



# TAC Panel III: RegTech & Robo-Rulebooks

Friday, October 5, 2018

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## **OBJECTIVE**

*To spur innovative thinking and activity around applications of new technology by focusing attention on aspects of CFTC-regulated markets and CFTC operations that could benefit from FinTech and RegTech.*

# SCIENCE PRIZE COMPETITIONS

- On April 20, 2018, the Commission issued a Request for Input (RFI) on LabCFTC Prize Competitions.<sup>†</sup>
- The CFTC solicited and received feedback on specific potential topic areas and the administration of a FinTech competition.<sup>††</sup>
- 90-day comment period.



<sup>†</sup> 83 FR 18009 (April 25, 2018).

<sup>††</sup> Comments available at: [comments.cftc.gov/PublicComments/ReleasesWithComments.aspx](https://comments.cftc.gov/PublicComments/ReleasesWithComments.aspx)



## SPCA Quick Facts

Under the Science Prize Competition Act (SPCA),<sup>†</sup> the CFTC may implement a competition to stimulate innovation that advances the CFTC's mission.

Substantial flexibility regarding administration. Limited basic requirements. (*E.g.*, publish rules; advertise widely; etc.)

<sup>†</sup> 15 U.S.C. 3719 *et seq.*

# RFI Suggested Topic Areas



**Market Surveillance and  
Market Intelligence**



**Robo Rulebook**



**Regulatory Reporting**



**Improve Processes**



**Risk Surveillance**

# Public Feedback on RFI



- Strong support for CFTC-sponsored FinTech competitions, particularly around:
  - Machine-readable and machine executable regulation
  - Automated regulatory reporting
  - Leveraging new sources of market data
  - Standards development
- Procedural Items: Format? IP?

# Key Take-Aways



- The Robo Rulebook concept has global interest. Could improve compliance and lower costs.
- Automated regulatory reporting can provide greater market visibility.
- Focus on practical steps.
- Standards will play a vital role. A strong “base layer” to include common definitions and syntax.



**NEXT STEPS**

## **Evaluation Rubric**

An ideal competition would “both highlight how new technology can benefit the CFTC as well as the derivatives markets we oversee, and also lead to actionable next steps, which could include further use case development, additional research or investment, proofs of concept, and implementation.”

