 2018 NPRM would eliminate the current “made available to trade” (“MAT”) determination process for SEFs and DCMs and establish a new approach based on a revised interpretation of the trade execution requirement in CEA section 2(h)(8). The trade execution requirement would apply to swaps that are both (i) subject to the clearing requirement and (ii) listed by a SEF or DCM for trading. The proposed MAT process under part 36 of the Commission’s regulations would impose a reporting information collection of about 5 additional burden hours per DCM since each DCM would be required to submit to the Commission new Form TER that identifies any swap that the DCM lists for trading that is, or becomes, subject to the CEA’s clearing requirement under section 2(h)(1) of the CEA.

<sup>15</sup> 490.5 burden hours x 15 active registered DCMs = 7,357.5 total burden hours across all active registered DCMs.

<sup>16</sup> 495.5 revised burden hours x 14 active registered DCMs = 6,937 revised total burden hours across all active registered DCMs.

submission between reporting and recordkeeping information collections in separate tables, although this does not reflect new or modified information collections.

3. Applicants for DCM registration: The Commission is creating a separate table for applicants for DCM registration (referred to as “designation” in the previous tables below) to separately note that applicants for DCM registration (*i.e.*, “designation” as listed in the previous burden hour estimate table) incur approximately 300 burden hours per DCM applicant and estimates that approximately 4 respondents per year apply for DCM registration. As discussed above, this does not represent a new information collection burden or adjustment. For the sake of clarity, the Commission is explicitly distinguishing in this revised submission between the burden hours for registered DCMs and applicants for DCM registration.

**Burdens: Registered DCMs**  
Recordkeeping Burden Hours and Costs

1. Regulation(s)	2. Estimated Number of Respondents	3. Estimated Number of Responses by Each Respondent	4. Estimated Average Number of Burden Hours per Response	5. Annual Number of Burden Hours per Respondent (3 x 4)	6. Estimated Average Burden Hour Cost	7. Total Average Hour Burden Cost Per Respondent (5 x 6)	8. Total Annual Responses (2 x 3)	9. Total Annual Number of Burden Hours (2 x 5)	10. Total Annual Burden Hour Cost of All Responses (2 x 7)
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<b>Regulatory &amp; Core Principle Compliance Part 38 (Subparts A-W) and related Appendices<sup>17</sup></b>	<b>14<sup>18</sup></b>	<b>251 (per trade day)<sup>19</sup></b>	<b>1.315<sup>20</sup></b>	<b>330</b>	<b>\$59</b>	<b>\$19,470</b>	<b>3,514</b>	<b>4,620</b>	<b>\$272,580</b>
<b>§ 1.52 (Examination Program and Audit of Program)<sup>21</sup></b>	<b>14</b>	<b>1</b>	<b>50</b>	<b>50</b>	<b>\$59</b>	<b>\$2,950</b>	<b>14</b>	<b>700</b>	<b>\$41,300</b>

<sup>17</sup> This category was previously labeled as “Designation and Compliance” in the table of previously estimated hourly burdens below. The Commission is changing the name for the sake of clarity.

<sup>18</sup> As noted above, the number of registered DCMs has decreased from 15 to 14. This decrease is not related to the proposed 2018 NPRM.

<sup>19</sup> The Commission reached an estimate of approximately 251 trading days by assuming a year of [365.25 days] x [5 weekdays] ÷ [7 days in a week] = 260.89 weekdays. The Commission then subtracted 10 public holidays (based on the Office of Personnel Management’s calendar of public holidays): 260.89 days – 10 public holidays = 250.89 trading days, which the Commission rounds to 251. The Commission notes that not all DCMs may take all public holidays (*e.g.*, Veteran’s Day or Columbus Day), but a DCM may also offer a non-Federal holiday (*e.g.*, Good Friday). *See, e.g.*, ICE Futures U.S., available at [https://www.theice.com/publicdocs/futures\\_us/exchange\\_notices/ExNot2018HolidayCal.pdf](https://www.theice.com/publicdocs/futures_us/exchange_notices/ExNot2018HolidayCal.pdf).

<sup>20</sup> For the sake of consistency, the Commission reached this estimate by first starting with its previous total annual estimate in the previous estimate of 330 burden hours. Based on the Commission’s estimate of 330 total annual burden hours per DCM, the Commission then divides 330 burden hours by 251 trade days to reach 1.315 burden hours per trade day per DCM.

<sup>21</sup> The Commission notes that § 38.605 incorporates and references § 1.52. Accordingly, while the information collection burdens in § 1.52 could be deemed to be incorporated in the general compliance line item directly above, the Commission has created a separate line item for the sake of clarity. This line item was previously labeled as “Examination Program and Audit of Program” in the table of previously estimated hourly burdens below.

### Reporting Burden Hours and Costs

1. Regulation(s)	2. Estimated Number of Respondents	3. Estimated Number of Responses by Each Respondent	4. Estimated Average Number of Burden Hours per Response	5. Annual Number of Burden Hours per Respondent (3 x 4)	6. Estimated Average Burden Hour Cost	7. Total Average Hour Burden Cost Per Respondent (5 x 6)	8. Total Annual Responses (2 x 3)	9. Total Annual Number of Burden Hours (2 x 5)	10. Total Annual Burden Hour Cost of All Responses (2 x 7)
Core Principle 16 “Conflicts of Interest” and Related Acceptable Practices (Annual assessment report) <sup>22</sup>	14	1	70	70	\$59	\$4,130	14	980	\$57,820
§38.1101 et al (Quarterly Financial Reports) <sup>23</sup>	14	4	10	40	\$59	\$2,360	56	560	\$33,040
§38.1051(n) (Required Production of Annual Trading Volume) <sup>24</sup>	14	1	.5	.5	\$59	\$29.5	14	7	\$413

<sup>22</sup> This line item was previously labeled as “Annual” in the table of previously estimated hourly burdens below.

<sup>23</sup> This line item was previously labeled as “Quarterly” in the table of previously estimated hourly burdens below.

<sup>24</sup> This line item was previously labeled as “Required Production of Trading Volume” in the table of previously estimated hourly burdens below.

<b>Part 36 (MAT Process)<sup>25</sup></b>	<b>14</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>\$59</b>	<b>\$295</b>	<b>14</b>	<b>70</b>	<b>\$4,130</b>
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**Burdens: DCM Registration**  
**Reporting Burden Hours and Costs<sup>26</sup>**

<b>1. Regulation(s)</b>	<b>2. Estimated Number of Respondents</b>	<b>3. Estimated Number of Responses by Each Respondent</b>	<b>4. Estimated Average Number of Burden Hours per Response</b>	<b>5. Annual Number of Burden Hours per Respondent (3 x 4)</b>	<b>6. Estimated Average Burden Hour Cost</b>	<b>7. Total Average Hour Burden Cost Per Respondent (5 x 6)</b>	<b>8. Total Annual Responses (2 x 3)</b>	<b>9. Total Annual Number of Burden Hours (2 x 5)</b>	<b>10. Total Annual Burden Hour Cost of All Responses (2 x 7)</b>
<b>§ 38.3 and Form DCM (DCM Registration)<sup>27</sup></b>	<b>4</b>	<b>1<sup>28</sup></b>	<b>300</b>	<b>300</b>	<b>\$59</b>	<b>\$17,700</b>	<b>4</b>	<b>1,200</b>	<b>\$70,800</b>

<sup>25</sup> As noted above, this is a new burden; the 2018 NPRM would create a new reporting information collection related to the MAT process that would apply to all DCMs.

<sup>26</sup> The Commission has not identified any recordkeeping or third-party disclosure information collections related to DCM registration.

<sup>27</sup> As previously discussed, this line item was included in the “Designation and Compliance” line item in the table of previously estimated hourly burdens below. For the sake of clarity, the Commission is separating the “Designation” (*i.e.*, registration) category, which applies to applicants for DCM registration, and the “Compliance” category, which applies to registered DCMs.

<sup>28</sup> For this purpose, the Commission considers the entire DCM application process to constitute a single information collection.

**Previous Estimated Hourly Burden**

<b>Report</b>	<b>Estimated Number of Respondents</b>	<b>Reports Per period by Each</b>	<b>Total Responses</b>	<b>Estimated Average Number of Hours per year</b>	<b>Annual Reporting and Recordkeeping Burden</b>
<b>Designation and Compliance</b>	<b>15</b>	<b>NA</b>	<b>NA</b>	<b>330</b>	<b>4950</b>
<b>Annual</b>	<b>15</b>	<b>1</b>	<b>15</b>	<b>70</b>	<b>1050</b>
<b>Quarterly</b>	<b>15</b>	<b>4</b>	<b>60</b>	<b>40</b>	<b>600</b>
<b>Sub-Total</b>	<b>15</b>	<b>5</b>	<b>75</b>	<b>440</b>	<b>6600</b>
<b>Examination Program and Audit of Program</b>	<b>15</b>	<b>NA</b>	<b>15</b>	<b>50</b>	<b>750</b>
<b>Sub-Total</b>	<b>15</b>	<b>NA</b>	<b>15</b>	<b>50</b>	<b>750</b>
<b>Required Production of Trading Volume</b>	<b>15</b>	<b>1</b>	<b>15</b>	<b>.5</b>	<b>7.5</b>
<b>Sub-Total</b>	<b>15</b>	<b>1</b>	<b>15</b>	<b>.5</b>	<b>7.5</b>
<b>TOTAL</b>	<b>15</b>	<b>6</b>	<b>105</b>	<b>490.5</b>	<b>7357.5</b>