GTS
Building Better Markets

Via E-mail

March 31, 2023

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-1090

RE: Regulation NMS: Minimum Pricing Increments, Access Fees, and Transparency of Better Priced Orders (File No. S7-30-22; Release No. 34-96494) ("Regulation NMS Proposal")

Disclosure of Order Execution Information (File No. S7-29-22; Release No. 34-96493) ("Rule 605 Proposal")

Order Competition Rule (File No. S7-31-22; Release No. 34-96495) ("Order Competition Proposal")

Dear Ms. Countryman:

GTS Securities, LLC ("GTS") appreciates the opportunity to provide comments in response to the above-listed equity market structure proposals published by the U.S. Securities and Exchange Commission ("SEC"). GTS is a global electronic market making firm that provides liquidity across multiple asset classes, including equities, equity options, fixed income, futures, ETFs, and foreign exchange. GTS accounts for 3-5 percent of daily cash equities volume in the United States, and is one of the largest designated market makers at the New York Stock Exchange, responsible for the trading of almost 900 public companies that have a total market capitalization of approximately $13 trillion dollars. GTS's various businesses—including a wide array of strategies, market making, and client offerings—give the firm a unique perspective on equity market structure.

Although GTS's comment letter is primarily focused on the Regulation NMS Proposal, we believe the SEC's proposed equity market structure reforms are interrelated and as a result the impacts of each proposal on the others must be incorporated into any decision by the SEC to proceed with one or more of the proposals. We are confident that liquidity providers will always have a place in any healthy equity markets, so our comments are directed at preserving U.S. equity markets that are the strongest and healthiest in the world. Preserving this status will most effectively be achieved by using empirical, data-led approaches to improving the markets. Consistent with that view, GTS strongly believes a necessary part of any effective rulemaking process includes the identification of empirical evidence of a problem—including the precise market complexities at issue—coupled with a careful analysis of the costs and benefits of any proposed market modifications and reasonable alternatives.

I. The Strength of U.S. Equity Markets

U.S. equity markets represent $51 trillion (46.2%) of the $111 trillion global equity market capitalization as of 2022.[1] In 2022, the NYSE and the Nasdaq were the largest two stock exchanges in the world, with a combined equity market capitalization of $39 trillion. The next largest exchange, the Shanghai Stock Exchange, had an equity market capitalization of $6.7 trillion.[2] In addition to being the largest in the world, it is undisputed that U.S. equity markets are among the best performing, deepest, most liquid and most transparent in the world. Our markets are simply among the most efficient at allocating risk and directing capital to innovation, which bolsters our national prosperity. In fact, U.S. stock markets accounted for nearly 60 percent of world stocks in 2023[3] and are home to some of the most productive and profitable companies the world has ever seen.[4]

Retail participation in these markets is at an all-time high[5]—and based on a variety of data points, the retail experience has never been better. Retail commission rates have been greatly reduced, often to zero, in the past few decades.[6] One study finds that wholesalers provide close to $1 billion of price improvement and savings in trading costs per month,[7] and one firm states that it alone provided over $3 billion in improvement to both displayed price and size to retail investors in 2020.[8] Significantly, retail investors' orders are filled, and filled quickly, the vast majority of the time—even almost ten years ago, TD Ameritrade stated it was able to fill orders within an average of 0.7 seconds, and 99% of client orders were filled in their entirety.[9] Some may take for

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[1] *See* SIFMA, Research Quarterly – 3Q22 (Oct. 2022), https://www.sifma.org/wp-content/uploads/2022/10/US-Research-Quarterly-Equity-2022-10-19-SIFMA.pdf, at 4.

[2] *See* Statista, Largest stock exchange operators worldwide as of October 2022, by market capitalization of listed companies (Jan. 31, 2023), https://www.statista.com/statistics/270126/largest-stock-exchange-operators-by-market-capitalization-of-listed-companies/.

[3] *See* Statista, Distribution of countries with largest stock markets worldwide as of January 2023, by share of total world equity market value (Mar. 30, 3023), https://www.statista.com/statistics/710680/global-stock-markets-by-country/.

[4] *See* Matthew Johnston, Investopedia, 10 Most Profitable Companies in the World (updated Mar. 8, 2023), https://www.investopedia.com/the-world-s-10-most-profitable-companies-4694526.

[5] *See* Derek Saul, Forbes, Retail Trading Just Hit An All-Time High. Here's What Stocks Are The Most Popular (Feb. 3, 2023), https://www.forbes.com/sites/dereksaul/2023/02/03/retail-trading-just-hit-an-all-time-high-heres-what-stocks-are-the-most-popular/.

[6] *See, e.g.,* S.P. Kothari, et al., Commission Savings and Execution Quality for Retail Trades (Dec. 2021) (finding that, in 2020 and 2021, retail investors saved over $17 billion from zero commissions).

[7] *See* Anne Haubo Dyhrberg, et al., The Retail Execution Quality Landscape (Mar. 14, 2023).

[8] *See* Douglas Cifu, Chief Executive Officer, Virtu Financial, Measuring Real Execution Quality (updated Aug. 27, 2021), https://virtu-www.s3.amazonaws.com/uploads/documents/virtu-real-pi_20210827.pdf, at 2.

[9] *See* Statement of Steven Quirk, Senior Vice President, TD Ameritrade, for the United States Senate Permanent Subcommittee on Investigations, Hearing on Conflicts of Interest, Investor Loss of Confidence, and High Speed Trading in the U.S. Stock Markets (June 17, 2014), https://www.sec.gov/spotlight/emsac/testimony-steven-quirk-td-ameritrade.pdf, at 3-4.

granted the unrivaled depth and liquidity of U.S. equity markets that allow for certainty of execution, but it is fundamental to healthy markets, efficient capital formation, and price discovery. Given the strength of our markets, it is worth asking, how did we get here?

Adam Smith long ago argued that society was first organized around a barter system, which suffers from a "double coincidence of wants," as economists have since called it, meaning that the people on either side of a trade each must want what the other is offering at the time that the other is offering it.[10] However, the introduction of a medium of exchange allowed for the fulfillment of a trade even where the parties' desires for goods or timing were mismatched. This critical innovation transformed the purchase and sale of goods by facilitating trading and reducing transaction costs. Similarly, in today's capital markets, when buyers and sellers do not find each other in time—even if they would otherwise mutually desire a trade—the transaction cannot take place. Liquidity declines, transaction costs increase, and the inefficiencies present in the barter system take hold. Yet by standing ready to both buy and sell at all times—and taking on the associated market risk—market makers mitigate these risks and facilitate transactions by providing immediate liquidity and price discovery, to the benefit of the buyer, seller, and market quality. This market risk is real—a market maker can take on a trade one day, expecting to make a comparable trade on the other side later, and the market can drop out unexpectedly due to, say, systems failures, pandemics, or Russian-Ukrainian war. Market makers should rightly be compensated for willingly and continuously taking on these risks even in the face of potentially extreme market volatility.[11] This oversimplification demonstrates a fundamental point in any market structure discussion—liquidity cannot be taken for granted and it is not free.

In fact, broker-dealers and market makers provide many valuable services that are essential to our healthy and well-functioning markets, including execution services and enhanced execution quality, counterparty due diligence, anti-money laundering screening, and, significantly, instant and reliable liquidity in price and size. The instant and reliable liquidity that is a hallmark of U.S. capital markets is a key factor to our market's global dominance and incredible efficiency and resiliency. Liquidity is highly dependent on and reactive to market structure, including auction models and the types of tick size modifications that are at the heart of the Regulation NMS Proposal. Ultimately, the key to appropriately calibrating tick sizes or incentivizing competition, or many other elements of equity market structure currently under consideration by the SEC, is to perfect a balancing act between incentivizing liquidity provision and keeping transaction costs low for investors. Making mistakes with this delicate balancing act threatens to precipitate serious market inefficiencies and failures.

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[10] *See* Adam Smith, The Wealth of Nations, Book 1, Ch. 4, Of the Origin and Use of Money.

[11] In addition, one study found that cross-subsidies across high-activity stocks and low-activity stocks are important for incentivizing liquidity provision in less liquid stocks, while also improving market quality in smaller stocks without adversely affecting large stocks. *See* Sean Foley, et al., Cross-subsidizing liquidity (Jan. 5, 2023), https://www.wlu.ca/academics/faculties/lazaridis-school-of-business-and-economics/faculty-profiles/andriy-shkilko/cross-subsidization-of-liquidity.pdf.

II. Interconnectedness of Proposals

Market structure, and the ecosystem for trading, reflects an equilibrium of many different opposing forces and actions. Generally, tinkering with knobs and dials in one area of this ecosystem may have pronounced and sometimes unpredictable effects in other areas and on the ecosystem as a whole. The web of market structure rules primarily implemented by Regulation NMS (not to mention those of multiple self-regulatory organizations) requires careful analysis of complicated interactions to be able to assess the market impacts of tinkering with any particular knobs or dials. This necessitates taking a measured, incremental, and data-centric approach to any market structure changes.

Yet, taking such an approach is all but impossible in this case because the SEC has set forth proposals that are interconnected and overlapping, with no analysis of cumulative costs and benefits; combined effects of the proposals together, whether baseline or otherwise; or the potential for unintended consequences across asset classes and market sectors resulting from the interaction between proposals. For example, the pricing increments proposed in the Regulation NMS Proposal do not match the tenth-penny pricing increments in the Order Competition Proposal, and it is unclear how these different mandated pricing increments might together affect market quality if adopted.[12] And, as the SEC itself recognizes in its Rule 605 Proposal, many metrics regarding retail execution quality are missing from currently available datasets.[13] The industry also is not privy to the non-public CAT data upon which the SEC relied for its economic analyses, making it impossible to try to replicate the SEC's findings or produce comparable economic analyses.[14] Compounding the fact that market participants cannot adequately assess the cumulative effects of the SEC's proposals is the potential for markets and incentive structures to dramatically change with any individual proposal, such that we may find that the implementation of one proposal obviates the need for additional rules or completely changes the regulatory action needed to address a perceived market failure.

Consequences to our capital markets could be dire if we do things haphazardly and all at once without properly identifying market structure problems and goals, and assessing credible data, economic analysis, and alternatives. Once trust in U.S. markets is broken, it cannot easily be won back. With today's deep and liquid U.S. equity markets, featuring immediate execution, low

[12] The Order Competition Proposal would require that segmented orders and auction responses be priced at no less than $0.001 (or 0.1 cent) if their prices are $1.00 or more per share, or no less than $0.0001 (or 0.01 cent) if their prices are less than $1.00 per share, or at the midpoint of the NBBO. *See* Order Competition Proposal, 88 Fed. Reg. 128, 159 (Jan. 3, 2023). The Regulation NMS Proposal would require four pricing increments of $0.001, $0.002, $0.005, and $0.01 based on a stock's time weighted average quoted spread. *See* Regulation NMS Proposal, 87 Fed. Reg. 80266, 80280 (Dec. 29, 2022).

[13] For example, Rule 605 excludes broker-dealers that route customer orders externally and orders smaller than 100 shares, and does not capture size improvement. *See* Rule 605 Proposal, 88 Fed. Reg. 3786, 3791-92, 3817-19.

[14] *See* Letter from Ellen Greene, Managing Director, SIFMA, to Vanessa Countryman, Secretary, U.S. Securities and Exchange Commission (Feb. 8, 2023), https://www.sec.gov/comments/s7-31-22/s73122-20156863-325026.pdf (requesting the SEC make public anonymized CAT data).

transaction costs, and impressive execution quality, the question arises, what is the problem we are solving here, and is the proposed solution worth the potential trade-offs?

III. Regulation NMS Proposal

Turning specifically to the Regulation NMS Proposal, there are some data that suggest modifying our current tick regime may lower transaction costs further and help improve equity markets. However, there is disagreement among stakeholders about how extensive any problem may be and the parameters around any proposed solution. For example, major market participants have released studies showing that a small number of tick-constrained stocks could benefit from smaller ticks,[15] and, conversely, market commentary and SEC studies have also suggested benefits to widening ticks for certain thinly traded securities.[16] However, the vast majority of stocks fall within a middle range where the impact of potential tick size changes is uncertain at best. There is further uncertainty surrounding mandated trading increments (in addition to quoting increments), with comparatively sparse study.

Despite this uncertainty, the Regulation NMS Proposal would fundamentally alter the nature of quoting and trading in our equity markets, with unknown consequences. Rather than implementing a huge market structure shift in the face of such inconclusive data, GTS strongly believes a prudent path forward should involve collecting and studying all necessary data and progressing incrementally. Incremental change is particularly important with tick sizes, because if tick sizes are not calibrated appropriately and are too small, our markets could be marred by flickering quotes, fragmented liquidity and reduced depth, increased complexity and operational risk, increased message volume and transaction costs, and increased market data and reporting-related costs.[17]

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[15] *See, e.g.,* Cboe, Cboe Proposes Tick-Reduction Framework to Ensure Market Structure Benefits All Investors (Sept. 22, 2022), https://www.cboe.com/insights/posts/cboe-proposes-tick-reduction-framework-to-ensure-market-structure-benefits-all-investors/ ("Cboe Tick Proposal"); Citadel Securities, Market Lens: Unlevel Playing Field? What 605s Can Tell Us About Tick Sizes (Sept. 2022), https://s3.amazonaws.com/citadel-wordpress-prd102/wp-content/uploads/sites/2/2022/09/08200310/Market-Lens-September-2022.pdf; Adrian Griffiths, Head of Market Structure, MEMX, Tick Constrained Securities: Why GE's basis point spread was four times higher before its reverse split—and what we should do about it (Aug. 2021), https://memx.com/wp-content/uploads/MEMX-Market-Structure-Report-Tick-Constrained-Securities.pdf.

[16] *See, e.g.,* Securities and Exchange Commission, Order Directing the Exchanges and the Financial Industry Regulatory Authority To Submit a Tick Size Pilot Program, Exchange Act Release No. 34-72460, 79 Fed. Reg. 36840 (June 30, 2014); Cboe Tick Proposal (proposing consideration of "a tick-widening framework that facilitates an enhanced liquidity aggregation process for securities trading with wider spreads"); Yashar Barardehi, et al., DERA Working Paper, Tick Sizes and Market Quality: Revisiting the Tick Size Pilot (Nov. 28, 2022, preliminary), https://www.sec.gov/files/dera_wp_ticksize-pilot-revisit.pdf ("DERA Working Paper") (finding that for stocks with very wide spreads, i.e., 15 cents or more, the tick pilot generally improved market quality).

[17] *See, e.g.,* James Angel, Tick size regulation: costs, benefits and risks (2012) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/289037/12-1068-eia7-tick-size-regulation-costs-benefits.pdf; Securities and Exchange Commission, Regulation NMS, Exchange Act Release No. 34-51808, 70 Fed. Reg. 37496, 37551-52 (June 29, 2005) ("Regulation NMS").

In addition, we have seen the potential problems that may arise with adoption of regulatory change based on theory rather than data, including with respect to tick sizes. The last time the SEC contemplated changes for tick sizes, it theorized that widening tick sizes for thinly traded securities would positively affect trading in these names by bringing large amounts of new liquidity, in a pilot program that did not yield the intended results.[18] Thankfully, however, in that case the SEC chose to proceed using a pilot program that could easily be turned off (or made permanent) based on empirical evidence of the impact made by the pilot's market structure changes. The data produced by the pilot program did not support continuing the effort with rulemaking, as data showed a negative market impact to the tune of anywhere from $300 million to $900 million.[19] Based on this empirical evidence the tick changes were unwound and ongoing harm prevented.

The SEC should use the lessons learned from the prior tick pilot and apply them to the Regulation NMS Proposal. Rather than moving forward with the Regulation NMS Proposal, GTS proposes an incremental approach to moving forward, beginning with a robust data collection initiative, including engagement with stakeholders and market participants, the adoption and implementation of the Rule 605 Proposal, and then a pilot program covering a limited set of tick size changes to determine whether permanent changes are warranted.

As we learned with the last tick size pilot program, a well-designed pilot program should be carefully and meticulously calibrated with a cost-benefit analysis,[20] which is best accomplished with the aid of the most comprehensive execution quality data available, to minimize unnecessary costs to issuers, investors, and other market participants. Such a program should provide the SEC with the indispensable benefit of objective and empirical data to study and craft the parameters of a well-founded regime for modernized tick sizes and access fees, including carefully calibrated pricing increments, any nuanced effects of a mandated trading increment as compared to a quoting increment, and the proper relationship between tick sizes and access fees. The program should also include interim progress reviews and iterative program improvements, and the SEC should be able to shut down the program prematurely if the program shows negative results, such as higher costs with minimal attendant benefits or other market deterioration.

The pilot program also should begin with much simpler parameters than those set forth in the Regulation NMS Proposal, which includes somewhat arbitrary tick size buckets and access fee limits, introducing the real risk of tick sizes that are too small for many stocks. As a result, GTS supports a pilot program limited to half-penny ticks solely for tick-constrained stocks, which

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[18] Assessment of the Plan to Implement a Tick Size Pilot Program (revised Aug. 2, 2018), https://www.sec.gov/files/TICK%20PILOT%20ASSESSMENT%20FINAL%20Aug%202.pdf.

[19] *See, e.g.,* Alexander Osipovich, Wall Street Journal, SEC's Stock Trading Experiment Cost Investors Over $300 Million, Study Finds (Sept. 6, 2018), https://www.wsj.com/articles/secs-stock-trading-experiment-cost-investors-over-300-million-study-finds-1536206461; Bill Alpert, Barron's, Congress' Failed Stock Market Experiment Cost Investors $900 Million (Sept. 14, 2018), https://www.barrons.com/articles/sec-tick-size-pilot-program-1536961160.

[20] For example, DERA's recent working paper found that the last tick size pilot included stocks that were tick or near-tick constrained by the pilot's 5 cent tick. *See* DERA Working Paper.

reflects the broad consensus of stakeholders and would cover a much smaller number of stocks than is contemplated in the Regulation NMS Proposal. In addition, although the Regulation NMS Proposal does not include any such considerations, a full analysis of tick size changes likely should consider whether tick sizes are too narrow for certain stocks.[21] The pilot program could change or expand as additional data become available through Rule 605 disclosure enhancements and through iterative data collection and improvements to the pilot program.

In sum, there is a large amount of thoughtful research and commentary on the topics of tick sizes and access fees, including how to define and identify "tick-constrained" stocks and the appropriate level of related access fees. These guideposts should help form the parameters of an effective pilot program upon which to build a strong foundation for final rule changes, while protecting U.S. markets and market participants from the potential negative consequences of unproven changes.

IV. Order Competition Proposal

Unlike tick sizes, the study of which has generated a prior tick pilot as well as industry and academic research and commentary, the concept of order-by-order competition via mandatory segmented auctions in the equity markets represents relatively uncharted territory.[22] In fact, the SEC previously largely prioritized venue competition over order-by-order competition in Regulation NMS.[23] The SEC itself acknowledged many significant uncertainties in the Order Competition Proposal that GTS believes warrant extensive exploration, including, for example, that there could be a general lack of interest from liquidity suppliers to participate in auctions[24] and there may be less certainty in execution quality.[25] In addition to these market uncertainties, the operational complexities such auctions would entail are hard to overstate and even more difficult to fully comprehend. For example, the Order Competition Proposal could result in multiple auctions running simultaneously in the same name on the same venue or across different

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[21] *See supra* note 16.
[22] One recent study notes that the question of how retail flow should be executed—whether broker routing or an order-by-order auction—is "comparatively unexplored," and indicates that market makers may enjoy higher profits from order-by-order auctions relative to broker routing, but retail investors may be worse off, particularly in illiquid stocks or when liquidity is limited. *See* Thomas Ernst, et al., Would Order-By-Order Auctions Be Competitive? (Mar. 8, 2023). The SEC staff previously noted in a statement on thinly traded securities that research indicates that batch auctions, as compared to continuous trading markets, may or may not improve liquidity and price efficiency. *See* Division of Trading and Markets, Securities and Exchange Commission, Background Paper on the Market Structure for Thinly Traded Securities (Oct. 17, 2019), https://www.sec.gov/rules/policy/2019/thinly-traded-securities-tm-background-paper.pdf ("Staff Background Paper"), at 8.
[23] *See, e.g.,* Chester Spatt, The New Realities of Market Structure and Liquidity: Where Have We Been? Where Are We Going? (revised Mar. 10, 2017), https://www.sechistorical.org/collection/papers/2010/2016_05_SpattMarketStructure.pdf, at 3-7; Commissioner Mark Uyeda, Securities and Exchange Commission, Statement on Proposed Rule Regarding Order Competition (Dec. 14, 2022), https://www.sec.gov/news/statement/uyeda-order-competition-20221214; Regulation NMS (discussing competition among markets and competition among orders and impacts of the new rules).
[24] *See* Order Competition Proposal, 88 Fed. Reg. at 214.
[25] *See id.* at 214-16.

venues with different operational configurations.[26] For these reasons, GTS believes the Order Competition Proposal presents a substantial risk to markets as an untested and experimental solution to an unproven problem. Even to the extent the Order Competition Proposal may benefit GTS as an individual firm, we strongly believe it is crucial to develop a data-driven understanding of the problem and credible empirical analysis of potential solutions before imposing new rules that upend current market structure.[27]

Historically, the SEC has wisely been hesitant to move forward with extremely complicated overlapping market structure proposals in a piecemeal fashion without engaging the industry in a roundtable or committee setting or soliciting feedback on a concept release. By way of comparison, Regulation NMS was adopted in 2005 after extensive public engagement,[28] the SEC engaged the industry on a broad range of market structure topics through the Equity Market Structure Advisory Committee[29] and issued additional calls for engagement on thinly traded securities,[30] and the Commission's market data infrastructure rulemaking was informed by, among other things, a two-day roundtable with seven panels.[31] Yet no similar input was sought before the SEC proposed dramatic changes contained in the Order Competition Proposal. At the very least, a complete overhaul to equity market structure such as the Order Competition Proposal demands (i) a clearly articulated problem or set of issues to address, (ii) industry engagement and

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[26] *See id.* at 161.

[27] A recent study posits severe faults with the SEC's economic analysis, finding that the potential costs of the SEC's proposed auctions would outweigh the benefits and create a net loss for retail investors. *See* Robert Battalio and Robert Jennings, On the Potential Cost of Mandating Qualified Auctions for Marketable Retail Orders (Mar. 28, 2023).

[28] *See* Regulation NMS, 70 Fed. Reg. at 37497-98 ("The Commission has engaged in a thorough, deliberate, and open rulemaking process that has provided at every point an opportunity for public participation and debate. We have actively sought out the views of the public and securities industry participants. Even prior to formulating proposals, our review included multiple public hearings and roundtables, an advisory committee, three concept releases, the issuance of temporary exemptions intended in part to generate useful data on policy alternatives, and a constant dialogue with industry participants and investors. This process continued after the proposals were published for public comment. We held a public hearing on the proposals in April 2004 ('NMS Hearing') that included more than 30 panelists representing investors, individual markets, and market participants from a variety of different sectors of the securities industry. Because we believed that there were a number of important developments at the public hearing, we published a supplemental request for comment and extended the comment period on the proposals in May 2004 to give the public a full opportunity to respond to these developments. We then carefully considered the more than 700 comment letters submitted by the public, which encompassed a wide range of views. The insights of the commenters, as well as those of the NMS Hearing panelists, contributed to significant refinements of the original proposals. In addition, the Commission staff prepared several studies of relevant trading data to help evaluate and respond to the views of commenters. Consequently, rather than immediately adopting rules, the Commission reproposed Regulation NMS in its entirety in December 2004 to afford the public an additional opportunity to review and comment on the details of the rules and on the staff studies. The Commission then received, and carefully considered, more than 1500 additional comments on the reproposal.") (internal citations and footnotes omitted).

[29] *See* Equity Market Structure Advisory Committee Archives (2015-2016), https://www.sec.gov/spotlight/emsac/emsac-archives.htm.

[30] *See* Staff Background Paper; Securities and Exchange Commission, Commission Statement on Market Structure Innovation for Thinly Traded Securities, Exchange Act Release No. 34-87327, 84 Fed. Reg. 56956; Equity Market Structure Roundtables, April 23, 2018: Roundtable on Market Structure for Thinly Traded Securities, https://www.sec.gov/spotlight/equity-market-structure-roundtables.

[31] *See* Equity Market Structure Roundtables, October 25-26, 2018: Roundtable on Market Data and Market Access, https://www.sec.gov/spotlight/equity-market-structure-roundtables.

more than a minimal opportunity for industry feedback, and (iii) a tailored solution that can be evaluated with the benefit of sound economic analysis of costs and benefits. The Order Competition Proposal unfortunately fails on all counts and thus GTS believes that it should not proceed.

V. Conclusion

Just as a doctor would never treat an undiagnosed patient, we should approach market structure with the same careful triage and surgical precision. This type of care is all the more important given the health of the current U.S. equity markets. For this reason, GTS urges the SEC to proceed thoughtfully, incrementally, and with a focus on empirical data analysis to support any further regulatory action.

Thank you for providing the opportunity to comment on these equity market structure proposals. GTS would welcome the opportunity to further discuss our comment letter and these issues with SEC staff.

Sincerely,

/s/ Ari Rubenstein

Ari Rubenstein
CEO
GTS Securities, LLC