April 21, 2022

Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-0609


Dear Ms. Countryman:

The FIA Principal Traders Group (“FIA PTG”)\(^1\) appreciates the opportunity to submit this letter to the Securities and Exchange Commission (“SEC” or the “Commission”) in response to the above captioned rule amendments (the “Proposal”).

Further to our March 1, 2021, letter,\(^2\) FIA PTG remains supportive of the Commission’s efforts to increase transparency, access and the resiliency of the Government Securities marketplace by eliminating the exemption from compliance with Regulation ATS for Currently Exempted Government Securities ATSs. We reiterate that applying Regulation ATS to Government Securities ATSs would increase public operational transparency regarding conflicts of interest, order types and fees; and that requiring Government Securities ATSs that meet certain volume thresholds to comply with the Fair Access Rule will ensure that qualified market participants have full and fair access to the U.S. Government Securities market.

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\(^1\) FIA PTG is an association of firms, many of whom are broker-dealers, who trade their own capital on exchanges in futures, options and equities markets worldwide. FIA PTG members engage in manual, automated and hybrid methods of trading, and they are active in a wide variety of asset classes, including equities, fixed income, foreign exchange and commodities. FIA PTG member firms serve as a critical source of liquidity, allowing those who use the markets, including individual investors, to manage their risks and invest effectively. The presence of competitive professional traders contributing to price discovery and the provision of liquidity is a hallmark of well-functioning markets. FIA PTG advocates for open access to markets, transparency and data-driven policy and has previously made recommendations about a variety of equity market structure issues, including Regulation NMS.

\(^2\) See Letter from Joanna Mallers, Secretary, FIA PTG to Vanessa Countryman, Secretary, SEC, dated March 1, 2021 (the “FIA PTG Letter”).
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The FIA PTG Letter also recommended the Commission update the definition of an ATS before finalizing the Proposal to capture all types of multilateral Government Securities trading platforms – including multilateral Request for Quote (RFQ) platforms. However, we note the Commission went beyond the fixed income electronic trading platforms focused on in the 2020 Concept Release by including Communication Protocol Systems that make available for trading any type of security. We are unsure of the impact of these changes on equity securities markets or digital asset securities markets, and the economic analysis provided in the Proposal provides little clarity. We encourage the Commission to consider providing additional clarity regarding the intended scope of the new “exchange” definition across asset classes, and to further re-affirm the clear intent to only capture truly multilateral trading venues.

If you have any questions or need more information, please contact Joanna Mallers.

Respectfully,

FIA Principal Traders Group

Joanna Mallers  
Secretary

cc: Gary Gensler, Chair  
    Hester M. Peirce, Commissioner  
    Allison H. Lee, Commissioner  
    Caroline A. Crenshaw, Commissioner