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. The STA provides members with educational content on industry issues, while also representing their interests with legislators, regulators and other industry organizations.

STA Issues:
- Implementation of Tick Size Pilot; Data Reporting Requirements
- SEC Equity Market Structure Advisory Committee
- SEC filing to amend Rule 15b9-1 and FINRA Regulatory Notice 15-13; Proposed exemptions to the TAF for proprietary firms
- U.S. Venture Exchange; U.S. Venture Markets and TSX Venture Exchange

Specific Comments:
Implementation of Tick Size Pilot; Data Reporting Requirements
General remarks on data collection
*Good work is being done by industry groups and SROs to capture data reporting requirements.
* The validity of the pilot hinges on the data, both pre-pilot “baseline” data and intra-pilot results data.
*FAQs play a critical role in the implementation of the pilot.
*It is reasonable to expect that a majority of firms will rely on third party vendors for the data preparation. Data preparation will fall into two broad categories: expansion of existing data capture, such as rules 605/606; and new data captures such as profitability. The former is less complex but requires vendors to have all the data requirements and formats in place prior to any work being done by firms they service. This two step work flow is sequential and not parallel. Firms cannot begin work on delivering data to their vendors until they have received the specifications from them. New data captures by their general nature are more complex given the fact that no work flows exist. This complexity is acutely felt by firms, like agency only institutional broker dealers who currently provide limited, if any trade reporting information.
General recommendations on data collection
*Timelines need to align with the instructions necessary for compliance.
*Efficient implementation of data reporting cannot begin until FAQs are published

Specific recommendations
*Deadline for the pre-pilot “baseline” data capture should be identified upon the publication of FAQ’s.

SEC Equity Market Structure Advisory Committee, ESMAC
In letters to the Commission dated Sept 5, 2014 and Jan. 23, 2015 STA expressed support for the EMSAC and a desire to see it become a vibrant committee. Forming sub-committees which would make formal recommendations to EMSAC was discussed at the inaugural meeting. The STA acknowledges the efficiencies sub-committees provide in making formal recommendations but we have reservations with the lack of transparency and Sunshine Act exemptions.

SEC Rule Filing to amend Rule 15b9-1 and FINRA Regulatory Notice 15-13; Proposed Exemptions to the TAF for Proprietary Trading Firms
In a letter to FINRA on June 19, 2015, STA expressed support for the TAF exemption as described in the Notice, but recommended that additional cost reductions for FINRA membership in the form of a lower TAF be considered. We believe a lower TAF ensures FINRA adheres to its statutory obligation to not collect a disproportionate amount of fees to its costs and will achieve the SEC’s desired goal of comprehensive and uniform regulation by proprietary firms.

U.S. Venture Exchange; U.S. Venture Markets and TSX Venture Exchange
TSX Venture Exchange has been referenced when discussing creating a U.S. venture exchange. In a letter to the Commission dated May 5, 2015 STA recommended the Commission compare the attributes of the U.S. over-the-counter venture market to the Canadian venture exchange model to determine to what degree, if any, a gap exists between the current U.S. model and what may be achieved if an exchange alternative were introduced. In 2014, OTC Market Group graduated eighty-three (83) U.S. companies to listed exchanges and TSXV graduated twenty-two (22). After factoring in the size of the respective economies, STA has reservations that a U.S. venture exchange is required.