



July 20, 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:

SS&C Technologies, Inc. ("SS&C") appreciates the opportunity to comment on the Securities and Exchange Commission's (the "Commission") notice of filing of SS&C's application for exemption from registration as a clearing agency. This letter responds to the questions raised in the Commission's notice and addresses the comment letter submitted by The Depository Trust & Clearing Corporation ("DTCC")¹.

SS&C appreciates the Commission's attentive approach in the consideration of granting exemptions from registration as a clearing agency to entities seeking to provide matching services. SS&C also appreciates the wide number of considerations that need to be examined to ensure any exemption granted is consistent with the policy goals of Section 17A of the Securities Exchange Act of 1934 (the "Exchange Act").

For reasons outlined below, we respectfully request the Commission to approve SS&C's application for exemption from registration as a clearing agency. Approval would allow for competition in the area of institutional trade matching, be fully consistent with the public interest, the protection of investors, and the purposes of Section 17A of the Exchange Act.

I. The SS&C Matching Service

SS&C Technologies, Inc. was founded in 1986 and is headquartered in Windsor, Connecticut. With offices throughout North America, Europe, Asia, and Australia, SS&C is a leading provider of cloud-based services and software for the global financial services industry. Through its electronic trade and confirmation application, SSCNet, SS&C has offered local and centralized matching facilities, and electronic trade confirmation ("ETC") services for over 20 years.

SS&C proposes to offer SSCNet in the U.S. market to allow for the electronic comparison of allocation data supplied by institutional customers with trade confirmation data supplied by broker-dealers. It is envisioned that this data will be supplied to SSCNet independent of services offered by Omgeo should clients choose to do so. Within the workflow known as "central matching", if the information matches, SSCNet will generate and transmit an affirmed confirmation to The Depository Trust Company ("DTC") that will initiate the settlement of the trade within the depository.

While there are advantages and efficiencies gained by using the central matching model, a significant portion of the investing community continue to use a sequential matching model whereby the institutional customer

¹ Letter from Larry E. Thompson, Vice Chairman and General Counsel, DTCC to Brent J. Fields, Secretary, Commission (May 28, 2015) available at: <http://www.sec.gov/comments/600-34/60034-1.pdf> (the "DTCC letter").

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or their custodian compare and match post trade details. It is the intent of SS&C to allow for the transmission of these matched confirmations produced through the ETC workflow to DTC via SSCNet as well. Again, if both customers choose to do so, this flow could be independent of Omgeo.

II. The Promotion of Section 17A Goals

The Commission has stated its view that “an entity that limits its clearing agency functions to providing matching services need not be subject to the full panoply of clearing agency regulation” and has noted that “Section 17A(b)(1) [of the Exchange Act] authorizes the Commission to exempt (conditionally or unconditionally) any clearing agency from any provision of Section 17A if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of Section 17A.”² In addition, the Matching Release states: “Applicants requesting exemption from clearing agency registration are required to meet standards substantially similar to those required of registrants under Section 17A in order to assure that the fundamental goals of that section are furthered (i.e., safety and soundness of the national clearance and settlement system).”³ The Commission has consistently applied these principles to matching services in considering whether to grant exemptions from clearing agency registration.⁴

The matching services offered by SSCNet are consistent with the public interest, the protection of investors, and the purposes of Section 17A and contributes to fair, orderly and efficient markets by promoting the goals of Section 17A.

SSCNet promotes investor protection and promotes efficiencies

Section 17A states “. . . [t]he prompt and accurate clearance and settlement of securities transactions . . . are necessary for the protection of investors and persons facilitating transactions by and acting on behalf of investors”⁵. Section 17A also states “. . . Inefficient procedures for clearance and settlement impose unnecessary costs on investors and persons facilitating transactions by and acting on behalf of investors.”⁶

SSCNet will promote the goal of investor protection by offering matching services that streamline the post trade communication flow between institutional customers, broker-dealers, custodians, and interested parties. Real time communications and matching serve to highlight trade discrepancies early in the trade life cycle which leads to timely affirmations and a reduction in failed deliveries. The promotion of investor protection and efficiencies does not require that current or other potential providers do not offer services that meet these objectives. Different and competing services can offer a wider range of services that allow the community to meet the same goals in different manners.

² Securities Exchange Act Release No. 39829 (April 6, 1998), 63 FR 17943, 17947 (the “Matching Release”).

³ Id. at 17947 n.28.

⁴ See Securities Exchange Act Release Nos: 41377 (May 7, 1999), 64 FR 25948 (Thomson Financial Technology Services, Inc. (“TFTS”)) (“1999 TFTS Exemption”); 44188 (April 17, 2001), 66 FR 20494 (“2001 Omgeo Exemption”); 74394 (February 27, 2015), 80 FR 12048 (Bloomberg STP LLC); 74794 (April 23, 2015), 80 FR 23618 (SS&C Technologies, Inc.).

⁵ Exchange Act Section 17A(a)(1)(A).

⁶ Exchange Act Section 17A(a)(1)(B).

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SSCNet promotes the opportunity for new data processing techniques

Section 17A states that “. . . [n]ew data processing and communications techniques create the opportunity for more efficient, effective, and safe procedures for clearance and settlement”⁷. With SSCNet, SS&C has invested in technology and developed the expertise required in post trade market processes to allow for innovation and reliability for over twenty years. Different approaches by separate providers often yield different results that benefit all. As well, SSCNet has long worked with individual firms on customized solutions that assist in bridging technology gaps.

SSCNet promotes linkages and uniform standards

Section 17A states that “. . . [t]he linking of all clearance and settlement facilities and the development of uniform standards and procedures for clearance and settlement will reduce unnecessary costs and increase the protection of investors and persons facilitating transactions by and acting on behalf of investors”⁸. SSCNet has a long history of linking with upstream accounting and order management systems used by institutional customers, service bureaus used by broker-dealers, and direct linkages into custodian platforms for those banks directly on the SSCNet platform. SSCNet has also created interfaces with services that are seen as competitors such as S.W.I.F.T. SCRL, FX matching platforms, and vendors offering local matching engines. SS&C was also a charter member of ISITC North America under its former name Financial Models Company. The promotion of standards and interoperability has long been displayed as a cornerstone of the company’s philosophy.

III. Response to DTCC’s Comment Letter

In the DTCC letter DTCC has provided comment on SS&C’s Notice of Filing of Application for Exemption from Registration as a Clearing Agency (File Number 600-34). This letter recommends that the Commission require any new matching service to use the current “existing infrastructure” (as defined in the DTCC letter), specifically Omgeo’s TradeSuite ID, as a means of interfacing with DTC. The same recommendations are made in comment letters⁹ relating to a similar application filed by Bloomberg STP LLC. The position of DTCC is clear; competition as it relates institutional post trade processing should be confined to central matching. All other key ancillary services are outside this scope. As stated by DTCC in a recent comment letter to the Commission “. . . [o]ther 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”¹⁰. One can infer from these same letters that Omgeo would impose the same charges on competing matching services as they do on clients today.

Should this position be accepted by the Commission, it is doubtful that any other service would find it economically viable to enter the post trade service market to compete with Omgeo.

⁷ Exchange Act Section 17A(a)(1)(C).

⁸ Exchange Act Section 17A(a)(1)(D).

⁹ See letters from Larry E. Thompson, Vice Chairman and General Counsel, DTCC, to Brent J. Fields, Secretary, Commission (June 23, 2015) available at: <http://www.sec.gov/comments/600-33/60033-28.pdf> and (April 6, 2015) available at <http://www.sec.gov/comments/600-33/60033-20.pdf>

¹⁰ Letter from Larry E. Thompson, Vice Chairman and General Counsel, DTCC to Brent J. Fields, Secretary, Commission (June 23, 2015).

In their response¹¹ to DTCC's comment letter, Bloomberg STP LLC details why the DTCC position would violate their own obligations as a clearing agency and reverses clearly stated commitments and positions they have made since the issuance of the 2001 Omgeo Exemption. SS&C is in complete agreement with the Bloomberg STP LLC's position with respect to the concerns raised by DTCC that are substantially the same with respect to Bloomberg STP LLC's and SS&C's applications.

i. Time Frames for Building and Operating Interfaces

SS&C agrees with the comment in the DTCC letter that the time frames for building and operating interfaces are restrictive and that more realistic time frames could be justified. The interoperability conditions agreed to by matching services all provide the means for extending these time frames. The proposed conditions contained in SS&C's exemptive relief have appropriate mechanisms to allow for the applicable parties to extend the stated interoperability timeframes. Accordingly, we see no issue with the current conditions.

ii. Concerns with Reliance on SS&C Canada to Perform Matching, Substance of Outsourcing Arrangements, Availability of SS&C Canada Employees, and Potentially Conflicting Legal Regimes

DTCC puts forward a number of unfounded assertions in regards to the oversight of SS&C Canada by its U.S. parent company, SS&C Technologies, Inc. SS&C has worked with the Commission for a number of years on the above mentioned issues and is grateful for their diligence and guidance on these matters. SS&C Canada and the SSCNet application in particular, fall under the scrutiny and review of a number of U.S. based SS&C Technologies Inc. executive committees that provide for direct oversight such as the Operating Committee, and the Security Committee. This also includes but is not limited to a U.S. based internal audit department that reports to the U.S. based executive Audit Committee. The SSCNet Division reports to our U.S. based Senior Vice President, Institutional and Investment Management. Development reports to our U.S. based Senior Vice President, Chief Development Officer. Information Technology Services reports to our U.S. based Chief Technology Officer. It should also be noted that Omgeo operates in many jurisdictions outside the U.S., including Canada, on the same basis. In summary, SS&C Technologies has complete oversight of and visibility into the operations of SSCNet.

iii. SS&C Should Provide Additional Assurances on Solvency

DTCC raises a speculative concern over the solvency of SS&C Technologies that is completely unfounded. SS&C is a public company (SSNC – NASDAQ) and therefore publishes audited financial statements which are supplied to the Commission. No further assurances regarding financial strength are necessary.

iv. The SS&C Complex Should Provide Additional Assurances on Internal Controls

DTCC incorrectly asserts that some or all applications offered by SS&C are somehow comingled with each other and that intellectual property, privacy of users, and confidentiality of data is lacking. SS&C is a leading global data service provider that deploys information security policies, procedures and controls that meet or exceed industry standards. SS&C has never experienced a breach of security or privacy. What DTCC fails to mention in their response is the additional security and confidentiality risks posed under their single access

¹¹ See letter from Ben Macdonald, President, Bloomberg STP LLC, to Brent J. Fields, Secretary, Commission (May 21, 2015), available at: <http://www.sec.gov/comments/600-33/60033-26.pdf>, Section IV A – D pp. 5 - 19

model. Transactions involving non-Omgeo clients would still have to be routed through the Omgeo interface thereby exposing confidential information to a competitor that does not play a role in the transaction.

v. General Pricing and Access Conditions

DTCC incorrectly asserts that pricing models have not been supplied to the Commission when in fact they have been along with a request that it be treated confidentially under 5 U.S.C. § 552(b)(4). SS&C asserts that it is not for DTCC to determine the affordability of its offering but rather that the marketplace will decide. SS&C is fully committed to honoring pricing and access conditions set out in its Exemptive Application. DTCC also states that Omgeo, a wholly-owned subsidiary of DTCC, an industry-owned and governed utility, does not compete with SS&C for customers. This may be true in the U.S. market where SS&C cannot offer central matching services, but it is untrue in other jurisdictions such as Canada where Omgeo competes directly with SSCNet.

vi. SS&C Should Address Business Continuity, Cybersecurity and Stress Testing Review More Specifically

Contrary to DTCC assertions, SS&C Canada and SSCNet are staffed adequately with qualified and experienced industry veterans that have been in the post trade services industry for decades. SS&C has long advocated responsible growth when it comes to staffing numbers, facilities, and infrastructure. SS&C has consistently applied stress and capacity disciplines during its history to ensure the soundness of its post trade application.

The DTCC letter also states “. . . [t]he Commission also should require SS&C and its parent company, SS&C Technology Holdings, Inc. (“Holdings”), SS&C Technologies Canada Corp., its Canadian subsidiary performing matching functions (“SS&C Canada”), and each of Holding’s other subsidiaries (collectively, the “SS&C Complex”), to the same standards of internal controls, redundancy, security, and business continuity as the Commission requires of other critical participants in the national clearance and settlement system”¹². The DTCC letter also claims that “[b]oth SS&C, and by extension SS&C Canada (to the extent it supports SS&C’s central matching and electronic confirmation services), should be subject to the full panoply of legal and regulatory requirements under Regulation SCI and the Interagency Paper.”¹³

If SS&C is granted the requested exemption, all parts of the SSCNet central matching service will be subject to the Commission’s Automated Review Policies and then their successor, Regulation SCI when it comes into effect in November 2015. There is no legal basis for Regulation SCI to apply to the SS&C Complex as those affiliates and subsidiaries are not covered by the regulation. The scope of the requirements pertaining to exempt clearing agencies is specified in the relevant statutory provisions and Commission exemptive orders.¹⁴ Accordingly, SSCNet will be subject to and intends to comply with all of the standards specified by the Commission applicable to exempt clearing agencies.

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¹² See DTCC letter at page 17.

¹³ DTCC letter at page17.

¹⁴ See Matching Release, 63 FR at 17947.

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We again thank you for the opportunity to comment and would be pleased to meet with Commission Staff to address any questions that they may have.

Sincerely,

A handwritten signature in cursive script, appearing to read "David I. Goldstein".

David I. Goldstein
Senior Counsel