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**Talking Points – June 28, 2018**

**Who We Are** - STA is comprised of 24 affiliate organizations covering the US and Canada. The STA national board of governors is comprised of past presidents and industry specific leaders. Our membership represents INDIVIDUALS from varying business models – buy-side, sell-side, hedge funds, exchange traders and market makers- dealing in equity and derivative trading.

**Regulation of NMS Stock Alternative Trading Systems; File No. S7- 23-15 (“Reg ATS-N”)**

STA wants to assist the Commission in the implementation of any final amendments to Reg ATS and we are seeking an update on recommendations made in STA Comments letters which included the following recommendations:

- Questions in the enhanced filing requirements should be reframed into yes/no questions where possible.
- The enhanced filing requirement pertaining to fee schedules should be made voluntary in order to provide higher quality data to market participants and to do no harm to a subset of NMS Stock ATS operators.
- The Commission should take into account the impact Form ATS-N has on firms described in the Proposal as “multi-service broker-dealers” to ensure that the enhanced filing requirements do not conflict with the Commission’s directives for assuring fair competition between and among market participants.
- Amendments to effective Form ATS-N should not be made public until they are effective, after which a public notice would be issued to provide disclosure prior to implementation.

**Disclosure of Order Handling Information; File No. S7-14-16.**

STA wants to assist the Commission in the implementation of any final rule regarding Disclosure of Order Handling Information, and STA is seeking an update on recommendations made in STA [letter](#) to the Commission which included the following recommendations:

- The enhanced disclosures on payments and fees on retail customer orders should be provided in a more general disclosure format for retail customers to consume.
- The determination of retail customer and institutional customer should be based on a format other than order size.
- The Commission should provide clarity on the level of obligation a broker-dealer who provides algorithm trading services will have to a broker-dealer who is using these services in the course of executing orders on behalf of their institutional customers.
- The categorization of algorithms should not be included in the final rulemaking.
- Proposed amendments to Rule 606, which require the public availability of reports, should be limited to non-directed orders.
- Reporting exemptions for brokers and dealers with di minimis amounts of institutional orders or customers should be allowed. STA recommends that a 5% threshold, or measure of executed shares as a percentage of all executed shares, be used in determining if a broker dealer executes a di minimis amount of institutional orders, and therefore be exempt from reporting these orders.
- We do not believe options contracts should be included in the definition of “institutional order”.

