Opening Remarks – Jim Toes, STA

FINRA Notice 18-26; Council on Continuing Education Program. FINRA is requesting comment on enhancements to the Securities Industry Continuing Education Program, aka, Continuing Ed.

CAT NMS Op Com Webinar. CAT NMS Op Com hosted its sixth webinar in ‘18 Exchanges & SROs prepare for the Nov 15, ‘18 deadline for reporting to the Plan Processor. website

Election Day Election Day is two weeks away. Please exercise your right to vote. Sixty-eight (68) members of the House of Representatives are not seeking re-election; 44 R’s and 24 D’s.

Summary Remarks & Background

SEC Clayton Speech April 10, ‘18 speech, SEC Clayton committed to conducting roundtables on the three areas of focus in equity market structure for the Commission: address the challenges associated with liquidity for thinly-traded securities; regulatory approaches to addressing retail fraud; and access to markets & market data.

SIP Background Before the 1970’s each SRO’s was allowed to act independently making individual determinations on who could receive their market information. Following a series of regulatory initiatives, coupled with an increase in stock market activity the process to establish the Tape plans began. In August 2000, the SEC established an Advisory Committee. Seligman Report LINK The SIP quote feed consolidated the TOB for 15 exchanges and the SIP trade feed consolidates trades for 15 exchanges + FINRA. There are currently two operators of exclusive processors: the New York Stock Exchange, which runs the SIP for Tapes A and B; and the Nasdaq, which operates the SIP for Tape C, or the UTP Plan (Nasdaq-listed stocks). NYSE also operates Options Pricing and Reporting Authority or OPRA for Options. SIP data includes: All protected bid/ask quotes on every exchange; All trades including off exchange; The NBBO; LULD price bands; Short Sale Restriction information; And stock halt information.

Roundtable Agenda - Includes 7 panels & 48 presenters w/ discussion generally divided by market data products/services provided by SIPs & those by exchanges (Direct Feeds) LINK

Issues Discussed: Transparency: into the costs to produce the SIP and Direct Feeds and revenues generated and distributed. Governance: The SIP was created under a Reg NMS Plan, therefore the industry does not have voting rights to changes. Conflicts of Interest: Can the conflicts of interest which exist be managed.

Possible Solutions: Competing Consolidator Model; Adding depth to the SIP feeds; Professional verses Non Professional Users.

This brief is meant for informational purposes only and therefore should not be considered legal advice. STA’s goal is to raise awareness on industry developments and encourage dialogue.