

## Talking Points December 17, 2015

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

### STA Issues:

- SEC Release No. 34-767474; File No. S7-23-15; Regulation of NMS Stock Alternative Trading Systems (“Proposal”)
- FIF comment letters to Mr. Robert Errett, dated December 16, 2015 on FINRA’s rule filings for Tick Size Pilot Data Collection and Quoting & Trading

### Specific Comments:

#### **ATS Proposal**

\*STA acknowledges the need for reporting standards on activities relating to ATSs. Having certain standards provide useful information for users, subscribers & operators.

\*STA is supportive of the goals identified in the Proposal and looks forward to working with the SEC to ensure its ultimate implementation.

\*The Proposal is voluminous and represents a meaningful change to the current reporting regime under which broker-dealer ATS operators operate, and it includes both the filing of initial forms for operation and amendments for changes to ATS operations.

\*STA is currently seeking additional guidance on the amendment filing process; in particular, those amendments which are filed as material.

\*STA is seeking insight into the amounts and kinds of changes in amendment filings the SEC anticipates will result from the Proposal.

#### **FIF comment letters**

\*The FIF Tick Size Pilot Working Group represents close to 70 firms and has been meeting frequently to discuss the Tick Size Pilot Plan. STA is a member.

\*Good work is being done by industry groups and SROs to capture requirements.

\*Majority of work done thus far has been on fulfilling data collection requirements. Industry groups are now focusing on quoting & trading requirements.

\*Open issues around quoting & trading requirements exist and the process in place to receive answers to inquiries is lacking.

\*It is reasonable to expect that a majority of firms will rely on third party vendors for quoting & trading requirements. Firms cannot begin work on delivering data to their vendors until they have received the specifications from them.