



FIA Principal Traders Group
2001 Pennsylvania Avenue NW
Suite 600 | Washington, DC 20006

T 202 466 5460
F 202 296 3184

ptg.fia.org

September 23, 2016

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

Re: File Number S7-14-16

Dear Mr. Fields:

The FIA Principal Traders Group (“FIA PTG”)¹ appreciates the opportunity to comment on the U.S. Securities and Exchange Commission (“SEC” or “Commission”) Disclosure of Order Handling Information Proposal (the “Proposal”). FIA PTG has a long history of advocating 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.

FIA PTG has consistently advocated for data driven decision making and fully supports the goal of providing investors, both retail and institutional, with the data they need to evaluate the quality of their executions. We agree with the Commission in calling for new disclosures by broker-dealers regarding their handling of institutional orders, and enhanced, more detailed disclosures with respect to retail orders. We specifically support the proposal to make standardized customer-specific institutional order handling information in XML format readily available to customers upon request, to provide more relevant routing information to retail customers, and to make aggregated order routing data for both institutional and retail orders available on public websites.

FIA PTG supports improved transparency to the public into all operational aspects of trading venues, including exchanges, alternative trading systems (“ATs”) and dark

¹ FIA PTG is an association of more than 20 firms that 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. FIA PTG advocates for open access to markets, transparency and data-driven policy.

pools. In both our 2014 Equity Market Structure² and our 2015 Simplifying U.S. Equity Market Structure³ position papers we called for various transparency related changes including updating and enhancing Rule 605 and Rule 606 disclosures. These and the other changes we supported include:

1. Trading Venue Order Matching: Transparency into the process by which working orders (displayed and not displayed) are handled, matched, and executed on all trading venues, including:
 - a. matching algorithms used;
 - b. priorities one order may have over another;
 - c. order types available to market participants, including details on how each order type interacts with the market;
 - d. fees associated with executions by all participants for all trades on a trading venue; and
 - e. trade bust/adjust policies, including when they may be invoked and potential actions a trading venue may take.
2. Trading Venue Services: Transparency into the services provided by trading venues to their participants, including pre- and post-trade risk controls, market data feeds, trade execution, colocation, and network connectivity.
3. Order Routing Practices: Transparency for investors into routing decisions made and counterparties (when available) traded against by their agency brokers for individual orders; including:
 - a. payments received for their individual orders (as opposed to the aggregate reporting currently required); and
 - b. enhancement of Rule 606 of Regulation NMS disclosures to include order level disclosure.

FIA PTG has also supported efforts to increase transparency for market participants across all asset classes. Earlier this year in our response⁴ to the U.S. Department of the Treasury Notice Seeking Public Comment on the Evolution of the Treasury Market Structure (“Treasury RFI”) we supported public reporting of all U.S. Treasury cash transactions executed in the secondary market. We believe that providing market participants with the basic parameters of each transaction will enable them to assess best execution and will reduce information asymmetries.

² <https://ptg.fia.org/articles/fia-ptg-recommends-structural-improvements-promote-accessibility-and-transparency-equity>

³ https://ptg.fia.org/sites/default/files/content_attachments/FIA%20PTG%20Position%20-%20Simplifying%20US%20Equity%20Market%20Structure.pdf

⁴ https://ptg.fia.org/sites/default/files/content_attachments/2016-04-22_FIA_PTG_Treasury_RFI.pdf

Brent J. Fields, U.S. Securities and Exchange Commission

September 23, 2016

Page 3

As evidenced by our previous market structure papers, we believe that both markets and investors benefit from greater clarity and insight into order matching, venue services, and broker order routing practices. Accordingly we are generally supportive of the Proposal.

If you have any questions about these comments, or if we can provide further information, please do not hesitate to contact Joanna Mallers ([REDACTED]).

Respectfully,

FIA Principal Traders Group

A handwritten signature in blue ink that reads "Joanna Mallers". The signature is written in a cursive style and is positioned above a light yellow rectangular background.

Joanna Mallers
Secretary

cc: Mary Jo White, Chairwoman
Kara M. Stein, Commissioner
Michael S. Piwowar, Commissioner