

March 1, 2016

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Who We Are – STA

STA is a grass roots organization comprised of 24 affiliate organizations in the US and Canada. Our membership represents INDIVIDUALS who trade financial products from varying business models – buy-side, sell-side, hedge funds, exchange traders and market makers- dealing in equity and derivative trading.

STA Issues:

- SEC Release No. 34-767474; File No. S7-23-15; Regulation of NMS Stock Alternative Trading Systems (“SEC Reg ATS Proposal”)
- SEC Equity Market Structure Advisory Committee, (“SEC EMSAC”)
- Financial transaction tax

Specific Comments:

SEC Reg ATS Proposal.

*STA filed a comment letter file on February 26, agreeing with the Commission on the need for revised operational reporting standards on activities relating to ATSS and their public availability to market participants.

*We agree on the vast majority of data points that Proposal seeks disclosure on, but are concerned “that the format and frequency of asking open-ended questions on the Form ATS-N will make it difficult to compare responses making it extremely difficult for market participants to obtain key data on NMS Stock ATS operational transparency.”

*Several of the letters filed by asset managers expressed similar concerns. It is important to note these managers currently gather and compare data on ATSS as part of their fiduciary responsibilities for achieving ‘best execution’ for investors.

SEC EMSAC.

*In STA’s January 23, 2015, letter to the Commission, we were critical of the lack of retail brokerage representation on EMSAC. Since that time, we feel the Commission has taken steps to consider views from this group, as seen by the panel of experts called to testify at its last meeting held February 2016.

*STA remains concerned that the EMSAC sub-committees do not meet in public venues afforded as not being subject to the Sunshine Act

*Market data was an agenda item on three (3) of the four (4) subcommittee reports:

- *Market Quality* – Impact on openings/closes, best execution
- *Reg NMS* – Governance of the Securities Information Processors (“SIPs”)
- *Customer Issues* – Overall effects on the customer experience

Financial transaction tax. Proposals to institute a financial transaction tax (FTT) would adversely impact market structure for equities by reducing overall liquidity and increasing transaction costs.