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Via Electronic Submission

Office of the Under Secretary for Domestic Finance
Department of the Treasury
1500 Pennsylvania Ave NW
Washington DC 20220

Re: Request for Information on Evolving Treasury Market Structure
(Docket No. TREAS-D0-2015-0013)

Dear Sir or Madam:

Thank you very much for the opportunity to provide comments to Request for Information on Evolving Treasury Market Structure (the "Request"). We appreciate the opportunity to share comments with the Department of the Treasury ("Treasury" or the "Department," "Treasuries" refer to the securities that are traded).

Green Key Technologies LLC ("we" or "GKT") is the voice-driven collaboration platform for financial market participants: enhancing compliance and enabling sophisticated data analytics and workflows. We have been in existence since

November 2013 and operate across multiple time zones with offices in the following cities: Chicago, New York, London and Singapore.

We have created a “software turret” that completely replicates (and extends) the functionality of legacy hardware turrets and lines, but at a fraction of the cost. Traders and brokers simply download the voice software onto their device, establish connections to counter-parties and “push-to-talk” in real time with an unlimited amount of users. Communication is encrypted, recorded and can be transcribed for real-time compliance and analytics capabilities. The GreenKey VoIP network is now over 300 firms, including some of the world’s largest banks, brokerage firms and trading firms. Several of our users utilize our technology to trade many financial instruments, including Treasuries, in cash and derivative markets.

The Importance of Voice Trading

The Request, as well as the Joint Staff Report: The U.S. Treasury Market On October 15, 2014 (the “Treasury Report”) both make clear that voice trading has been, and still is, an important vehicle through which Treasury securities are trading. Indeed, as noted in the Request, the inter-dealer cash market was almost exclusively transacted by telephone. Bond markets, including Treasuries, were slow to adopt to electronically traded platforms. *The Transition to Electronic Communications Networks in the Secondary Treasury Market* Federal Reserve Bank of St. Louis Review 527, 530 (November/December 2006).

While a number of electronic platforms have altered the trading landscape, voice trading is still an important component to the functioning of this market. The fact remains that financial markets still rely heavily on voice transactions. Notably, the New York Federal Reserve Bank recently estimated that 62% of the Dealer to customer Treasury market is still conducted by voice.¹

¹ See <http://libertystreeteconomics.newyorkfed.org/2016/02/primary-dealer-participation-in-the-secondary-us-treasury-market.html#.Vx17njArKhe> (2016)(last visited on April 21, 2016).

To appropriately study and understand the Treasury market (all markets, really), one must acknowledge that use of voice is an effective tool to conducting business. Communication using the spoken word has qualities such as tone, personality, nuance and immediate feedback. That type of color can provide important insights into the Treasury market.

Additionally, consider a couple of statistics about voice communication:

- The average person types 40 words per minute but speaks 160 words per minute. Voice provides a 400% increase in productivity; and,
- In 2013, voice search usage on engines such as Google was negligible. Today, it exceeds 10% of all search traffic.

Voice isn't going anywhere. The financial markets run on voice (price discovery, market color, any large or complicated order or even a regular order for that matter). Even with the markets and trading transitioning to electronic platforms, voice will continue to matter for traders and brokers – perhaps even more in the Treasury markets given its substantial history with voice transactions.

Future Regulations Should Include Voice Trading and Transcription

Many laws and regulations have been enacted around the world that recognize the importance of voice trading (and retention of voice trading recordings) ranging from the Commodity Futures Trading Commission (“CFTC”) Rule 1.35 (requiring retention of certain derivative financial transactions no matter how executed, such as by telephone or voicemail), to MiFID II (requirement for investment firms to record telephone conversations and electronic communications relating to own account and clients' transactions. This includes telephone conversations that are intended to result in the conclusion of a transaction).

Both the Request and the Treasury Report indicate that certain Treasury market data is unavailable to regulators at this time – for example, the documents noted that many of the Inter-dealer broker transactions with their customers in the secondary market is a so-called “dark market.”

GreenKey suggests that including recording and transcription of voice transactions in future regulations would greatly assist regulators’ ability to view and understand the so-called “dark” parts of the Treasury market, as well as shed light on the entire market. Of course, a retention requirement for voice data consistent with written and electronic data would be advisable.

We would like to add that, in our experience, there is a wide range of recording quality that exists among market participants. ***There should be a requirement that the recording be, at a minimum, audible.*** Some of the situations that we have come across include:

- 10 separate lines were recorded on one line (so that the listener heard 10 conversations at one time rendering the recording useless);
- Audio quality that sounds no better than “white noise”; and,
- A market participant who opens a line that he/she knew would be recorded (line 1) and then proceeds to carry on conversations on other lines within the telephone system that are not recorded (lines 2-20). So, at the end of the day, the recorded line contains only silence.

Aside from requiring recording and retention of voice data, regulators could also require that the parties must transcribe those conversations (or, at least a percentage of the conversations). Transcription technology exists today and it is reliable and effective. Thus, an approach could be that all conversations must be recorded and audible. From that universe of recordings, a certain percentage of the conversations are required to be transcribed. The compliance department would

then be tasked with auditing/reviewing the transcripts (a certain size of the overall universe) to ensure that the market participants are in compliance.

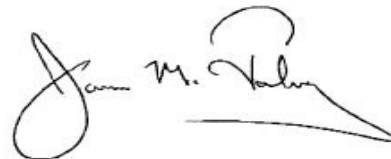
Additionally, the transcription is searchable. Thus, requiring this function may actually save money for market participants in the long run. A compliance department could work with regulators to focus on certain search terms that would likely pick up market abuse activity. We would also recommend that compliance officers read a certain percentage of the transcripts. Nonetheless, the search capacity is a very powerful compliance tool.

A common theme from market participants is that they are not aware of voice technology and that, even if it does exist, it's too expensive to be a viable alternative for them. Many providers of telephony technology exist, including Green Key, and provide their services for very reasonable costs. Depending on what functions a client desires, our experience suggests that the services offered range from \$50/user/month to \$200/user/month.

Conclusion

Once again, we would like to thank the Treasury for the opportunity to provide our thoughts and observations to you. Should you have any questions, please do not hesitate to contact Jim Falvey at 312-404-5839.

Best regards,

A handwritten signature in black ink, appearing to read "James M. Falvey". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

James M. Falvey
General Counsel