



Privacy Impact Assessment for Integrated Surveillance System (ISS)

May 19, 2021

System/Business Owner

Division of Data

Reviewing Official

Charles Cutshall
Chief Privacy Officer
Commodity Futures Trading Commission

I. SYSTEM OVERVIEW

1) Describe the purpose of the system/collection:

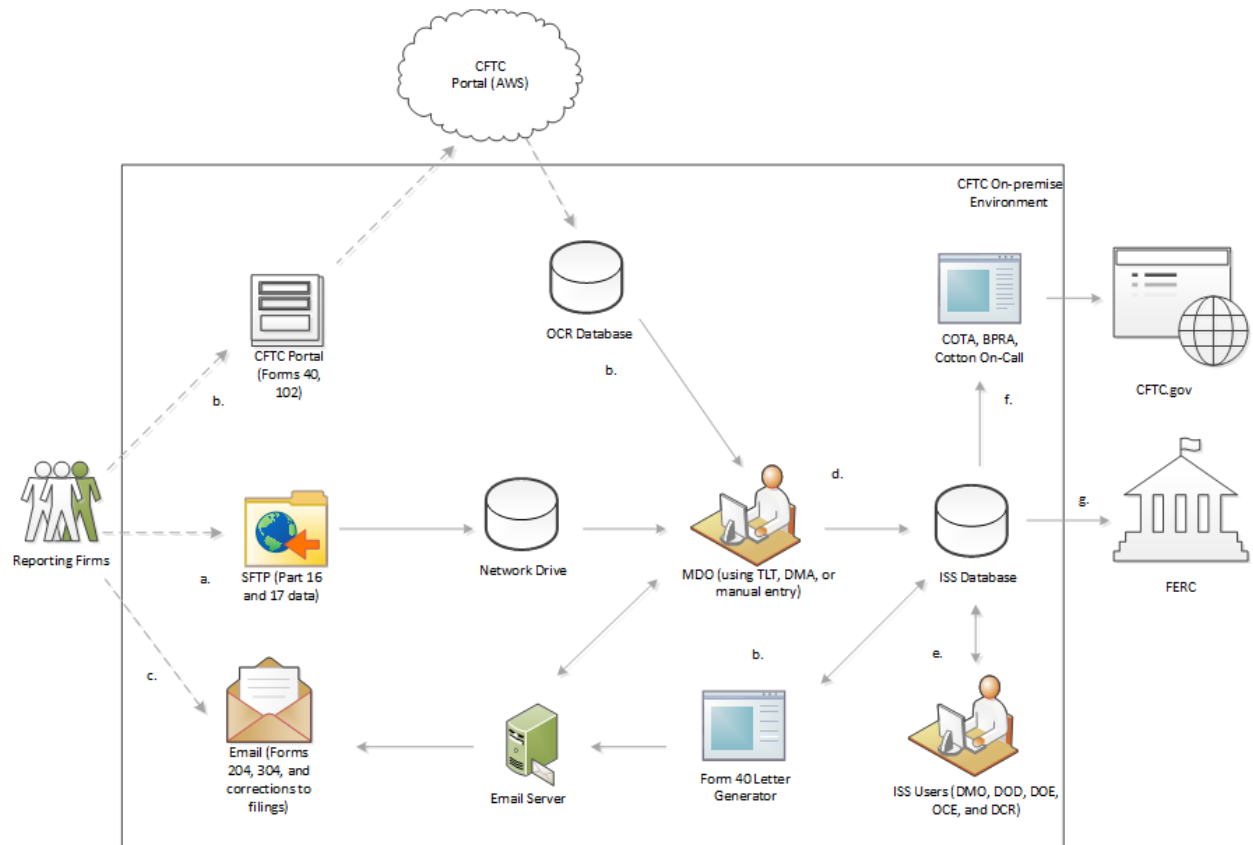
The Integrated Surveillance System (ISS) receives, organizes, and stores end-of-day position reports filed with the Commodity Futures Trading Commission (CFTC) by exchange clearing members, Futures Commission Merchants (FCMs), Designated Contract Markets (DCMs), and foreign brokers (collectively called “reporting firms”). ISS allows CFTC staff in the Division of Market Oversight (DMO), Division of Data (DOD), Division of Enforcement (DOE), Office of the Chief Economist (OCE) and the Division of Clearing and Risk (DCR) to monitor the daily activities of large traders, key price relationships, and relevant supply and demand factors.

ISS data enables the agency to analyze the composition of the market, such as the participation in the market by commercial versus non-commercial traders and the open interest held by certain occupational categories. ISS receives and processes daily futures and options position data for large traders from reporting firms and daily open interest, volume, price and clearing member data from exchanges. This data is supplemented by related cash market price data from a variety of sources. In addition, ISS receives and stores identifying information concerning each large trader and reportable account. ISS data is also used to provide public reports, such as the Commitment of Traders report and the Cotton on Call report.

ISS comprises both a database and a client server application. CFTC has developed additional tools to complete various steps in the process of receiving, reviewing, linking, and publishing information in ISS, namely the Trader Linking Tool (TLT), Form 40 Letter Generator, Data Manager Application (DMA), Commitment of Traders Automation (COTA), and Bank Participation Report Automation (BPRA).

In addition, ISS integrates with other market oversight and surveillance tools, namely the Stressing Positions at Risk (SPARK) system.

2) Provide a data map or model illustrating how information is structured or is processed by the system throughout its life cycle. Include a brief description of the data flows.



- a. Under Part 16 of the CFTC’s regulations, exchanges must provide the CFTC with confidential information on the aggregate positions and trading activity for each of their clearing members. Each day, exchanges report each clearing member’s open long and short positions, purchases and sales, exchanges of futures for cash, and futures delivery notices for the previous trading day. Clearing member data does not directly identify the beneficial owners of positions. The aggregate customer position reported for a clearing member could represent either a single trader or numerous traders.

Under Part 17 of the CFTC’s regulations, clearing members, FCMs, and foreign brokers file daily reports showing futures and option positions of traders with positions at or above specific reporting levels as set by the Commission. If, at the daily market close, a reporting firm has a trader with a position at or above the Commission’s reporting level in any single futures or option expiration month, the firm reports that trader’s entire position in all futures and options expiration months in that commodity, regardless of size.

- b. The CFTC’s ownership and control rules (OCR) and related forms better identify futures and swap market participants. Since traders frequently carry futures positions through more than one broker and control or have a financial interest in more than one account, the CFTC collects OCR information that enables it to aggregate related accounts. Specifically, Form 102A collects information on all persons that own or control position-

based special accounts and the trading accounts associated with that special account. Form 102B collects information on all persons that own or control trading accounts that meet specified volume-based reporting levels. Form 102S collects data about the consolidated accounts.

Once an account crosses a volume threshold determined by the CFTC (known as a “reportable position”), the CFTC contacts the trader directly and requires that the trader file a more detailed identification report, a CFTC Form 40: Statement of Reporting Trader. The Form 40 Letter Generator is used for this process. The Form 40 Letter Generator is a background application running on the ISS database. Once a week, the Form 40 Letter Generator identifies which accounts in ISS have acquired a reportable position and automatically sends the trader a request by email to file a Form 40 to the email address listed in their Form 102. If the trader misses the filing deadline, the Form 40 Letter Generator will send a reminder email to the firm where the position is held.

Together, Forms 102 and 40 allow the CFTC to identify the name and address of the account, the person(s) controlling the trading, the person to contact regarding trading, the nature of the account (e.g., whether it is an omnibus account for another broker or an individual account), whether the reported account is related—by financial interest or control—to another account, and the principal occupation or business of the account owner.

- c. In the several markets with Federal speculative position limits (grains, the soy complex, and cotton), hedgers that hold positions in excess of those limits must file a monthly report with the Commission under Part 19 of the CFTC’s regulations. The CFTC Form 204: Statement of Cash Positions in Grains and CFTC Form 304: Statement of Cash Positions in Cotton show the trader’s positions in the cash market.
- d. Staff in the Market Data Operations (MDO) team within DOD review collected data for errors and anomalies and transfer it to ISS.
- e. DMO, DOD, DOE, OCE, and DCR use the ISS database, whether through the ISS application or other database tools, to actively monitor futures and options market activity.
- f. Information from ISS is shared with the Federal Energy Regulatory Commission (FERC) on a weekly basis. Some data from ISS is aggregated and/or de-identified for inclusion in CFTC public reports, namely the Cotton on Call, Commitment of Traders, and Bank Participation Reports.

II. AUTHORITY AND PURPOSE

- 1) What is the legal authority to collect, use, maintain, and share information in the system?

The Commodity Exchange Act, 7 U.S.C. 1 et seq., including Sections 4g, 4i, and 8 of that Act, at 7 U.S.C. 6g, 6i and 12, and the rules and regulations promulgated thereunder (including without limitation 17 C.F.R. 16-17) authorize the collection of this information.

III. INFORMATION TYPES

- 1) What information will be collected, maintained, used, and/or disseminated?

Identifying Numbers	
<input type="checkbox"/> Social Security Number	<input type="checkbox"/> Truncated or Partial Social Security Number
<input type="checkbox"/> Driver's License Number	<input type="checkbox"/> License Plate Number
<input type="checkbox"/> Patient ID Number	<input type="checkbox"/> File/Case ID Number
<input type="checkbox"/> Student ID Number	<input type="checkbox"/> Health Plan Beneficiary Number
<input type="checkbox"/> Passport Number	<input type="checkbox"/> Federal Student Aid Number
<input type="checkbox"/> Employee Identification Number	<input type="checkbox"/> Taxpayer Identification Number
<input type="checkbox"/> Professional License Number	<input checked="" type="checkbox"/> Legal Entity Identifier
<input type="checkbox"/> Credit/Debit Card Number	<input checked="" type="checkbox"/> National Futures Association ID
<input type="checkbox"/> Personal Bank Account Number	<input checked="" type="checkbox"/> Other ID if it can be traced back to an individual
<input type="checkbox"/> Personal Device Identifiers or Serial Numbers	
Contact Information	
<input type="checkbox"/> Personal Mobile Number	<input checked="" type="checkbox"/> Business Phone Number
<input type="checkbox"/> Personal E-mail Address	<input checked="" type="checkbox"/> Business E-mail Address
<input type="checkbox"/> Home Phone Number	<input checked="" type="checkbox"/> Personal or Business Fax Number
<input type="checkbox"/> Home Mailing Address	<input checked="" type="checkbox"/> Business Mailing Address
Sole Proprietors	
<input type="checkbox"/> Business Taxpayer Identification Number	<input checked="" type="checkbox"/> Business Mailing Address
<input type="checkbox"/> Business Credit Card Number	<input checked="" type="checkbox"/> Business Phone or Fax Number
<input type="checkbox"/> Business Bank Account Number	<input checked="" type="checkbox"/> Business Mobile Numbers
<input type="checkbox"/> Business Device identifiers or Serial Numbers	
Biographical Information	
<input checked="" type="checkbox"/> Name	<input type="checkbox"/> Gender
<input type="checkbox"/> Date of Birth	<input type="checkbox"/> City or County of Birth
<input type="checkbox"/> Country of Birth	<input type="checkbox"/> Zip Code
<input type="checkbox"/> Citizenship	<input type="checkbox"/> Military Service Information
<input type="checkbox"/> Spouse Information	<input type="checkbox"/> Academic Transcript
<input checked="" type="checkbox"/> Group/Org. Membership	<input type="checkbox"/> Resume or Curriculum Vitae
<input type="checkbox"/> Location Data (e.g., GPS)	<input type="checkbox"/> Nationality
<input checked="" type="checkbox"/> Employment Information	<input type="checkbox"/> Marital Status
<input type="checkbox"/> Mother's Maiden Name	<input type="checkbox"/> Children Information

Biometrics/Distinguishing Features/Characteristics	
<input type="checkbox"/> Fingerprints	<input type="checkbox"/> Height
<input type="checkbox"/> Retina/Iris Scans	<input type="checkbox"/> Voice/Audio Recording
<input type="checkbox"/> Hair Color	<input type="checkbox"/> Eye Color
<input type="checkbox"/> Video Recording	<input type="checkbox"/> Photos
<input type="checkbox"/> Weight	<input checked="" type="checkbox"/> Signatures
Active Directory/Device Information	
<input type="checkbox"/> IP Address	<input type="checkbox"/> MAC Address
<input type="checkbox"/> CFTC Asset Number	<input type="checkbox"/> Device Identifiers or Serial Numbers
<input type="checkbox"/> User Name	

IV. COLLECTING INFORMATION

1) How is the information in this system collected?

Part 16 data: Exchanges provide this information in XML format via secured file transfer protocol (SFTP) to a network drive within the CFTC environment. The Data Engineering & Processing (DEAP) team within DOD is responsible for maintaining loading programs that populate data from the SFTP drop site into ISS. The MDO team reviews the data using the DMA for errors and anomalies.

Part 17 data: Clearing members, FCMs, and foreign brokers file daily reports showing futures and option positions of traders with positions at or above specific reporting levels as set by the Commission. Daily Part 17 information is submitted in XML format via SFTP to a network drive within the CFTC environment, loaded into ISS by DEAP loaders, and reviewed by MDO using DMA.

OCR data: Forms 102 and 40 can be submitted either through the CFTC Portal or by SFTP. Information in the CFTC Portal is transferred to the OCR database within the CFTC environment. Information submitted through SFTP is received on a network drive within the CFTC environment. MDO uses the Trader Linking Tool to determine if the reported account is a new trader or is an additional account of an existing trader. In either case, MDO uses the Trader Linking Tool to transfer relevant elements of the OCR data into ISS. Reporting firms and traders file a Form 40 biennially unless required to do so earlier by changed circumstances. Reporting firms must file Form 102A the first time they cross CFTC-defined thresholds and become a “large trader” and thereafter if relevant information about the account owner(s) changes.

Form 304 data: Forms 204 and 304 are filed by email on a weekly and monthly basis, respectively. Information is entered into ISS by MDO and reviewed by the Market Intelligence Branch (MIB) of DMO.

Supplemental data: Information may also be collected in electronic form via email or via telephone conversations with CFTC staff for the purpose of correcting or supplementing

information in ISS. For example, if MDO notices a change of address or change in ownership interest, it will reach out to the reporting firm for clarification. Depending on the circumstances, the reporting firm may resubmit the applicable form or MDO may add a note to the account within ISS.

Market data: ISS also receives additional market data from commercial sources such as Bloomberg, CashGainBids.com, and ICE (Intercontinental Exchange) Futures. These data streams do not include personally identifiable information (PII).

- 2) If any forms are used to collect information that resides in the system, please include the name of such form(s) and any applicable control number (i.e. issued by CFTC, OMB, etc.).

Form/Statement	Control No.
Form 40/40S	OMB No. 3038-0009
Form 102, 102A/B/S	OMB No. 3038-0009
Forms 204, 304	OMB No. 3038-0013

V. INFORMATION USE

- 1) Will information in the system be retrieved using one or more of the data elements listed in Section III?

Yes, information in ISS is retrieved using the trader name, account owner, or similar unique identifier. Information can also be sorted, aggregated, or retrieved by commodity, large trader, group of commodities, and groups of traders, among other criteria. The same information can be retrieved through SQL operations using the same types of data elements.

- 2) If the information in the system is retrieved using one or more of the identifiers, what CFTC System of Records Notice (SORN) covers the information?

Retrieval of information in ISS is covered by CFTC-15, *Enterprise Surveillance, Oversight & Risk Monitoring System*.

VI. ACCESS AND SHARING

- 1) With which internal CFTC Offices or Divisions is the information shared? For each Office or Division, what information is shared and for what purpose?

CFTC staff in DMO, DOD, DOE, OCE, and DCR have access to the ISS database. DMO, DOD, and DCR use ISS reporting capabilities to actively monitor futures and options market activity. OCE

uses ISS to understand overall market activity. DOE staff use ISS for market surveillance and to support enforcement litigation. Users can research internal and external referrals and check ISS data to focus their investigative activities and independently validate data collected during litigation discovery.

2) How is the information shared internally?

Information in ISS can be accessed through the client application or through direct database access via SQL queries. Information in ISS cannot be edited via SQL. Users can create local copies of information from ISS (e.g., in the form of query results).

3) With which external organization(s) is the information shared?

Information from ISS is shared with FERC on a weekly basis, pursuant to a Memorandum of Understanding between the CFTC and FERC.

Some data from ISS is aggregated and/or de-identified for inclusion in CFTC public reports, namely the Cotton on Call, Commitment of Traders, and Bank Participation Reports. Reports posted to CFTC.gov use aggregation or de-identification strategies to prevent re-identification of such information through other publicly available information.

Cotton On-Call: The Cotton On-Call report aggregates all “large” cotton traders (traders with 100 or more contracts in at least one future), showing the quantity of call cotton bought or sold for each exercise month on which the price has not been fixed, together with the respective futures on which the purchase or sale is based. The Cotton On-Call report is prepared by MIB using Form 304 data in ISS and is published weekly to CFTC.gov.

Commitments of Traders (COT): The COT report is generated automatically from ISS data using COTA, and provides a breakdown of each Tuesday’s open interest for futures and options on futures markets in which 20 or more traders hold positions equal to or above the reporting levels established by the CFTC. The requirement that 20 or more traders hold reportable positions was instituted to decrease the likelihood that it can be linked to an individual. In addition, information is aggregated by the classifications of the types of work that the traders perform (e.g., swap dealer, money manager). The COT report is reviewed by DMO before it is published to CFTC.gov.

Bank Participation Report: The Bank Participation report is generated automatically from ISS data using BPRA, and includes data for every market where five or more banks hold reportable positions. The report breaks the banks’ positions into two categories—U.S. Banks and Non-U.S. Banks—and shows for each type their aggregate gross long and short commodity market position. For purposes of protecting the confidentiality of participants’ market positions (as required under §8(a) of the Commodity Exchange Act), when the number of banks in a market in either category (U.S. Banks or Non-U.S. Banks) is less than four, the number of banks in each of the two categories is omitted and only the total number of banks

is shown for the respective market. The Bank Participation report is reviewed by DMO before it is published to CFTC.gov.

- 4) How is the information shared externally?

The process of creating XML files with relevant ISS data and transferring it via SFTP to FERC is fully automated.

Cotton on Call, Bank Participation Report, and Commitment of Traders reports are posted to CFTC.gov.

VII. TRANSPARENCY

- 1) How are individuals notified as to how their information will be collected, used, and/or shared within this system?

Individuals are provided with Privacy Act statements when submitting information on behalf of themselves or reporting firms on required forms.

- 2) Is a SORN required? If so, explain how the use of the information in this system is limited to the use specified in the SORN?

Yes. Information in ISS is only used for the purposes identified in CFTC-15, *Enterprise Surveillance, Oversight & Risk Monitoring System*.

VIII. INDIVIDUAL PARTICIPATION

- 1) Is the information collected directly from the individual?

Yes, information maintained and processed by ISS is collected directly from an individual. However, in many cases (such as reports submitted by exchanges), the submissions contain information about other individuals, such as brokers and beneficiaries, who are not directly involved in the preparation or submission of the filing.

- 2) Is the collection mandatory or voluntary? If voluntary, what opportunities do the individuals have to decline to provide information?

The submission of information relating to periodic position reporting is mandatory. Individuals do not have the opportunity to “opt out” of providing their information for inclusion in ISS.

- 3) Do individuals have an opportunity to consent to a particular use of the information? If so, how do they provide consent for a particular use?

No, individuals do not have the opportunity to consent to a particular use of the information.

IX. DATA MINIMIZATION

- 1) What steps were taken to minimize the collection of PII in the system?

CFTC only requires reporting firms to provide the minimum amount of personal information necessary when completing mandatory forms or interacting with CFTC staff.

X. DATA QUALITY AND INTEGRITY

- 1) How is data quality ensured throughout the information lifecycle and business processes associated with the use of the information?

- Cross referencing data entries with other systems
- Third party data verification
- Data taken directly from individuals
- Character limits on text submissions
- Numerical restrictions in text boxes
- Other:

XI. RETENTION

- 1) What are the retention periods for the information?

Cotton on Call, Bank Participation Report, and Commitment of Traders reports are permanent records of the Commission and retained for 15 years. At the end of the retention period they are transferred to the National Archives and Records Administration. Other ISS data are scheduled as temporary records. However, CFTC is in the process of rescheduling that data.

XII. SECURITY

- 1) What types of administrative safeguards protect the information?

- Contingency Plan
- User manuals for the system
- Rules of Behavior
- Non-Disclosure or other contractual agreement
- Other: The following types of access privileges have been established for ISS:
 - a. System Administrator: A small number of staff in DOD have system administrator access to manage overall access and security inside of the application.
 - b. Data Administrator: DMO manages the data load and data quality assurance process of information submitted via the CFTC Portal and SFTP. Data administrators can also enter and update the Form 40 and Form 102 data.
 - c. Read Only users. These users can read data in ISS (through the application or SQL queries) but cannot make changes.

- d. CFTC Economists: A small number of staff in OCE have the ability to review data in ISS. They can also enter and update the Form 40 and Forms 102 data.
- e. Margin Users: A group created for DSIO users with read access to ISS data generally and write access for hedge-related data specifically.
- f. Cotton On-Call Users: Users who have this role can, in addition to the access they have from their other roles, run and update the Cotton On-Call report that appears on CFTC.gov.

2) What types of physical safeguards protect the information?

- Guards
- Identification Badges
- Biometric
- Cameras
- Physically secured space with need to know access
- Other: None

3) What types of technical safeguards protect the information?

- User Identification
- Firewall
- Virtual Private Network (VPN)
- Multi-factor Authentication (MFA)
- Passwords
- Encryption
- De-Identification
- Anonymization
- Other:

4) What monitoring, recording, and auditing safeguards are in place to prevent or detect unauthorized access or inappropriate use of the information?

Database logging is enabled. Logs are also created whenever a user logs on to or opens a window in the ISS application.

5) Is this system hosted by a Cloud Service Provider (CSP)? No.

- a. If yes, which one?
- b. If yes, has the system obtained a FedRAMP Authorization?

XIII. TRAINING

1) What privacy training is provided to users of the system?

Annual privacy and cybersecurity training is mandatory for all CFTC staff.