



## EXECUTIVE SUMMARY

### Voitrax Swap-Futures Compliance Technology

#### Introduction

The Dodd Frank financial services overhaul enacted into law in July of 2010 required that "all related records (including related cash and forward transactions) and recorded communications, including electronic mail, instant messages, and recording of telephone calls," in other words every conversation relating to swap transactions be stored for a year. This rule went into effect in December 2012.

In addition the rules were defined by CFTC in Regulation 1.35(a). Regulation 1.35(a) not only applies to Swap Dealers but also applies to, *"Each futures commission merchant, retail foreign exchange dealer, introducing broker,"* and end users. Specifically, any end users who trade swaps on a designated contract market (DCM) or swap execution facility (SEF) have full reporting requirements, *"Of commodity interest and related cash or forward transactions."*

Also included among the records required to be kept pursuant to this part of Regulation 1.35(a) are all oral and written communications provided or received concerning quotes, solicitations, bids, offers, instructions, trading, and prices that lead to the execution of a transaction in a commodity interest and related cash or forward transaction, whether communicated by telephone, voicemail, facsimile, instant messaging, chat rooms, electronic mail, mobile device, or other digital or electronic media.

Until now, concerns have been expressed that it would not be technologically possible to comply with a regulation of this scope. However, Voitrax has adapted a set of technologies solution that when combined meet the requirements of this regulation that can be streamlined and integrated into the daily business operations of the trading units.

#### Problem

Under Regulation 1.35(a) Dodd Frank compliance requirements, covered entities must do the following:

- Collect all data, pre-trade, trade and post-trade
- Index phone, email, IM and proprietary software messages
- Collect data from 2 (or more) parties and the data needs to match
- Produce data on demand by regulatory authorities

## **The Voitrax Solution**

The Voitrax solution involves a patent pending approach that will solve this problem. By blending our patented algorithm with voice data processing, audio records will be categorized using technologies in a unique way that will ensure complete compliance. The information will be available at your fingertips for queries or reporting on demand, compliant with Dodd Frank regulations.

The Voitrax solution was developed and is being engineered by a team of seasoned Wall Street technologists, with proven track records of trading floor technical innovation achieving business goals. Integral to our approach is utilizing the Webbing TM framework and platform created by a team of scientists and software developers. These unique algorithms lie at the core of the Voitrax solution. All these components, working together with our specialized accelerator solution, allow for complete compliance with Regulation 1.35(a) and for a full resolution of a vexing regulatory problem.

Voitrax's staff is comprised of specialized professionals, with stellar industry credentials and expertise. Among them are senior compliance and risk executives from several Wall Street firms and as well as highly experienced technology professionals. The Voitrax team members have designed and implemented cutting edge technological solutions that have helped our clients be compliant and worry free.

## **Recommendation**

The CFTC should implement Regulation 1.35(a), consistent with Dodd Frank, in a way that requires all communications related to a swap transaction to be searchable and identifiable by transaction. Because concerns about the technological feasibility of this requirement have been addressed and satisfied, CFTC should implement Regulation 1.35(a) in a complete and robust manner, as intended.

