September 14, 2015

Mr. Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090  

Re: SS&C Technologies, Inc.: Notice of Filing of Application for Exemption from Registration as a Clearing Agency (File Number 600-34)

Dear Mr. Fields:

The Depository Trust & Clearing Corporation ("DTCC") appreciates the opportunity to provide comments to the Securities and Exchange Commission ("Commission" or "SEC") in response to comments by SS&C Technologies, Inc. ("SS&C") on DTCC’s prior comment letter on SS&C’s application for an exemption from registration as a clearing agency, pursuant to Section 17A of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 17Ab2-1 thereunder.1

I. Summary

DTCC is the nation’s industry-owned utility for the centralized clearance and settlement of securities transactions. Our focus, first and foremost, is on the safety and soundness of the national clearance and settlement system. For over forty years we have led the way toward reducing risk and improving efficiencies in clearance and settlement as trading volumes have grown. We look forward to working with other providers of central matching, consistent with our mandate to promote both efficiencies and risk reduction in clearance and settlement. In this regard, DTCC maintains the statements made in our Prior Comment Letter. In this letter, we respond specifically to a subset of points made by SS&C in the SS&C Response Letter that DTCC believes impact our concerns about the safety and soundness of the national clearance and settlement system.


II. DTCC Supports Competition and Interoperability in Central Matching

As we have stated consistently, DTCC supports fair competition, and therefore interoperability between and among central matching services, but solely with respect to the central matching function. Other core settlement functions, such as the provision of settlement instructions, the facilities used to convey settlement information, and the consistent controls and standards by which such information is provided, should be under industry control. DTCC, which has provided such standards and controls since the advent of central matching, should continue to perform this utility function.

The SS&C Response Letter opposes mandating use of the combined systems of The Depository Trust Company ("DTC")/National Securities Clearing Corporation ("NSCC")/TradeSuite ID (the "Existing Infrastructure"), stating that such a mandate would result in doubt that any other service would find it economically viable to enter the post trade service to compete with Omgeo. SS&C provides no support for this contention, and DTCC is unaware why potential competitors to Omgeo, including SS&C, who offer a variety of post trade services in addition to central matching would necessarily find it economically not viable to compete with Omgeo absent direct access to DTC. Moreover, because the safety and soundness of the national clearance and settlement system is DTCC’s primary concern, and as DTCC has shown, our single access model would promote such safety and soundness as compared with alternatives, DTCC continues to believe that access to through the Existing Infrastructure is consistent with Section 17A of the Exchange Act.5

III. Timeframes for Building and Operating Interfaces

DTCC notes that SS&C agrees that the timeframes for building and operating interfaces in the Omgeo Exemptive Order and each of the SEC notices relating to SS&C’s and BSTP’s applications for exemption from clearing agency registration are “restrictive” and that “more realistic” timeframes could be justified. DTCC continues to believe that the Commission should revisit those timeframes in light of developments since 2001 when Omgeo’s Exemptive Order was granted and provide longer timeframes for negotiating, building, testing and operating interfaces, should the Commission determine to grant SS&C’s (or any other party’s) application for exemption from clearing agency registration to provide central matching.

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4 TradeSuite ID is a service of Omgeo LLC, a wholly-owned subsidiary of the DTCC.

5 The SS&C Response Letter also refers to comments from Bloomberg STP, LLC ("BSTP") in response to DTCC’s comments on BSTP’s application for exemption from registration as a clearing agency to perform central matching services. See letter from Ben MacDonald, President, Bloomberg STP LLC, to Brent J. Fields, Secretary, Commission (May 21, 2015) ("BSTP Response Letter"). SS&C states that in the BSTP Response Letter, BSTP details why the DTCC position would violate their own obligations as a clearing agency and reverses clearly stated commitments and positions DTCC has made since the issuance of Omgeo’s Exemptive Order. SS&C stated that is in complete agreement with BSTP’s position with respect to concerns raised by DTCC that are substantially the same with BSTP’s and SS&C’s applications. As DTCC has addressed BSTP’s comments previously, we repeat that we continue to stand by the statements and positions in our letter responding to the BSTP Response Letter, which should be deemed incorporated by reference in this letter in response to the SS&C Response Letter as well. See letter from Larry E. Thompson, Vice Chairman and General Counsel, The Depository Trust and Clearing Corporation, to Brent J. Fields, Secretary, Commission (June 23, 2015).
IV. SS&C’s Proposed Reliance on SS&C Canada for Core Clearing Functions

DTCC continues to believe that reliance on Canada-based operations for core clearing functions may raise safety and soundness concerns for the national clearance and settlement system. In particular, concerns relating to choice of law, jurisdiction, privacy of information and timely access to records must be carefully examined to prevent such issues from threatening the safety and soundness of the national clearance and settlement system.

V. SS&C’s Discussion of Business Continuity, Cybersecurity and Stress Testing

SS&C’s systems used to operate SS&C’s central matching services should be subject to Regulation SCI and other business continuity and internal control requirements imposed on each of the clearing agencies that support the national clearance and settlement system. Failure to impose such conditions on essential SS&C systems would enable a central matching service provider to avoid requirements set forth in Regulation SCI by outsourcing its operations to a wholly-owned, unregulated affiliate. In this case, SS&C states that the systems that it will rely on to provide its services are maintained by SS&C Canada. Failure to impose such business continuity, cybersecurity and stress testing conditions uniformly across all matching service providers would impose significant risk to the national clearance and settlement system due to systemic reliance on systems not subject to the strict standards of Regulation SCI and other business continuity requirements to which DTCC’s regulated subsidiaries are subject.

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DTCC appreciates the opportunity to comment on SS&C’s Application. Please contact the undersigned, at [Redacted], if you would like to discuss any of the items outlined above.

Sincerely,

Larry E. Thompson
Vice Chairman and General Counsel

Cc: The Honorable, Mary Jo White, Chairman
The Honorable Luis A. Aguilar, Commissioner
The Honorable Daniel M. Gallagher, Commissioner
The Honorable Kara M. Stein, Commissioner
The Honorable Michael S. Piwowar, Commissioner
Stephen I. Luparello, Director, Division of Trading and Markets
Gary Goldsholle, Deputy Director, Division of Trading and Markets
Christian Sabella, Acting Associate Director, Division of Trading and Markets
Jeffrey Mooney, Assistant Director, Division of Trading and Markets