

OMB APPROVAL

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Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 Form 19b-4

File No.* SR - 2014 - * 018

Amendment No. (req. for Amendments *)

Filing by Financial Industry Regulatory Authority

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Rule

Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Security-Based Swap Submission pursuant
 to the Securities Exchange Act of 1934

Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
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Section 3C(b)(2) *
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Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document



Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposed Rule Change to Adopt FINRA Rule 4553 to Establish a Fee Schedule for Access to Alternative Trading
 System Volume Information Published on FINRA's Website

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization
 prepared to respond to questions and comments on the action.

First Name *	Brant	Last Name *	Brown
Title *	Associate General Counsel		
E-mail *	brant.brown@finra.org		
Telephone *	(202) 728-6927	Fax	(202) 728-8264

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 04/04/2014

By Stephanie Dumont

(Name *)

Senior Vice President and Director of Capital Markets
 Policy

Stephanie Dumont,

NOTE: Clicking the button at right will digitally sign and lock
 this form. A digital signature is as legally binding as a physical
 signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFT website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”),¹ Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to adopt FINRA Rule 4553 (Fees for ATS Data) to establish a fee schedule for optional professional access to alternative trading system (“ATS”) volume information published by FINRA on its website.

Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

4000. FINANCIAL AND OPERATIONAL RULES

* * * * *

4500. BOOKS, RECORDS AND REPORTS

* * * * *

4550. ATS Reporting

* * * * *

4553. Fees for ATS Data

(a) General

Fees are charged for ATS Data as set forth in this Rule. Professionals and Vendors must pay the subscription fee to receive ATS Data in accordance with this Rule and execute appropriate agreements with FINRA.

¹ 15 U.S.C. 78s(b)(1).

(b) Professionals

(1) Professionals may subscribe for the most currently published ATS Data and up to five years of historical ATS Data in a downloadable, pipe delimited format for a twelve-month subscription fee of \$12,000. Such fee is not refundable or transferable.

(2) Payment of the Professional subscription fee described in this paragraph (b) provides the Professional with use of such ATS Data to generate Derived Data.

(3) Professionals may distribute ATS Data or Derived Data to their employees, affiliates, or employees of affiliates but are prohibited from providing ATS Data or Derived Data to any third party.

(c) Vendors

(1) Vendors may subscribe for access to the most currently published ATS Data and up to five years of historical ATS Data in a downloadable, pipe delimited format for a twelve-month subscription fee of \$18,000. Such fee is not refundable or transferable.

(2) Payment of the Vendor subscription fee described in this paragraph (c) provides the Vendor with use of such ATS Data to generate Derived Data.

(3) Vendors are prohibited from providing ATS Data to any third party unless a Professional subscription has been purchased for each such third party in accordance with paragraph (b) above.

(d) Non-Professionals

(1) There shall be no charge paid by a Non-Professional for access to the most recently published four weeks of ATS Data; however, such ATS Data will not be available in a downloadable format.

(2) A Non-Professional must agree to terms of use before accessing the ATS Data, including that he or she receives and uses the ATS Data solely for his or her personal, non-commercial use and will not otherwise distribute the ATS Data or Derived Data to other parties. The terms of use for Non-Professionals will be clearly posted on the FINRA.org website, and access to the non-fee liable ATS Data content will require a user to acknowledge the terms of use.

(e) Definitions

For purposes of this rule, the following terms have the meaning set forth:

(1) “ATS Data” means Trading Information published by FINRA on its website.

(2) “Derived Data” means data that is derived from ATS Data and that is not able to be (A) reverse engineered by a reasonably skilled user into ATS Data or (B) used as a surrogate for ATS Data.

(3) “Non-Professional” means a natural person who uses the ATS Data solely for his or her personal, non-commercial use. A “Non-Professional” is not:

(A) registered nor qualified in any capacity with the SEC, the Commodity Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association, nor an employee of the above and, with respect to

any person identified in this subparagraph (A), uses ATS Data for other than personal, non-commercial use;

(B) engaged as an “investment adviser” as that term is defined in Section 202(a)(11) of the Investment Advisers Act (whether or not registered or qualified under that Act), nor an employee of the above and, with respect to any person identified in this subparagraph (B), uses ATS Data for other than personal, non-commercial use;

(C) employed by a bank, insurance company or other organization exempt from registration under federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt, nor any other employee of a bank, insurance company or such other organization referenced above and, with respect to any person identified in this subparagraph (C), uses ATS Data for other than personal, non-commercial use; nor

(D) engaged in, nor has the intention to engage in, any commercial redistribution of all or any portion of the ATS Data or Derived Data.

(4) “Professional” means any non-natural person or any natural person that does not meet the definition of “Non-Professional” in paragraph (3).

(5) “Trading Information” has the same meaning as set forth in Rule 4552.

(6) “Vendor” means a Professional who distributes ATS Data or Derived Data to any third party.

* * * * *

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

At its meeting on September 19, 2013, the FINRA Board of Governors authorized the filing of the proposed rule change with the SEC. No other action by FINRA is necessary for the filing of the proposed rule change.

FINRA is proposing that the proposed rule change be effective upon Commission approval.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

On January 17, 2014, the SEC approved a proposed rule change to (i) adopt FINRA Rule 4552 (Alternative Trading Systems – Trading Information for Securities Executed Within the Alternative Trading System) to require ATSS² to report to FINRA weekly volume information and number of trades regarding securities transactions within the ATS; and (ii) amend FINRA Rules 6160, 6170, 6480, and 6720 to require each ATS

² Regulation ATS defines an “alternative trading system” as “any organization, association, person, group of persons, or system: (1) That constitutes, maintains, or provides a market place or facilities for bringing together purchasers and sellers of securities or for otherwise performing with respect to securities the functions commonly performed by a stock exchange within the meaning of [Exchange Act Rule 3b-16]; and (2) That does not: (i) Set rules governing the conduct of subscribers other than the conduct of such subscribers’ trading on such organization, association, person, group of persons, or system; or (ii) Discipline subscribers other than by exclusion from trading.” 17 CFR 242.300(a). Rule 4552 and the other amendments in the proposed rule change apply to any alternative trading system, as that term is defined in Regulation ATS, that has filed a Form ATS with the Commission.

to acquire and use a single, unique market participant identifier (“MPID”) when reporting information to FINRA (“MPID Requirement”).³ The implementation date for the reporting requirements under Rule 4552 is May 12, 2014, and ATSs must comply with the MPID Requirement beginning November 10, 2014.⁴ As part of these new requirements, and as described in the proposed rule change, FINRA will make the reported volume and trade count information for equity securities publicly available on its website.

Under Rule 4552, individual ATSs are required to submit weekly reports to FINRA regarding volume information within the ATS.⁵ For equity securities, this information includes share volume and number of trades for both NMS stocks and OTC equity securities.⁶ The first reports pursuant to Rule 4552 are currently due to FINRA by May 28, 2014, covering the week beginning May 12, 2014.⁷ After FINRA begins receiving the self-reported data from ATSs, FINRA will publish on its website, on a delayed basis, the reported information for each equity security for each ATS with

³ See Securities Exchange Act Release No. 71341 (January 17, 2014), 79 FR 4213 (January 24, 2014). On April 3, 2014, FINRA amended Rules 4552, 6160, 6170, 6480, and 6720 to revise the reporting and MPID requirements applicable to ATSs. See SR-FINRA-2014-017. The amendments to Rules 6160, 6170, 6480, and 6720 permit an ATS that trades both debt securities reported to FINRA’s Trade Reporting and Compliance Engine (“TRACE”) and equity securities (OTC Equity Securities or NMS stocks) reported to a FINRA equity reporting facility (the Alternative Display Facility, the OTC Reporting Facility, the FINRA/Nasdaq TRF, or the FINRA/NYSE TRF) to use two MPIDs, rather than a single unique MPID, if each MPID is used exclusively for either debt or equity securities.

⁴ See Regulatory Notice 14-07 (February 2014).

⁵ See Rule 4552(a).

⁶ See Rule 4552(d).

⁷ See Regulatory Notice 14-07 (February 2014).

appropriate disclosures that the published volume numbers are based on ATS-submitted reports and not reports produced or validated by FINRA.⁸

Under the MPID Requirement, beginning November 10, 2014, each individual ATS is required, with one exception, to use a unique MPID, which can be used only for activity on the ATS, for reporting trades and orders to FINRA.⁹ If a firm operates multiple ATSs, each ATS is required to have its own MPID. After the MPID Requirement is implemented in November 2014, FINRA will be able to compare the trade reporting data to the data already being reported to FINRA by the ATSs pursuant to Rule 4552 to verify the consistency and accuracy of both. After FINRA confirms the MPID Requirement is functioning as intended, FINRA will determine whether to use trade reporting data to publish volume information for equity securities rather than requiring ATSs to continue to self-report volume information pursuant to Rule 4552. FINRA also will consider whether more frequent (e.g., daily) publication is appropriate.

As a result of these new requirements, FINRA will make available on its website weekly aggregate Trading Information on equity securities as reported by ATSs upon the implementation of Rule 4552 ("ATS Data"). Based on the information reported by the ATSs pursuant to Rule 4552, the ATS Data will consist of reports listing aggregate volume and number of trades by security for each ATS within the designated time period. The most recently published four weeks of reports will be accessible to Non-

⁸ See Rule 4552(b).

⁹ As noted above, an ATS that trades both debt securities reported to TRACE and equity securities (OTC Equity Securities or NMS stocks) reported to a FINRA equity reporting facility is permitted to use two MPIDs, rather than a single unique MPID, if each MPID is used exclusively for either debt or equity securities.

Professionals at no cost on FINRA's website, and FINRA will provide a basic web display listing all reporting ATSs and aggregate volume and number of trades for each symbol in which a trade was reported by the ATS during the designated time period. As described below, in addition to viewing the ATS Data via FINRA's website, Professionals and Vendors, as defined in the proposed rule, will have the ability to download reports electronically for their internal use or, in the case of Vendors, for external redistribution. The downloadable reports will provide the same data as the web-based reports but in pipe delimited format, and historical reports of up to five years will be available.¹⁰ The proposed rule change establishes a fee schedule for access to and use of the ATS Data, and the proposed fees to be paid by Professionals and Vendors are intended to recover the costs associated with the collection and dissemination of ATS Data.

The proposed rule change establishes three categories of users of the ATS Data, each of which is entitled to different levels and use of data and is subject to a different fee structure: (i) Non-Professionals; (ii) Professionals; and (iii) Vendors.

Non-Professionals

Under the proposed rule change, Non-Professionals will be able to access, at no cost, the most recent four weeks of ATS Data in a viewable, but not downloadable, format. As used in proposed Rule 4553, a "Non-Professional"¹¹ is generally a natural

¹⁰ There will be no reports for time periods before the implementation of Rule 4552. In addition to weekly reports, FINRA intends to produce quarterly reports summarizing the information. The quarterly reports would be publicly available for no charge on FINRA's website.

¹¹ FINRA notes that the proposed definition of "Non-Professional" is substantially the same as the one used under the TRACE data dissemination rules. See Rule 7730(f) (Definitions). Generally, non-commercial requests from regulators,

person who uses the ATS Data solely for his or her personal, non-commercial use and is not: (i) registered or qualified in any capacity with the SEC, the Commodity Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association, nor an employee of the above; (ii) engaged as an “investment adviser” as that term is defined in Section 202(a)(11) of the Investment Advisers Act¹² (whether or not registered or qualified under that Act), nor an employee of the above; (iii) employed by a bank, insurance company or other organization exempt from registration under federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt, nor any other employee of a bank, insurance company or such other organization referenced above; or (iv) engaged in, or has the intention to engage in, any commercial redistribution of all or any portion of the ATS Data or Derived Data.¹³ Any individual seeking access to the ATS Data must confirm that he or she is either (i) a Non-Professional or (ii) a Professional (or an affiliate or employee thereof) that has a current Professional or Vendor subscription. A Non-Professional will be required to certify that he or she is a “Non-Professional” within the meaning of proposed Rule 4553 and agree to certain terms of use of the ATS Data, including that he or she receives and uses the ATS Data solely for his or her personal,

academics, and ad hoc requests from media reporters would be considered non-professional usage under this definition.

¹² See 15 U.S.C. 80b-2(a)(11).

¹³ The proposed rule change defines “Derived Data” as data that is derived from ATS Data and that is not able to be (A) reverse engineered by a reasonably skilled user into ATS Data or (B) used as a surrogate for ATS Data.

non-commercial use, and conditions regarding use of the data and prohibiting redistribution of the data.

Professionals

A “Professional” is defined as any non-natural person or any natural person that does not meet the definition of “Non-Professional.” Under the proposed rule change, to access the ATS Data, Professionals are required to pay an annual, enterprise-wide subscription fee of \$12,000 that is non-transferable and renewable annually. A Professional who has paid the subscription fee will have access to the ATS Data available to Non-Professionals, as well as access to up to five years of historical ATS Data, in a downloadable format. The Professional subscription allows an unlimited number of users within the firm to access the ATS Data. Thus, regardless of the size of the entity in question, the subscription fee for the entity would be \$12,000 for a twelve-month subscription. Professionals are not permitted to redistribute ATS Data or Derived Data outside of the enterprise (e.g., to their customers); however, Professionals are permitted to distribute ATS Data and Derived Data within the enterprise (including the firm, any affiliates of the firm, and employees thereof). Professionals will be required to agree to the terms of FINRA’s ATS Data Subscriber Agreement, which establishes the terms and conditions of access to the ATS Data. If the Professional is a FINRA member, the member will have access to the ATS Data so that all of the member’s entitled users can access the ATS Data under the member’s Central Registration Depository number. Professionals that are not FINRA members will be provided with a single logon that may be shared within the entity and its affiliates and employees, but may not be used outside of the entity, its affiliates, and their employees.

Vendors

The proposed rule change also includes a Vendor subscription fee of \$18,000 per year. A Vendor is defined as a Professional that redistributes ATS Data or Derived Data to third parties. A Vendor license permits a Vendor to redistribute the ATS Data or Derived Data in any form (or in exactly the form FINRA provides to the Vendor). In addition to the Vendor subscription fee, a Vendor may provide ATS Data to a third party only if a yearly, non-transferable, enterprise-wide Professional Subscriber license has been purchased for each such third party. Vendors must track specific users and their entitlements (and annual commitment term) and will be subject to regular audits to ensure accurate and timely compliance with re-dissemination reporting and payment. As with TRACE data, Vendors would be responsible for reporting entity usage as a result of their redistribution of the data.

As noted in Item 2 of this filing, FINRA is proposing that the proposed rule change be effective upon Commission approval.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act,¹⁴ which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls.

FINRA believes that, as described below, the proposed fee is reasonable when compared to existing fees for similar data products. Currently, there are several offerings

¹⁴ 15 U.S.C. 78o-3(b)(5).

of ATS volume data available to the public. FINRA understands anecdotally that the most prevalent dark pool volume data product currently offered in the marketplace has a base cost that is significantly higher than the proposed FINRA fee. FINRA understands that this report provides monthly aggregate volume figures by ATS based on voluntarily submitted dark pool ATS data and estimated data. It also provides commentary and analysis regarding the data and volume trends.

In addition, the NASDAQ OMX Group, Inc. (“NASDAQ OMX”) also offers a Daily Share Volume (“DSV”) product that provides some market transparency by MPID, rather than by ATS, with respect to aggregate volume executed through the NASDAQ OMX equity exchange facilities.¹⁵ The DSV product provides end-of-day aggregate volume by MPID and by symbol for those members that opt into the program. On an end-of-month basis, the DSV product provides for aggregate volume by symbol for all members unless they explicitly opt out. The monthly fee for the DSV product is \$2,500 per user or \$5,000 per month on an enterprise basis (or \$54,000 for an annual subscription).

The ATS Data to be provided by FINRA differs in significant respects from those described above. For example, the ATS Data provided by FINRA will include all ATS volume (regardless of the FINRA Trade Reporting Facility to which ATS trades are reported) and will offer more granular data by providing aggregate volume by ATS and by symbol. In addition, after the MPID Requirement is implemented, the ATS Data will include data that is calculated and validated by FINRA through the submission of trades

¹⁵ See Securities Exchange Act Release No. 59580 (March 13, 2009), 74 FR 12169 (March 23, 2009).

for each ATS broken out by MPID.¹⁶ Currently, available ATS-specific data is voluntarily submitted and not otherwise validated. Moreover, because the submission of data for the currently available reports is voluntary, certain ATSs may choose not to submit volume reports. The ATS data FINRA will provide will offer more granular data in that the current reports provide aggregate level volume by ATS, while FINRA will provide aggregate level volume by ATS and by symbol. FINRA will also provide ATS data on a weekly basis (with the delay period prior to publication specified in Rule 4552), while the current reports are made available on a monthly basis. FINRA believes the ATS data it will provide will deliver significant benefits to the marketplace overall by increasing transparency and providing additional tools for market participants to engage in better, more timely and more reliable analysis regarding ATS trade volume trends. FINRA further believes the proposed fee schedule is fair and equitable in light of what comparable data is currently available in the marketplace and the price at which it is currently available.

FINRA is proposing to establish a fee for professional access to the data in order to recover the costs associated with collecting, formatting, and disseminating the data. In setting the amount of the fee, however, FINRA does not have an exact estimate as to how many subscribers will ultimately pay the proposed fee to access ATS Data. Thus, as discussed above, FINRA is proposing to set the fee at a level significantly below the fees that currently are in place for comparable products in the marketplace. As noted, FINRA believes this fee proposal is fair and reasonable in light of the fact that the level of data to

¹⁶ As noted above, until the MPID Requirement is implemented, FINRA will be providing data that is self-reported by ATSS and not validated by FINRA.

be provided by the FINRA product will be materially more granular than the level of data provided by the comparable products currently available.

FINRA intends to reassess the fairness and reasonableness of the proposed fee once it has more experience with the actual usage and ultimate fees paid to access ATS Data, and, if appropriate, may adjust the fee accordingly. Any changes to the fees would be subject to a separate proposed rule change by FINRA with the SEC.

4. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Although several organizations currently provide ATS volume reports to the public, FINRA will provide raw data only and will not be providing any value-added analysis to the data. Moreover, FINRA believes that any burden on competition is outweighed by the benefits to market transparency provided by the proposed rule change, such that any burden is necessary and appropriate in furtherance of the purposes of the Act.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Although written comments were not solicited regarding the specific fee provisions in the proposed rule change, nine comments were received on the proposed rule change adopting Rule 4552 and the MPID Requirement ("Proposal") that addressed charging a fee for ATS Data.¹⁷ A list of those comment letters received in response to

¹⁷ See Letter to Elizabeth M. Murphy, Secretary, SEC, from William White, Head of Electronic Trading, Barclays Capital Inc., dated November 12, 2013 ("Barclays"); Letter to Elizabeth M. Murphy, Secretary, SEC, from Scott C. Goebel, Senior Vice President and Deputy General Counsel, Fidelity Investments, dated November 12, 2013 ("Fidelity"); Letter to Elizabeth M. Murphy, Secretary, SEC, from Manisha Kimmel, Executive Director, Financial Information Forum, dated November 12, 2013 ("FIF"); Letter to Elizabeth M. Murphy, Secretary, SEC,

SR-FINRA-2013-042 that addressed a subscription fee is attached as Exhibit 2a. Copies of the comment letters are attached in Exhibit 2b.

Many of the commenters objected, on some level, to FINRA charging a fee for some of the ATS Data that will be made available; however, the details of the proposed fee were not included in the Proposal. These comments ranged from asserting that the information should be provided free of charge to requesting more information on the fee itself. Several commenters asserted that a fee conflicts with the principles of accessibility of information and transparency.¹⁸ One commenter asserted possible legal consequences with reporting and selling ATS data.¹⁹ Some commenters noted that free information may better facilitate analysis and market transparency and is consistent with the SEC's publication of market information.²⁰ One commenter suggested that, given the delayed and limited scope of data, the effort to establish entitlements and fees was not justified,²¹

from Ari Burstein, Senior Counsel, Investment Company Institute, dated November 12, 2013 ("ICI"); Letter to Elizabeth M. Murphy, Secretary, SEC, from Donald Bollerman, Head of Market Operations, IEX Services LLC, dated November 11, 2013 ("IEX"); Letter to Elizabeth M. Murphy, Secretary, SEC, from Howard Meyerson, General Counsel, Liquidnet, Inc., dated November 12, 2013 ("Liquidnet"); Letter to Elizabeth M. Murphy, Secretary, SEC, from Thomas M. Carter, Chairman of the Board and James Toes, President & Chief Executive Officer, Security Traders Association, dated November 12, 2013 ("STA"); Letter to Elizabeth M. Murphy, Secretary, SEC, from Theodore R. Lazo, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated November 11, 2013 ("SIFMA") and Letter to Elizabeth M. Murphy, Secretary, SEC, from Timothy Quast, President and Founder, ModernIR, dated February 1, 2014 ("ModernIR").

¹⁸ See Barclays, Fidelity, Liquidnet.

¹⁹ See ModernIR.

²⁰ See Barclays, Fidelity, FIF.

²¹ See FIF.

while another stated that since FINRA is not producing or validating the information, a fee is unnecessary.²²

As previously stated, FINRA believes that establishing a fee for Professionals and Vendors to access ATS Data is appropriate to help FINRA recover the costs associated with collecting, formatting, and disseminating the data. Moreover, as noted above, following the implementation of the MPID Requirement, FINRA will be calculating and validating the information rather than relying on ATSS to self-report data to FINRA. FINRA further believes that the level of the fee is fair and reasonable considering it is substantially lower than fees charged for less granular ATS data products currently offered in the marketplace. As noted, FINRA intends to reassess the amount of the fee after it has more experience with the ATS Data usage and actual fees paid. Any proposed changes to the fee will be submitted to the Commission pursuant to Section 19(b)(3)(A)(ii) of the Act²³ and subject to public comment.

6. Extension of Time Period for Commission Action

FINRA does not consent at this time to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.²⁴

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

Not applicable.

²² See Fidelity.

²³ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁴ 15 U.S.C. 78s(b)(2).

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1. Completed notice of proposed rule change for publication in the Federal Register.

Exhibit 2a. A list of selected comment letters received in response to SR-FINRA-2013-042 that addressed a subscription fee.

Exhibit 2b. Copies of the selected comment letters received in response to SR-FINRA-2013-042 that addressed a subscription fee.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-FINRA-2014-018)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change to Adopt FINRA Rule 4553 to Establish a Fee Schedule for Access to Alternative Trading System Volume Information Published on FINRA's Website

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on , Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

FINRA is proposing to adopt FINRA Rule 4553 (Fees for ATS Data) to establish a fee schedule for optional professional access to alternative trading system ("ATS") volume information published by FINRA on its website.

Below is the text of the proposed rule change. Proposed new language is in italics; proposed deletions are in brackets.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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4000. FINANCIAL AND OPERATIONAL RULES

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4500. BOOKS, RECORDS AND REPORTS

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4550. ATS Reporting

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4553. Fees for ATS Data

(a) General

Fees are charged for ATS Data as set forth in this Rule. Professionals and Vendors must pay the subscription fee to receive ATS Data in accordance with this Rule and execute appropriate agreements with FINRA.

(b) Professionals

(1) Professionals may subscribe for the most currently published ATS Data and up to five years of historical ATS Data in a downloadable, pipe delimited format for a twelve-month subscription fee of \$12,000. Such fee is not refundable or transferable.

(2) Payment of the Professional subscription fee described in this paragraph (b) provides the Professional with use of such ATS Data to generate Derived Data.

(3) Professionals may distribute ATS Data or Derived Data to their employees, affiliates, or employees of affiliates but are prohibited from providing ATS Data or Derived Data to any third party.

(c) Vendors

(1) Vendors may subscribe for access to the most currently published ATS Data and up to five years of historical ATS Data in a downloadable, pipe delimited format for a twelve-month subscription fee of \$18,000. Such fee is not refundable or transferable.

(2) Payment of the Vendor subscription fee described in this paragraph (c) provides the Vendor with use of such ATS Data to generate Derived Data.

(3) Vendors are prohibited from providing ATS Data to any third party unless a Professional subscription has been purchased for each such third party in accordance with paragraph (b) above.

(d) Non-Professionals

(1) There shall be no charge paid by a Non-Professional for access to the most recently published four weeks of ATS Data; however, such ATS Data will not be available in a downloadable format.

(2) A Non-Professional must agree to terms of use before accessing the ATS Data, including that he or she receives and uses the ATS Data solely for his or her personal, non-commercial use and will not otherwise distribute the ATS Data or Derived Data to other parties. The terms of use for Non-Professionals will be clearly posted on the FINRA.org website, and access to the non-fee liable ATS Data content will require a user to acknowledge the terms of use.

(e) Definitions

For purposes of this rule, the following terms have the meaning set forth:

(1) “ATS Data” means Trading Information published by FINRA on its website.

(2) “Derived Data” means data that is derived from ATS Data and that is not able to be (A) reverse engineered by a reasonably skilled user into ATS Data or (B) used as a surrogate for ATS Data.

(3) “Non-Professional” means a natural person who uses the ATS Data solely for his or her personal, non-commercial use. A “Non-Professional” is not:

(A) registered nor qualified in any capacity with the SEC, the Commodity Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association, nor an employee of the above and, with respect to any person identified in this subparagraph (A), uses ATS Data for other than personal, non-commercial use;

(B) engaged as an “investment adviser” as that term is defined in Section 202(a)(11) of the Investment Advisers Act (whether or not registered or qualified under that Act), nor an employee of the above and, with respect to any person identified in this subparagraph (B), uses ATS Data for other than personal, non-commercial use;

(C) employed by a bank, insurance company or other organization exempt from registration under federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt, nor any other employee of a bank, insurance company or such other organization

referenced above and, with respect to any person identified in this subparagraph (C), uses ATS Data for other than personal, non-commercial use; nor

(D) engaged in, nor has the intention to engage in, any commercial redistribution of all or any portion of the ATS Data or Derived Data.

(4) “Professional” means any non-natural person or any natural person that does not meet the definition of “Non-Professional” in paragraph (3).

(5) “Trading Information” has the same meaning as set forth in Rule 4552.

(6) “Vendor” means a Professional who distributes ATS Data or Derived Data to any third party.

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II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FINRA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On January 17, 2014, the SEC approved a proposed rule change to (i) adopt FINRA Rule 4552 (Alternative Trading Systems – Trading Information for Securities

Executed Within the Alternative Trading System) to require ATSS³ to report to FINRA weekly volume information and number of trades regarding securities transactions within the ATS; and (ii) amend FINRA Rules 6160, 6170, 6480, and 6720 to require each ATS to acquire and use a single, unique market participant identifier (“MPID”) when reporting information to FINRA (“MPID Requirement”).⁴ The implementation date for the reporting requirements under Rule 4552 is May 12, 2014, and ATSSs must comply with the MPID Requirement beginning November 10, 2014.⁵ As part of these new requirements, and as described in the proposed rule change, FINRA will make the reported volume and trade count information for equity securities publicly available on its website.

³ Regulation ATS defines an “alternative trading system” as “any organization, association, person, group of persons, or system: (1) That constitutes, maintains, or provides a market place or facilities for bringing together purchasers and sellers of securities or for otherwise performing with respect to securities the functions commonly performed by a stock exchange within the meaning of [Exchange Act Rule 3b-16]; and (2) That does not: (i) Set rules governing the conduct of subscribers other than the conduct of such subscribers’ trading on such organization, association, person, group of persons, or system; or (ii) Discipline subscribers other than by exclusion from trading.” 17 CFR 242.300(a). Rule 4552 and the other amendments in the proposed rule change apply to any alternative trading system, as that term is defined in Regulation ATS, that has filed a Form ATS with the Commission.

⁴ See Securities Exchange Act Release No. 71341 (January 17, 2014), 79 FR 4213 (January 24, 2014). On April 3, 2014, FINRA amended Rules 4552, 6160, 6170, 6480, and 6720 to revise the reporting and MPID requirements applicable to ATSSs. See SR-FINRA-2014-017. The amendments to Rules 6160, 6170, 6480, and 6720 permit an ATS that trades both debt securities reported to FINRA’s Trade Reporting and Compliance Engine (“TRACE”) and equity securities (OTC Equity Securities or NMS stocks) reported to a FINRA equity reporting facility (the Alternative Display Facility, the OTC Reporting Facility, the FINRA/Nasdaq TRF, or the FINRA/NYSE TRF) to use two MPIDs, rather than a single unique MPID, if each MPID is used exclusively for either debt or equity securities.

⁵ See Regulatory Notice 14-07 (February 2014).

Under Rule 4552, individual ATSs are required to submit weekly reports to FINRA regarding volume information within the ATS.⁶ For equity securities, this information includes share volume and number of trades for both NMS stocks and OTC equity securities.⁷ The first reports pursuant to Rule 4552 are currently due to FINRA by May 28, 2014, covering the week beginning May 12, 2014.⁸ After FINRA begins receiving the self-reported data from ATSs, FINRA will publish on its website, on a delayed basis, the reported information for each equity security for each ATS with appropriate disclosures that the published volume numbers are based on ATS-submitted reports and not reports produced or validated by FINRA.⁹

Under the MPID Requirement, beginning November 10, 2014, each individual ATS is required, with one exception, to use a unique MPID, which can be used only for activity on the ATS, for reporting trades and orders to FINRA.¹⁰ If a firm operates multiple ATSs, each ATS is required to have its own MPID. After the MPID Requirement is implemented in November 2014, FINRA will be able to compare the trade reporting data to the data already being reported to FINRA by the ATSs pursuant to Rule 4552 to verify the consistency and accuracy of both. After FINRA confirms the

⁶ See Rule 4552(a).

⁷ See Rule 4552(d).

⁸ See Regulatory Notice 14-07 (February 2014).

⁹ See Rule 4552(b).

¹⁰ As noted above, an ATS that trades both debt securities reported to TRACE and equity securities (OTC Equity Securities or NMS stocks) reported to a FINRA equity reporting facility is permitted to use two MPIDs, rather than a single unique MPID, if each MPID is used exclusively for either debt or equity securities.

MPID Requirement is functioning as intended, FINRA will determine whether to use trade reporting data to publish volume information for equity securities rather than requiring ATSS to continue to self-report volume information pursuant to Rule 4552. FINRA also will consider whether more frequent (e.g., daily) publication is appropriate.

As a result of these new requirements, FINRA will make available on its website weekly aggregate Trading Information on equity securities as reported by ATSS upon the implementation of Rule 4552 (“ATS Data”). Based on the information reported by the ATSS pursuant to Rule 4552, the ATS Data will consist of reports listing aggregate volume and number of trades by security for each ATS within the designated time period. The most recently published four weeks of reports will be accessible to Non-Professionals at no cost on FINRA’s website, and FINRA will provide a basic web display listing all reporting ATSS and aggregate volume and number of trades for each symbol in which a trade was reported by the ATS during the designated time period. As described below, in addition to viewing the ATS Data via FINRA’s website, Professionals and Vendors, as defined in the proposed rule, will have the ability to download reports electronically for their internal use or, in the case of Vendors, for external redistribution. The downloadable reports will provide the same data as the web-based reports but in pipe delimited format, and historical reports of up to five years will be available.¹¹ The proposed rule change establishes a fee schedule for access to and use of the ATS Data, and the proposed fees to be paid by Professionals and Vendors are

¹¹ There will be no reports for time periods before the implementation of Rule 4552. In addition to weekly reports, FINRA intends to produce quarterly reports summarizing the information. The quarterly reports would be publicly available for no charge on FINRA’s website.

intended to recover the costs associated with the collection and dissemination of ATS Data.

The proposed rule change establishes three categories of users of the ATS Data, each of which is entitled to different levels and use of data and is subject to a different fee structure: (i) Non-Professionals; (ii) Professionals; and (iii) Vendors.

Non-Professionals

Under the proposed rule change, Non-Professionals will be able to access, at no cost, the most recent four weeks of ATS Data in a viewable, but not downloadable, format. As used in proposed Rule 4553, a “Non-Professional”¹² is generally a natural person who uses the ATS Data solely for his or her personal, non-commercial use and is not: (i) registered or qualified in any capacity with the SEC, the Commodity Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association, nor an employee of the above; (ii) engaged as an “investment adviser” as that term is defined in Section 202(a)(11) of the Investment Advisers Act¹³ (whether or not registered or qualified under that Act), nor an employee of the above; (iii) employed by a bank, insurance company or other organization exempt from registration under federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt, nor any other employee of a bank,

¹² FINRA notes that the proposed definition of “Non-Professional” is substantially the same as the one used under the TRACE data dissemination rules. See Rule 7730(f) (Definitions). Generally, non-commercial requests from regulators, academics, and ad hoc requests from media reporters would be considered non-professional usage under this definition.

¹³ See 15 U.S.C. 80b-2(a)(11).

insurance company or such other organization referenced above; or (iv) engaged in, or has the intention to engage in, any commercial redistribution of all or any portion of the ATS Data or Derived Data.¹⁴ Any individual seeking access to the ATS Data must confirm that he or she is either (i) a Non-Professional or (ii) a Professional (or an affiliate or employee thereof) that has a current Professional or Vendor subscription. A Non-Professional will be required to certify that he or she is a “Non-Professional” within the meaning of proposed Rule 4553 and agree to certain terms of use of the ATS Data, including that he or she receives and uses the ATS Data solely for his or her personal, non-commercial use, and conditions regarding use of the data and prohibiting redistribution of the data.

Professionals

A “Professional” is defined as any non-natural person or any natural person that does not meet the definition of “Non-Professional.” Under the proposed rule change, to access the ATS Data, Professionals are required to pay an annual, enterprise-wide subscription fee of \$12,000 that is non-transferable and renewable annually. A Professional who has paid the subscription fee will have access to the ATS Data available to Non-Professionals, as well as access to up to five years of historical ATS Data, in a downloadable format. The Professional subscription allows an unlimited number of users within the firm to access the ATS Data. Thus, regardless of the size of the entity in question, the subscription fee for the entity would be \$12,000 for a twelve-month subscription. Professionals are not permitted to redistribute ATS Data or Derived Data

¹⁴ The proposed rule change defines “Derived Data” as data that is derived from ATS Data and that is not able to be (A) reverse engineered by a reasonably skilled user into ATS Data or (B) used as a surrogate for ATS Data.

outside of the enterprise (e.g., to their customers); however, Professionals are permitted to distribute ATS Data and Derived Data within the enterprise (including the firm, any affiliates of the firm, and employees thereof). Professionals will be required to agree to the terms of FINRA's ATS Data Subscriber Agreement, which establishes the terms and conditions of access to the ATS Data. If the Professional is a FINRA member, the member will have access to the ATS Data so that all of the member's entitled users can access the ATS Data under the member's Central Registration Depository number. Professionals that are not FINRA members will be provided with a single logon that may be shared within the entity and its affiliates and employees, but may not be used outside of the entity, its affiliates, and their employees.

Vendors

The proposed rule change also includes a Vendor subscription fee of \$18,000 per year. A Vendor is defined as a Professional that redistributes ATS Data or Derived Data to third parties. A Vendor license permits a Vendor to redistribute the ATS Data or Derived Data in any form (or in exactly the form FINRA provides to the Vendor). In addition to the Vendor subscription fee, a Vendor may provide ATS Data to a third party only if a yearly, non-transferable, enterprise-wide Professional Subscriber license has been purchased for each such third party. Vendors must track specific users and their entitlements (and annual commitment term) and will be subject to regular audits to ensure accurate and timely compliance with re-dissemination reporting and payment. As with TRACE data, Vendors would be responsible for reporting entity usage as a result of their redistribution of the data.

As noted in Item 2 of this filing, FINRA is proposing that the proposed rule change be effective upon Commission approval.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act,¹⁵ which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls.

FINRA believes that, as described below, the proposed fee is reasonable when compared to existing fees for similar data products. Currently, there are several offerings of ATS volume data available to the public. FINRA understands anecdotally that the most prevalent dark pool volume data product currently offered in the marketplace has a base cost that is significantly higher than the proposed FINRA fee. FINRA understands that this report provides monthly aggregate volume figures by ATS based on voluntarily submitted dark pool ATS data and estimated data. It also provides commentary and analysis regarding the data and volume trends.

In addition, the NASDAQ OMX Group, Inc. (“NASDAQ OMX”) also offers a Daily Share Volume (“DSV”) product that provides some market transparency by MPID, rather than by ATS, with respect to aggregate volume executed through the NASDAQ OMX equity exchange facilities.¹⁶ The DSV product provides end-of-day aggregate volume by MPID and by symbol for those members that opt into the program. On an

¹⁵ 15 U.S.C. 78o-3(b)(5).

¹⁶ See Securities Exchange Act Release No. 59580 (March 13, 2009), 74 FR 12169 (March 23, 2009).

end-of-month basis, the DSV product provides for aggregate volume by symbol for all members unless they explicitly opt out. The monthly fee for the DSV product is \$2,500 per user or \$5,000 per month on an enterprise basis (or \$54,000 for an annual subscription).

The ATS Data to be provided by FINRA differs in significant respects from those described above. For example, the ATS Data provided by FINRA will include all ATS volume (regardless of the FINRA Trade Reporting Facility to which ATS trades are reported) and will offer more granular data by providing aggregate volume by ATS and by symbol. In addition, after the MPID Requirement is implemented, the ATS Data will include data that is calculated and validated by FINRA through the submission of trades for each ATS broken out by MPID.¹⁷ Currently, available ATS-specific data is voluntarily submitted and not otherwise validated. Moreover, because the submission of data for the currently available reports is voluntary, certain ATSS may choose not to submit volume reports. The ATS data FINRA will provide will offer more granular data in that the current reports provide aggregate level volume by ATS, while FINRA will provide aggregate level volume by ATS and by symbol. FINRA will also provide ATS data on a weekly basis (with the delay period prior to publication specified in Rule 4552), while the current reports are made available on a monthly basis. FINRA believes the ATS data it will provide will deliver significant benefits to the marketplace overall by increasing transparency and providing additional tools for market participants to engage in better, more timely and more reliable analysis regarding ATS trade volume trends. FINRA further believes the proposed fee schedule is fair and equitable in light of what

¹⁷ As noted above, until the MPID Requirement is implemented, FINRA will be providing data that is self-reported by ATSS and not validated by FINRA.

comparable data is currently available in the marketplace and the price at which it is currently available.

FINRA is proposing to establish a fee for professional access to the data in order to recover the costs associated with collecting, formatting, and disseminating the data. In setting the amount of the fee, however, FINRA does not have an exact estimate as to how many subscribers will ultimately pay the proposed fee to access ATS Data. Thus, as discussed above, FINRA is proposing to set the fee at a level significantly below the fees that currently are in place for comparable products in the marketplace. As noted, FINRA believes this fee proposal is fair and reasonable in light of the fact that the level of data to be provided by the FINRA product will be materially more granular than the level of data provided by the comparable products currently available.

FINRA intends to reassess the fairness and reasonableness of the proposed fee once it has more experience with the actual usage and ultimate fees paid to access ATS Data, and, if appropriate, may adjust the fee accordingly. Any changes to the fees would be subject to a separate proposed rule change by FINRA with the SEC.

B. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Although several organizations currently provide ATS volume reports to the public, FINRA will provide raw data only and will not be providing any value-added analysis to the data. Moreover, FINRA believes that any burden on competition is outweighed by the benefits to market transparency provided by the proposed rule change, such that any burden is necessary and appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Although written comments were not solicited regarding the specific fee provisions in the proposed rule change, nine comments were received on the proposed rule change adopting Rule 4552 and the MPID Requirement ("Proposal") that addressed charging a fee for ATS Data.¹⁸ A list of those comment letters received in response to SR-FINRA-2013-042 that addressed a subscription fee is attached as Exhibit 2a. Copies of the comment letters are attached in Exhibit 2b.

Many of the commenters objected, on some level, to FINRA charging a fee for some of the ATS Data that will be made available; however, the details of the proposed fee were not included in the Proposal. These comments ranged from asserting that the information should be provided free of charge to requesting more information on the fee itself. Several commenters asserted that a fee conflicts with the principles of accessibility

¹⁸ See Letter to Elizabeth M. Murphy, Secretary, SEC, from William White, Head of Electronic Trading, Barclays Capital Inc., dated November 12, 2013 ("Barclays"); Letter to Elizabeth M. Murphy, Secretary, SEC, from Scott C. Goebel, Senior Vice President and Deputy General Counsel, Fidelity Investments, dated November 12, 2013 ("Fidelity"); Letter to Elizabeth M. Murphy, Secretary, SEC, from Manisha Kimmel, Executive Director, Financial Information Forum, dated November 12, 2013 ("FIF"); Letter to Elizabeth M. Murphy, Secretary, SEC, from Ari Burstein, Senior Counsel, Investment Company Institute, dated November 12, 2013 ("ICI"); Letter to Elizabeth M. Murphy, Secretary, SEC, from Donald Bollerman, Head of Market Operations, IEX Services LLC, dated November 11, 2013 ("IEX"); Letter to Elizabeth M. Murphy, Secretary, SEC, from Howard Meyerson, General Counsel, Liquidnet, Inc., dated November 12, 2013 ("Liquidnet"); Letter to Elizabeth M. Murphy, Secretary, SEC, from Thomas M. Carter, Chairman of the Board and James Toes, President & Chief Executive Officer, Security Traders Association, dated November 12, 2013 ("STA"); Letter to Elizabeth M. Murphy, Secretary, SEC, from Theodore R. Lazo, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated November 11, 2013 ("SIFMA") and Letter to Elizabeth M. Murphy, Secretary, SEC, from Timothy Quast, President and Founder, ModernIR, dated February 1, 2014 ("ModernIR").

of information and transparency.¹⁹ One commenter asserted possible legal consequences with reporting and selling ATS data.²⁰ Some commenters noted that free information may better facilitate analysis and market transparency and is consistent with the SEC's publication of market information.²¹ One commenter suggested that, given the delayed and limited scope of data, the effort to establish entitlements and fees was not justified,²² while another stated that since FINRA is not producing or validating the information, a fee is unnecessary.²³

As previously stated, FINRA believes that establishing a fee for Professionals and Vendors to access ATS Data is appropriate to help FINRA recover the costs associated with collecting, formatting, and disseminating the data. Moreover, as noted above, following the implementation of the MPID Requirement, FINRA will be calculating and validating the information rather than relying on ATSs to self-report data to FINRA. FINRA further believes that the level of the fee is fair and reasonable considering it is substantially lower than fees charged for less granular ATS data products currently offered in the marketplace. As noted, FINRA intends to reassess the amount of the fee after it has more experience with the ATS Data usage and actual fees paid. Any proposed

¹⁹ See Barclays, Fidelity, Liquidnet.

²⁰ See ModernIR.

²¹ See Barclays, Fidelity, FIF.

²² See FIF.

²³ See Fidelity.

changes to the fee will be submitted to the Commission pursuant to Section 19(b)(3)(A)(ii) of the Act²⁴ and subject to public comment.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2014-018 on the subject line.

Paper Comments:

²⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

- Send paper comments in triplicate to, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2014-018. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2014-018 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Secretary

²⁵ 17 CFR 200.30-3(a)(12).

EXHIBIT 2a

Alphabetical List of Written Comments

1. Donald Bollerman, IEX Group Inc. (November 11, 2013)
2. Ari Burstein, Investment Company Institute (November 12, 2013)
3. Thomas M. Carter and James Toes, Security Traders Association (November 12, 2013)
4. Scott C. Goebel, Fidelity Investments (November 12, 2013)
5. Manisha Kimmel, Financial Information Forum (November 12, 2013)
6. Theodore R. Lazo, Securities Industry and Financial Markets Association (November 11, 2013)
7. Howard Meyerson, Liquidnet Inc. (November 12, 2013)
8. Timothy Quast, ModernIR (February 1, 2014)
9. William White, Barclays Capital Inc. (November 12, 2013)

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November 11, 2013

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File No. SR-FINRA-2013-042

Dear Ms. Murphy:

IEX Services LLC ("IEX") appreciates the opportunity to comment on the proposal by the Financial Industry Regulatory Authority ("FINRA") to require each alternative trading system ("ATS") to report volume information to FINRA and to use a unique market participation identifier ("MPID").¹ IEX Services LLC is an ATS that commenced its operations on October 25th of this year. IEX is funded exclusively by the buy-side community, including mutual funds, hedge funds, family offices and individuals. IEX is generally supportive of any efforts by FINRA, as well as the Securities and Exchange Commission ("SEC"), to bring further transparency to the marketplace and to empower investors by providing them with the information necessary to understand and evaluate how their orders are interacting in the marketplace.

I. Requirement to Establish a Separate MPID for Each ATS

The Rule Filing proposes to amend to FINRA Rules 6160, 6170, and Rule 6480 to require Members obtain a single, unique MPID for the purpose of discretely reporting *each* ATS's transactions.² This requirement would provide significant additional data to market participants. While clearly necessary to effect the regulatory objectives of Rule 4552, IEX also notes that requiring separate MPID's for each ATS is an important step towards providing greater quantitative transparency to investors and other market participants for not only ATS executions, but for ATS orders, filled and unfilled, and actionable indications of interest transmitted by ATS's.³ IEX encourages both the SEC and FINRA to use separate MPID's for ATS's to provide more information respecting the interactions of investor orders and order information with the marketplace.

¹ See Notice of Filing of Proposal Rule Change To Require Alternative Trading Systems To Report Volume Information to FINRA and Use Unique Market Participant Identifiers No. 34-70676 (October 11, 2013) 78 F.R. 62862 (October 22, 2013) (the "Rule Filing Notice").

² Rule Filing Notice, 78 F.R. at 62864.

³ IEX generally supports the SEC's rule proposal: Regulation of Non-Public Trading Interest No. 34-60997 (November 13, 2009) 74 F.R. 61208 (November 23, 2009)(the "Non-Public Trading Interest Proposal").

Elizabeth M. Murphy
November 11, 2013
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II. Provision of Volume Data and Rule 605

FINRA Rule 4552 is intended to address gaps in FINRA's ability to determine compliance with Regulation ATS reporting requirements. The rule proposal, however, also provides an opportunity to provide more transparency into the operation of ATS's. This should be of even greater interest to the investor community in light of a recent white paper published by the SEC's Division of Economic and Risk Analysis which revealed that almost 70% of ATS executions are in lot sizes of 100 shares, a number remarkably similar to the percentage of 100 share executions in lit market venues.⁴ Given the debate on the relative merits between light and dark venues, the additional transparency into the individual ATS's that this rule facilitates will be welcomed by the investor community. While this information will not address how information from an investor's order is being shared once sent to a dark pool, it will provide more information on the composition of liquidity with which that the order may be interacting.

While IEX supports FINRA Rule 4552, it may be preferable to consider amending Rule 605⁵ under the Securities and Exchange Act of 1934 to include such data for all market centers as part of the order information already required to be disclosed pursuant to that rule. Amending Rule 605 to include this requirement to be consistent with FINRA can occur at a later time, rather than delay the benefits of this proposal. IEX also recommends aligning the FINRA Rule 4552 reporting and dissemination timeframes with those of Rule 605 to permit greater reporting efficiency for firms. We further believe that amendments to Rule 605 must enhance and update the data required to be reported, both in light of the SEC's enhanced ability to compile and evaluate market data as well as the needs of the investment community to evaluate for additional execution quality data points, such as average execution size, and may best be considered as in context of a holistic review of Rule 605's intent and requirements.

Irrespective of whether the ATS volume data is required to be provided pursuant to FINRA Rule 4552 or Rule 605, IEX believes that the public disclosure of the data gathered will enable (or should enable without additional cost) investors ability to assess the average execution size within any ATS, which will be an important consideration for investors trading larger block sizes.

III. Monetization of the Rule 4552 Data Collected

IEX does not intend to comment on FINRA's reservation of its ability to charge for data respecting the average execution size by security for a specific ATS. IEX does, however, believe that summary information by ATS venue, including total executed volume on a consolidated basis, and possibly

⁴ See U.S. Securities and Exchange Commission – Division of Economic and Risk Analysis, "Alternative Trading Systems: Description of ATS Trading in National Market System Stocks." October, 2013 http://www.sec.gov/marketstructure/research/ats_data_paper_october_2013.pdf (the "Division of Economic and Risk Analysis White Paper").

⁵ 17 CFR Section 242.605.

Elizabeth M. Murphy
November 11, 2013
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organized by market capitalization or tiered execution volumes, should be made publicly available free of charge as it provides greater transparency to those participants who might not have the need or ability to access the more complete market data product that FINRA suggests that it may produce.

It would be helpful if FINRA could clarify its intention with regards to the summary data given its value to the broader investor community.

IV. Conclusion

IEX encourages initiatives to provide greater transparency into the operation of market venues to facilitate better investor understanding of best execution. We encourage the SEC and FINRA to pursue other initiatives, such as the Non-Public Trading Interest Proposal, and a holistic review of Rule 605 and Rule 606 reporting, to require greater disclosure with respect to reporting filled and unfilled orders, fill rates, usage and other statistics similar to those compiled by the Division of Economic and Risk Analysis in their white paper.

IEX appreciates the opportunity to present this comment and thanks the Staff for consideration of the points raised in this letter. We look forward to continuing to engage with the Staff on these matters in the future and encourage the Staff to contact IEX to discuss any aspect of our comments.

Very Truly Yours,

A handwritten signature in dark ink, appearing to read "Donald Bollerman", written in a cursive style.

Donald Bollerman
Head of Market Operations
IEX Services LLC

cc: The Hon. Mary Jo White, Chairman
The Hon. Luis A. Aguilar, Commissioner
The Hon. Daniel J. Gallagher, Commissioner
The Hon. Michael S. Piwowar, Commissioner
The Hon. Kara M. Stein, Commissioner
John Ramsay, Acting Director, Division of Trading and Markets
James R. Burns, Deputy Director, Division of Trading and Markets
David S. Shillman, Associate Director, Division of Trading and Markets

Eric W. Hess, Hess Legal Counsel LLC



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November 12, 2013

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: Proposal to Require Alternative Trading Systems to Report Volume Information to FINRA and to Use Unique Market Participant Identifiers (File No. SR-FINRA-2013-042)

Dear Ms. Murphy:

The Investment Company Institute¹ is writing to respond to the FINRA proposal to require alternative trading systems (“ATS”) to report volume information to FINRA and to use unique market participant identifiers.²

ICI members and their shareholders have a strong interest in ensuring that the financial markets are highly transparent and that the regulatory structure that governs the financial markets encourages such transparency. Consistent with these goals, we have strongly supported efforts to increase transparency of market information and have long advocated for appropriate regulatory changes in this area. As discussed further below, we therefore support FINRA’s proposal. In addition, described below are our comments and recommendations on several aspects of the proposal.

FINRA Proposal to Increase ATS Transparency

FINRA is proposing to adopt new Rule 4552 to require each ATS to report to FINRA volume information regarding transactions within the ATS in securities subject to FINRA trade reporting obligations. Specifically, each ATS would be required to report to FINRA the aggregate weekly volume

¹ The Investment Company Institute is the national association of U.S. investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs), and unit investment trusts (UITs). ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Members of ICI manage total assets of \$15.7 trillion and serve more than 90 million shareholders.

² Securities Exchange Act Release No. 70676 (October 11, 2013), 78 FR 62862 (October 22, 2013) (“Release”).

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November 12, 2013
Page 2 of 4

of transactions and the number of trades within the ATS by security. FINRA will then make the reported information for equity securities publicly available on a delayed basis.

ICI Supports Increased Transparency with Appropriate Delays in Publication of Information

ICI supports increasing transparency of information about transactions in ATSs. As investors, transparency of market information is vital to making informed investment decisions; a robust transparency regime provides investors with access to information about current trading opportunities, facilitates price formation, and assists firms in providing best execution to their clients. FINRA's proposal should facilitate this process.

We also believe it is important that regulators have access to accurate, timely and detailed information regarding ATS transactions and have a reporting regime and/or means of accessing such information. To the extent that the volume information reported by each ATS will enhance FINRA's ability to surveil for compliance with the requirements of Regulation ATS, or that the proposal will help ensure that ATSs are publishing complete and standardized transaction statistics, the proposal should benefit the markets overall.

At the same time, we believe there are limits to the benefits of increased transparency in certain situations. While information regarding trades taking place in ATSs should be transparent to the public, regulators should closely examine the potential unintended consequences of increasing transparency of certain trade information, particularly the impact of the premature disclosure of critical information about fund orders in ATSs. As we have stated in several letters to the SEC, the confidentiality of information regarding fund trades is of significant importance to ICI members. Any premature or improper disclosure of this information can lead to frontrunning of a fund's trades, adversely impacting the price of the stock that the fund is buying or selling.

We therefore support the proposal to initially publish the information reported to FINRA on a delayed basis on FINRA's website; specifically a two-week delay before publishing the reported data on Tier 1 NMS stocks and a four-week delay for all other NMS stocks and OTC Equity Securities. We agree with FINRA's statement in the Release that these delays are appropriate and are adequate to prevent potential information leakage regarding sensitive trading activity, particularly in more illiquid securities.³

³ When the SEC proposed requiring the real-time disclosure of the identity of dark pools on trade reports, ICI supported the goal of increasing post-trade transparency for dark pools. We expressed concerns, however, about several unintended consequences for funds. Specifically, the real-time disclosure of the identity of the specific dark pool where non-excepted trades were executed would have revealed too much information about fund orders, would have provided another crucial "piece of the puzzle" to those who intend to prey off the orders of funds, and had the potential to facilitate the frontrunning of funds' security positions. While we did not support the real-time disclosure of individual dark pools, we did support such

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Scope of Proposal

The proposal's reporting obligations would apply to any NMS stock, OTC Equity Security, or any debt security subject to FINRA's Trade Reporting and Compliance Engine ("TRACE") rules ("TRACE-Eligible Securities"). The Release notes that while ATSS that trade TRACE-Eligible Securities would be subject to the self-reporting obligations, FINRA does not intend to begin publishing self-reported data for TRACE-Eligible Securities until it has had the opportunity to evaluate the data received from such ATSS and the differences between the existing trade reporting regimes applicable to equity and debt securities. ICI supports FINRA's decision to delay publication of data for TRACE-Eligible Securities and believes it is prudent for FINRA to further examine the data received from ATSS prior to requiring publication of such data.

The Release also requests comment on expanding the scope of the proposed rule change to include other, non-ATS over-the-counter trading information of broker-dealers. ICI supports applying the proposed rule change beyond ATSS to require trading information for other over-the-counter executions of FINRA broker-dealers and making this information public in the same manner as is proposed for ATS trade information. As the Release notes, this other over-the-counter execution information could include broker-dealer internalized executions, trades executed in the over-the-counter market by wholesale market makers trading with order entry brokers, and executions on broker crossing systems that have not filed a Form ATS with the Commission. We also support applying the proposal to other non-displayed executions, regardless of the type of entity providing such execution, in the same manner as proposed for ATS trade information.

Fees Associated with Proposal

The Release states that FINRA intends to establish a fee to recover costs that may be incurred in providing the reported information to professional users of the data; non-professional users, however, could receive the data free of charge.⁴

In addition to requiring market data to be reliable and timely, ICI believes it is important for such data to be available at a reasonable cost and at a cost that encourages the use of market data. ICI recommends that FINRA clarify the specific costs surrounding receiving and accessing the reported information under the proposal. Given the significance of the reported information, particularly to

disclosure on a delayed basis. See Letter from Karric McMillan, General Counsel, ICI, to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, dated February 22, 2010.

⁴ The Release adds that FINRA anticipates establishing a flat, monthly subscription fee (with a yearly commitment term) for professional subscribers to access the published reports on an enterprise license basis.

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Page 4 of 4

investors navigating the current wide range of choices among trading venues, we also recommend that FINRA reconsider charging a fee for use of the reported information by professional users, at least for the basic trading volume information available on FINRA's website.

Requirement to Use Unique MPID

Our comment letter focuses on the proposal's requirements relating to reporting volume information. In addition to the reporting requirements, the proposal also requires that a FINRA member operating an ATS obtain for each such ATS a single, unique MPID that is designated for exclusive use for reporting each ATS's transactions. To the extent that requiring each ATS to use a single, unique MPID for reporting information to FINRA will enhance FINRA's ability to surveil for compliance with the requirements of Regulation ATS as well as other rules, we support this aspect of the proposal. We recognize that some issues have been raised by other commenters regarding the operation of the MPID. We encourage the SEC to work with market participants to minimize any operational burdens associated with the MPID requirements.

* * * * *

If you have any questions on our comment letter, please feel free to contact me directly at (202) 371-5408 or at aburstein@ici.org.

Sincerely,

/s/ Ari Burstein

Ari Burstein
Senior Counsel

cc: The Honorable Mary Jo White
The Honorable Luis A. Aguilar
The Honorable Daniel M. Gallagher
The Honorable Michael S. Piwowar
The Honorable Kara M. Stein

John Ramsay, Acting Director, Division of Trading and Markets
James R. Burns, Deputy Director, Division of Trading and Markets
David Shillman, Associate Director, Division of Trading and Markets



November 12, 2013

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Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number SR-FINRA-2013-042

Proposed rule changes to FINRA Rule 4552 and amendments to FINRA Rules 6160, 6170, 6480 and 6720

Dear Ms. Murphy,

The Security Traders Association ("STA") welcomes the opportunity to comment on proposed rule changes ("ATS Filing") to: (i) FINRA Rule 4522 to require each alternative trading system ("ATS") to report to FINRA weekly volume information and number of trades regarding securities within the ATS; and (ii) amend FINRA Rules 6160, 6170, 6480, and 6720 to require each ATS to acquire and use a single, unique market participant identifier ("MPID") when reporting information to FINRA. FINRA will make the reported volume and trade count information for equity securities publically available on its website.

The STA is an organization comprised of individuals who are involved in the trading of financial securities. Our members represent many of the business models in the financial services sector, including full and discount service broker dealers, agency only broker dealers, asset managers, exchanges and ATSS. Because of the diversity within our membership we are uniquely qualified to provide insight and comments on the ATS Filing. The STA uses a Committee structure to vet issues amongst its various constituencies to create bottom-up consensus. With regard to the ATS Filing, the STA utilized its Institutional Committee, which is comprised solely of traders from institutional asset managers, and Trading Issues Committee: Equities, which is comprised of individuals from broker dealers with varying business models. We highlight these points because the views expressed in this letter include those from a broad spectrum of market participants who are both contributors to and potential users of the information the ATS Filing is seeking to obtain and disseminate in the public domain.

1

BOSTON SECURITY TRADERS ASSOCIATION • CANADIAN SECURITY TRADERS ASSOCIATION • CAROLINA SECURITY TRADERS ASSOCIATION • SECURITY TRADERS ASSOCIATION OF CHICAGO
SECURITY TRADERS ASSOCIATION OF CONNECTICUT • DALLAS SECURITY TRADERS ASSOCIATION • DENVER SECURITY TRADERS ASSOCIATION • SECURITY TRADERS ASSOCIATION OF FLORIDA
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MID-SOUTH SECURITY DEALERS ASSOCIATION • MINNESOTA SECURITY DEALERS ASSOCIATION • MONTREAL INSTITUTIONAL EQUITY TRADERS ASSOC • SECURITY TRADERS ASSOCIATION OF NEW YORK
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SAN FRANCISCO SECURITY TRADERS ASSOCIATION • SEATTLE SECURITY TRADERS ASSOCIATION • SECURITY TRADERS ASSOCIATION OF ST. LOUIS • INSTITUTIONAL EQUITY TRADERS ASSOCIATION OF TORONTO
VANCOUVER SECURITY TRADERS ASSOCIATION • SECURITY TRADERS ASSOCIATION OF WISCONSIN



Over the course of our eighty year history, the STA has written comment letters and special reports on market structure issues. This library of material provides STA an historical perspective on market structure and serves as a vital resource when formulating views on current issues. The STA has long held the position that markets evolve and that by following basic principles to drive future market structure, the promise of the National Market System (“NMS”) on behalf of investors can be fulfilled.

General Comments:

A. Retrospective review

There are certain questions in the ATS Filing which cannot be answered due to the lack of empirical evidence available. Rule making based on empirical data is a fundamental principle STA believes in and we therefore recommend that a second comment period, 12 months after an implementation date, be part of a final ATS Filing. A comment period 12 months after an implementation date would allow market participants to provide informed input based on empirical data.

Some of the specific items that would be better addressed in a second, post- implementation comment period which cannot be definitively answered at this time include the following questions:

- Has the rule change enhanced FINRA’s regulatory and surveillance efforts by obtaining information gathered under the ATS Filing?
- Is the rule imposing minimal burdens or costs on firms? In particular those firms who operate multiple ATSs?
- Should firms who operate an ATS continue to be required to provide reports on trade information FINRA receives real-time via that firm’s unique MPID?
- Have the disclosure timeframes resulted in damaging information leakage to investors?
- Would shorter reporting and disclosure timeframes contribute positively to overall market efficiencies in such areas as liquidity, cost and the dampening of unnecessary volatility?



- Are the terms and conditions of the charging model, if any, consistent with its stated goals?

Adding a retrospective review with the characteristic of a second, post-implementation comment period would better ensure the goals of the ATS Filing are achieved.

B. Regulatory Induced Transparency

When transparency is driven by regulatory mandates versus market forces, it is critical for regulators to balance the explicit costs of gathering, verifying and disseminating the information which contributes or detracts to transparency, as well as the implicit costs that may arise through a change in behavior by market participants. Transparency is not free and seeking full, real-time transparency should not be a goal for a regulator. Transparency should be measured by how it contributes, or detracts, from liquidity, costs of trading and volatility.

C. Support for the ATS Filing with specific areas of input

STA commends FINRA for undertaking this initiative to provide a uniform framework for reporting volumes executed on an ATS. We recognize that FINRA in its role as a regulator is uniquely positioned to obtain this information and verify its content. The combination of the standardization and veracity of the information best ensures the data is viewed as credible in the public domain and with all authorities responsible for overseeing the financial markets.

STA supports the goals and general approach of the ATS Filing, however, there are specific areas where we offer input in the spirit of seeing the ATS Filing has the best opportunity to succeed in the short and long term, while avoiding unnecessary costs to the industry.

These areas include:

- Requiring firms to provide the aforementioned reports to FINRA over an extended period of time is duplicative of the information available to FINRA in the reporting regime created by the ATS Filing.
- Initially, reporting information time periods should be uniform for all securities and disseminated with a high level of detail on a conservative time frame.



- Changes to time periods for reporting and disseminating trade information, along with the levels of granularity in trade data, should be considered after a second comment period twelve months after the implementation.
- Harmonizing the reporting requirements and dissemination of all Trade Reporting Facility ("TRF") volumes should be a goal of regulatory authorities.
- Terms and conditions by which FINRA be allowed to charge for the information obtained under the ATS Filing need more vetting.

1. Requiring firms to provide the aforementioned reports to FINRA over an extended period of time is duplicative of the information available to FINRA in the reporting regime created by the ATS Filing.

The ATS Filing requires firms who operate an ATS to obtain a unique market participant identifier ("MPID") to report volumes by total shares and number of trades done within their ATS. Under such a reporting regime, FINRA, as operator of the Trade Reporting Facility ("TRF") will receive the trade information sought under the ATS Filing on a real time basis. Consolidating this information into a final form suitable for dissemination will require a new work flow for FINRA. It is reasonable to expect that FINRA will want to verify the accuracy of the information obtained through a consolidating process. STA believes that requiring firms who operate an ATS to provide reports similar to those FINRA seeks to design on its own, is a reasonable approach in verifying information. However, STA believes that once FINRA has received verification on the accuracy of its reports, the impacted firms should no longer be required to produce such reports to FINRA. Allowing this requirement to exist creates unnecessary costs because the information is duplicative.

2. Initially, time periods for reporting information should be uniform for all securities and disseminated with a high level of detail on a conservative time frame.

a. Reporting volumes.

Today, the firms who would be subject to the reporting requirements of the ATS Filing are gathering and disseminating, in varying degrees, the trade information which would be required



by the ATS Filing. These firms gather and disseminate trade information for reporting Rules 605 and 606 under the Order Handling Rules, as well as to certain third-party, private enterprise firms who then bundle the information and sell it under varying terms. In these arrangements, the reporting firms produce their monthly trade information based on all securities. STA believes that the reporting requirements under the ATS Filing should be consistent with this industry practice to avoid costs associated with creating and monitoring new work flows.

We therefore recommend that firms report their monthly volumes in all securities to FINRA within 7 business days after the last settlement date of each month. We believe seven (7) business days would account for holidays which could shorten a reporting window.

b. Dissemination of information

Assuming firms are allowed to report monthly trade information within seven (7) business days of the last settlement date of each month, STA believes that a uniform standard for disseminating the information gathered under the ATS Filing be two calendar weeks from the reporting deadline. In our view, a two calendar week delay should avoid a possibility of damaging trade information leakage of large orders.

c. Trade detail

Initially, trade detail, both share volumes and number of trades should be publicized at a high level: total shares and total trades by security for the month by ATS.

3. Changing any time periods for reporting and disseminating trade information and the levels of granularity in the trade data should be considered after a second comment period or retrospective review.

STA believes the time periods for reporting and disseminating trade information, along with the level of granularity outlined in our comments, are suitable for an initial implementation. However, STA believes a secondary comment period will be integral in judging whether the desired goals of the ATS Filing are being achieved with respect to the initial reporting and disseminating time periods and the granularity of trade detail. We therefore recommend the initial time periods and granularity be reviewed twelve (12) months after an implementation date. Changes at that time will be based on empirical data.



4. Harmonizing the reporting requirements and dissemination of all TRF and exchange “dark volumes” volumes should be the goal of regulatory authorities.

As stated previously, STA commends FINRA for undertaking this initiative to provide a uniform framework for reporting ATS volumes. We also recognize that FINRA in its role as a regulator is uniquely positioned to obtain this trade information and verify its content. The combination of standardization and verification, coupled with making it available to all investors, will contribute to investor confidence and foster more efficient markets. Given the fact that ATSs contribute to a portion of all volume reported to the TRF, while also recognizing that FINRA has limited regulatory authority over other participants who report trades to the TRF, STA recommends that the Securities and Exchange Commission design a plan which would harmonize the reporting and dissemination of all “dark” trade activity regardless of whether it trades on or off exchange.

5. Terms and conditions by which FINRA be allowed to charge for the information obtained under the ATS Filing need more vetting.

There is meaningful support amongst market participants that FINRA, with its unique regulatory position and ability to standardize and verify the information, be the entity which collects and disseminates information under the ATS Filing. In addition, market participants acknowledge that FINRA will incur costs for taking information it will receive on a real time basis, and consolidating and disseminating that information into the public domain in such a way that it can be interpreted and digested in a productive way. It is also reasonable for FINRA to recoup these costs.

However, there is not a consensus among market participants regarding the terms and conditions by which FINRA would charge for the data. One reason for this is that there is not an understanding of the goals FINRA in charging for reports generated from the information obtained under the ATS Filing.

If the goal is to strictly recoup the costs associated with the ATS Filing, then market participants are more apt to accept the terms and pricing set forth in the ATS Filing so long as these terms and conditions are reviewed 12 months after implementation.

If the goal is to earn a return on any capital committed to ATS Filing, then we respectfully ask that the ATS Filing not move forward until a means which allows for private sector involvement be designed.



D. Conclusion

STA is supportive of FINRA undertaking this initiative. Our comments and criticisms are in a spirit of best ensuring the ATS Filing succeeds both initially and long term, with a fair cost to firms and a low risk to unintended negative consequences.

STA believes that a retrospective review with a second comment period will improve the likelihood the ATS Filing achieves its stated goals and expedite its initial design. Furthermore, STA believes that if a retrospective review was proposed in the initial ATS Filing, market participants with minor differences of opinion would be more apt to resolve or settle such differences by allowing empirical data, which is only available at a later date, to design the final outcome of the rule.

Empirical evidence, rather than theory or conjecture, should determine a rule's design. Unfortunately, such evidence is not always available during the initial comment period of a proposed rule. STA therefore recommends that all regulatory entities involved in rulemaking implement some form of retrospective review in all new rule filings.

Sincerely yours,

A handwritten signature in blue ink that reads "Thomas M. Carter". The signature is written in a cursive, flowing style.

Thomas M. Carter
Chairman of the Board

A handwritten signature in blue ink that reads "James Toes". The signature is written in a cursive, flowing style.

James Toes
President & CEO



Scott C. Goebel
Senior Vice President
Deputy General Counsel
Fidelity Investments
82 Devonshire Street V10E, Boston, MA 02109-3614
617.563.0371 [REDACTED]

November 12, 2013

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Release No. 34-70676; File No. SR-FINRA-2013-042

Dear Ms. Murphy:

Fidelity Investments ("Fidelity")¹ appreciates the opportunity to respond to the Securities and Exchange Commission's (the "SEC" or "Commission") request for comment with respect to the above-mentioned Financial Industry Regulatory Authority ("FINRA") proposed rule change that would require Alternative Trading Systems ("ATS") to report trading information to FINRA and to obtain a unique Market Participant Identifier.²

Fidelity generally agrees with the comments submitted by the Securities Industry and Financial Markets Association ("SIFMA"), the Investment Company Institute and the Financial Industry Forum on the Proposal and offers the following comments to supplement those letters on specific issues.

Fidelity supports the objectives of the Proposal, including FINRA's goal to "enhance the transparency of trading activity in the over-the-counter market."³ We believe that quantitative, publicly available information regarding ATS trading can provide market participants, regulators and policymakers a greater understanding of the role ATSs play in the equity marketplace, as

¹Comments reflected in this letter represent the views of Fidelity Management & Research Company, investment adviser to the Fidelity family of mutual funds; National Financial Services LLC, a Fidelity Investments company that offers broker-dealer firms a comprehensive, fully disclosed clearing platform that includes a dedicated service model, a global trading platform, and a source of leading investment solutions; and Fidelity Capital Markets, Fidelity's institutional trading division, which provides trading, products and services to the retail and institutional clients of Fidelity's brokerage businesses. Fidelity owns and operates one ATS, CrossStream, as part of its National Financial Services LLC broker-dealer. In addition, Fidelity's brokerage business routinely routes orders from retail and institutional brokerage customers to ATS venues for execution.

²See Notice of Filing of Proposed Rule Change to Require Alternative Trading Systems To Report Volume Information to FINRA and Use Unique Market Participant Identifiers, Exchange Act Release No. 70676, 78 FR 62862 (October 22, 2013), (the "Proposal"). Unless otherwise defined in this comment letter, capitalized terms have the meanings ascribed to them in the Proposal.

³Proposal at 62863.

Elizabeth M. Murphy
November 12, 2013
Page 2 of 6

well as provide a factual foundation for key discussions and decisions concerning equity market structure issues.⁴ We offer the following suggestions that we believe will improve the Proposal:

- FINRA should eliminate the Reporting Requirement and allow member firms to focus their resources on the MPID Requirement. Alternatively, FINRA should commit to remove the Reporting Requirement once the MPID Requirement is in place;
- the Proposal should be expanded to include trade information for other off-exchange executions and this information should be made public in the same manner as proposed for ATS trade information;
- FINRA should not charge a fee for professional users to access ATS trade information; and
- FINRA should enhance ATS trade information with market quality statistics from FINRA's own data resources.

Each of these comments is discussed in more detail below.

Reporting and MPID Requirements

Although we support the proposed new trade reporting requirements, Fidelity believes that FINRA's requirement that each ATS report information both under the Reporting Requirement and the MPID Requirement is unnecessary, redundant and confusing. Under the Reporting Requirement, every ATS that has filed Form ATS with the SEC would be required to self-report to FINRA its aggregate weekly volume information on the ATS's securities transactions within seven business days after the end of each calendar week. FINRA proposes to publish this ATS trade information for equity securities on a delayed basis. For example, FINRA proposes to publish ATS trade information regarding NMS stocks in Tier 1 of the NMS Plan to Address Extraordinary Market Volatility on a two-week delay and ATS trade information on all other less liquid equity securities on a four-week delay. FINRA proposes to announce the effective date of the proposed rule change in a *Regulatory Notice* to be published no later than 30 days following Commission approval. ATSS will be required to begin self-reporting the trade information no later than 90 days following publication of FINRA's *Regulatory Notice* announcing Commission approval of the Proposal.

⁴Fidelity has a significant interest in market structure developments and provided comment on the Commission's 2009 proposal to increase the transparency of dark pools by treating actionable indications of interest as quotes, lowering the trading volume threshold at which an ATS is required to display its best priced orders for a listed stock and provide nondiscriminatory access to such orders to non-subscribers, and requiring real-time disclosure of the identity of each ATS that executes a trade. See Regulation of Non-Public Trading Interest, Exchange Act Release No. 60997, 74 FR 61208 (November 23, 2009), Fidelity comment letter available at: <http://www.sec.gov/comments/s7-27-09/s72709-65.pdf>. Fidelity also submitted a comment letter in response to issues discussed at the SEC's Technology and Trading Roundtable, 77 FR 56697 (Sept. 13, 2012), Fidelity comment letter available at: <http://www.sec.gov/comments/4-652/4652-39.pdf> and in response to the SEC's proposed Regulation Systems Compliance and Integrity, Exchange Act Release No. 69077, 78 Fed. Reg. 18084 (Mar. 25, 2013), Fidelity comment letter available at: <http://www.sec.gov/comments/s7-01-13/s70113-46.pdf>.

Elizabeth M. Murphy
November 12, 2013
Page 3 of 6

The Proposal also requires every ATS to acquire a single, unique market participant identifier (“MPID”) designed for the exclusive use of reporting each ATS’s transactions to FINRA (“MPID Requirement”). After an ATS acquires its MPID, any reporting by the ATS, including all information that the ATS is already required to self-report under the Reporting Requirement, must be reported to FINRA a second time using the MPID for the ATS. The effective date for the MPID Requirement will be no later than 270 days following publication of FINRA’s *Regulatory Notice* announcing Commission approval of the Proposal.

According to the Proposal, after the MPID Requirement is implemented, FINRA intends to compare ATS trade information self-reported under the Reporting Requirement to information submitted under the MPID Requirement to “verify the consistency and accuracy of both.”⁵ Once FINRA confirms the MPID Requirement is functioning as intended, FINRA states that it will determine whether to continue to require ATSs to self-report trading information.⁶

As a threshold matter, Fidelity supports FINRA’s proposed two-week delay in dissemination of ATS trading information for NMS Tier 1 stocks and four-week delay in dissemination of ATS trading information on non-NMS Tier 1 stocks and OTC Equity Securities. We believe that any shorter time period for dissemination of this information would increase the risk that trading activities of large institutions could be prematurely signaled to the market, allowing opportunistic traders to trade with or ahead of those orders.

More importantly, we believe that FINRA should eliminate the Reporting Requirement altogether and instead receive ATS trade information solely under the MPID Requirement. Under the Proposal, broker-dealers are required to self-report ATS trade information to FINRA for six-months, at which point broker-dealers will be required to supplement the self-reported data with the exact same data reported under the MPID Requirement. The Proposal’s interim Reporting Requirement sets up an additional process that will require member firms to expend technology and staff resources for at least nine months while FINRA decides what to do longer term. By eliminating the Reporting Requirement, the Proposal will be implemented in a manner that minimizes disruption to the markets and cost to broker-dealer firms, without any loss of transparency into ATS trading.

We agree with SIFMA that if FINRA nevertheless continues to require that firms implement the Reporting Requirement, FINRA should commit to discontinue the Reporting Requirement as soon as possible after the MPID Requirement has taken effect, and certainly once FINRA has established that the MPID Requirement is functioning and effective. There is no regulatory need for duplicative reporting systems, and member firms will bear the expense of maintaining multiple systems and people to manage and deliver the two reports.

Finally, although we currently expect that seven business days should be a sufficient amount of time for an ATS to consolidate, review and report this information to FINRA, it is difficult for us to fully assess this timeframe because FINRA has not yet identified the format by

⁵Proposal at 62865, FN 23.

⁶Id.

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which member firms will deliver their weekly reporting data. If FINRA proceeds with the Reporting Requirement, we urge FINRA to develop a straightforward reporting format for member firms. This approach will minimize the need for member firms to make costly technology changes to comply with a potentially interim reporting requirement.

Trading information for other off-exchange trades

FINRA states that the Proposal is designed to “enhance the transparency of trading activity in the over-the-counter market.”⁷ The Proposal currently requires each ATS that has filed a Form ATS with the SEC to provide specific trade information to FINRA. We note that there are other types of non-displayed trades that are not captured by the Proposal. Reporting and dissemination of additional non-displayed liquidity and off-exchange trades would further the goal of enhanced transparency of trading activity in the over-the-counter market. By limiting the Proposal to trades involving ATSs, FINRA will obtain information on only a portion of the overall trading activity that is not currently publicly displayed. Unless this additional information is made publicly available, the industry, regulators and policymakers will have an incomplete view of over-the-counter market trading activity, which may in turn, affect discussions and decision-making on equity market structure topics.

Fidelity believes that FINRA should amend the Proposal to include additional executions that are currently not publicly displayed and/or executed off-exchange. This could include broker-dealer internalized executions or crossed orders from upstairs trading desks, trades executed in the over-the-counter market by wholesale market makers trading with order entry brokers, and executions on broker crossing systems that have not filed a Form ATS with the Commission. By providing more data on different broker-dealer executions that are currently not publicly displayed, market participants will offer, and obtain, greater visibility into the overall trading activity.

In addition to broker-dealer executions, we recommend that the Commission consider a similar rule for entities under its jurisdiction, such as U.S. Securities Exchanges (“Exchanges”). Significant amounts of trading are done at Exchanges in dark pools, where liquidity is not displayed as a result of the Exchange’s dark or reserve order type.⁸ Given the regulatory goal of increased transparency into off-exchange executions, the Commission should consider requiring all entities providing such executions, regardless of their status or regulator, to provide this information publicly.

⁷Proposal at 62863.

⁸For example, the NYSE advertises that, “NYSE ARCA trades over 500 million shares of dark liquidity, daily” See: <http://www.nyse.com/equities/1224238238849.html> and NASDAQ OMX notes that for October 2013, the equity order type “non-displayed limit orders (including midpoint)” constituted 6.60% of its executed orders. See: <http://www.nasdaqtrader.com/trader.aspx?ID=ordertypeusage>.

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FINRA should not charge a fee for professional users to access this data

Under the Proposal, FINRA intends to establish a flat, monthly subscription fee (with a yearly commitment term) to recover costs that may be incurred in providing access to the published reports to professional subscribers.⁹ Fidelity strongly opposes FINRA charging a fee for professional subscribers to access ATS trading information.

According to the Proposal, ATS trade information will be posted on FINRA's website with "appropriate disclosures that the information is based on ATS submitted reports and not on reports produced or validated by FINRA."¹⁰ FINRA is not producing or validating the information, so we submit that there is no need to charge a fee simply to post this information on their website. Moreover, we believe that the proposed fee for professional users to access this data will inhibit discussion on market quality questions that may be raised by the trade information. The Commission has recently made available to the public, via its new Market Structure Data and Analysis Website, a range of market metrics and analytics including data from the Commission's Market Information Data and Analytics System (MIDAS). As Chair White noted in the SEC's press release announcing the launch of the website, "By also making this information publicly accessible, two great things should happen. It should increase efficiency so people don't have to struggle to find this information. And it should spur innovation by unlocking the power of data and research to unlock a wealth of ideas from investors, market participants, and academics."¹¹ Given the interest in off-exchange trading by market participants, regulators and policy makers, we believe that the free flow of ATS trade information has the potential to spur discussion on this topic and that such discussion could be hindered if ATS trade information is only available for a fee to certain users.

The need for enhanced execution quality metrics

As noted above, Fidelity supports increased transparency of ATS trading as a means to help inform current discussions on market quality and market structure. We further believe that ATS trade information would be enhanced if FINRA were to accompany disclosures concerning ATS trading volumes with market quality statistics from FINRA's own data resources. For example, we urge FINRA to present data concerning the price points at the time of executions (i.e., whether the executions were performed inside, at, or outside of the quote) with ATS trade volume information and make this information publicly available for free to all on FINRA's website. Market participants would find this information useful as a means to help ensure that their trade execution decisions are appropriate. Additional market quality statistics would also provide market participants, regulators and policymakers more detailed disclosures concerning trading activities in the U.S. equities markets.

⁹FINRA notes that the amount of the fee will be established pursuant to a future, separate proposed rule change that FINRA will file with the Commission. Proposal at 62864, FN 18.

¹⁰Proposal at 62863.

¹¹Securities and Exchange Commission 2013. *SEC Launches Market Structure Data and Analysis Website* Release No. 2013-17 (Oct. 9, 2013).

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* * * * *

Fidelity thanks the Commission for considering our comments. We would be pleased to provide any further information or respond to any questions that you may have.

Sincerely,



Scott C. Goebel

cc:

The Honorable Mary Jo White, Chairman
The Honorable Luis A. Aguilar, Commissioner
The Honorable Daniel M. Gallagher, Commissioner
The Honorable Kara M. Stein, Commissioner
The Honorable Michael S. Piwowar, Commissioner

Mr. John Ramsay, Acting Director, Division of Trading and Markets
Mr. James R. Burns, Deputy Director, Division of Trading and Markets
Mr. David Shillman, Associate Director, Division of Trading and Markets

FINANCIAL INFORMATION FORUM

5 Hanover Square
New York, New York 10004

212-422-8568

Via Electronic Delivery

November 12, 2013

Elizabeth M. Murphy
Secretary, Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File No. SR-FINRA-2013-042 - Proposed Rule to Require Alternative Trading Systems to Report Volume Information to FINRA and Use Unique Market Participant Identifiers (MPIDs)

Dear Ms. Murphy,

The Financial Information Forum (FIF)¹ would like to take the opportunity to provide comments on SR-FINRA-2013-042, the proposed rule change requiring Alternative Trading Systems (ATSs) to report volume information to FINRA and use unique MPIDs ("Proposed Rule"). The FIF Front Office Committee has evaluated the Proposed Rule from an implementation perspective and respectfully makes the following recommendations:

1. Establish a simple reporting mechanism for providing volume information to FINRA
2. For ATSs that have a unique MPID, provide the implementation alternative of FINRA-calculated volume information based on ATS trade reporting data
3. Offer the delayed ATS volume information free of charge for all market participants
4. Provide additional guidance as it relates to unique MPID trade reporting

Each of these recommendations is discussed in more detail below.

Establish a Simple Reporting Mechanism For Providing Volume Information To FINRA

FIF recommends that FINRA establish a simple reporting mechanism for reporting ATS aggregate weekly volume information and number of trades, by security, in securities subject to FINRA trade reporting requirements ("volume information"). Specifically, FIF recommends establishing a standard spreadsheet template to be used by all reporting ATSs that would be emailed to FINRA by the reporting deadline. Complying with an email-based reporting requirement could be accomplished within the implementation timeframe. Given that self-reporting will be ultimately replaced by FINRA-calculated

¹ FIF (www.fif.com) was formed in 1996 to provide a centralized source of information on the implementation issues that impact the financial technology industry across the order lifecycle. Our participants include trading and back office service bureaus, broker-dealers, market data vendors and exchanges. Through topic-oriented working groups, FIF participants focus on critical issues and productive solutions to technology developments, regulatory initiatives, and other industry changes.

volume information based on ATS trade reporting data, we believe this is the most expedient approach that will also achieve accurate results. We recommend a brief testing period before the public reporting of data to ensure that the volume information provided is being accurately and consistently reported.

Provide Implementation Alternative for ATSS with Unique MPID

As noted in the Proposed Rule, some ATSS already meet the unique MPID requirement which the Proposed Rule seeks to require for all ATSS. For those ATSS that have a unique MPID, FIF recommends that FINRA calculate volume information based on ATS trade reporting data. We believe this will minimize the implementation effort associated with this rule for those ATSS that already have an MPID . Additionally, as ATSS complete the process of establishing a unique MPID, we recommend phasing out self-reporting and allowing FINRA to calculate volume information for these additional ATSS.

Offer ATS Volume Information Free of Charge to All Market Participants

Volume information will be published on a two week delayed basis. We do not believe that this information should be at a cost to any market participant. The effort to establish entitlements and collect fees is not justified given the nature of the data being provided which is both significantly delayed and limited in scope. Much like the SEC Market Structure website, we believe access to this data is important for educational purposes and will better allow market participants to understand and evaluate our current market structure. Analysis of this data should be encouraged through free and unlimited access.

Provide Additional Guidance as It Relates To Unique MPID Trade Reporting

As indicated in the Proposed Rule, establishing a unique MPID has downstream consequences given that unique MPIDs impact OATS and clearing. In addition to system changes, agreements also have to be updated. FIF requests guidance with respect to the selection of the unique MPID as well as the following trade reporting scenarios:

- MPID to select for firms that have multiple MPIDs associated with their ATS
- Rules for how the media leg should be trade reported
- Ability for firms to phase-in use of unique MPID for trade reporting before the implementation deadline
- Ability for firms to phase-in reliance on FINRA for calculating volume information and cease self-reporting
- Rules for trade reporting of scenarios where an ATS receives order flow from an executing broker that is part of the same broker dealer and there are two crossing transactions. Please review each of the following scenarios:
 - Broker-dealer client vs. broker-dealer client – crossing in the ATS
 - Broker-dealer client vs. FINRA broker-dealer subscriber (MPID 'ABCD')
 - FINRA broker-dealer (MPID 'ABCD') vs. FINRA broker-dealer (MPID 'DEFG')
 - Non-FINRA broker-dealer vs. broker-dealer client
 - Non-FINRA broker-dealer vs. FINRA broker-dealer (MPID 'ABCD')

We would welcome the opportunity to discuss our recommendations which we believe will reduce the implementation effort associated with the Proposed Rule.

Regards,

A handwritten signature in black ink that reads "Manisha Kimmel". The signature is written in a cursive, flowing style.

Manisha Kimmel
Executive Director
Financial Information Forum

cc: The Honorable Mary Jo White, Chairman
The Honorable Luis A. Aguilar, Commissioner
The Honorable Daniel J. Gallagher, Commissioner
The Honorable Kara M. Stein, Commissioner
The Honorable Michael S. Piowar, Commissioner

John Ramsay, Acting Director, Division of Trading and Markets
James R. Burns, Deputy Director, Division of Trading and Markets
David S. Shillman, Associate Director, Division of Trading and Markets

Stephanie Dumont, Senior Vice President and Director of Capital Markets Policy, FINRA
Brant Brown, Associate General Counsel, FINRA



November 11, 2013

Via Electronic Mail (rule-comments@sec.gov)

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: File No. SR-FINRA-2013-042: Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change to Require Alternative Trading Systems to Report Volume Information to FINRA and Use Unique Market Participant Identifiers

Dear Ms. Murphy:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ appreciates the opportunity to comment on the above-referenced rule proposal filed by the Financial Industry Regulatory Authority (“FINRA”) with the Securities and Exchange Commission (“Commission”). Under the proposal, FINRA would require every alternative trading system (“ATS”) to report to FINRA weekly volume information on the ATS’s securities transactions. In addition, FINRA would require every ATS to acquire and use a single, unique market participant identifier (“MPID”) when reporting information to FINRA.²

SIFMA supports FINRA’s proposal. The subject of market quality has recently been a topic of wide discussion, and a central point of this discussion has been the effect of off-exchange equity trading on overall market quality. SIFMA believes that an increase in transparency about trading volumes and characteristics will contribute to a thoughtful evaluation of market quality that is based on consistent and objective data and facts.

As the Commission is aware, SIFMA has previously expressed support for the idea of providing additional transparency about ATSS that trade NMS stocks.³ In the context of

¹ The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA’s mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

² See Securities Exchange Act Release No. 70676 (October 11, 2013), 78 FR 62862 (October 22, 2013).

³ See Letter from Ann Vlcek, Managing Director and Associate General Counsel, SIFMA to Elizabeth M. Murphy, Secretary, Commission dated February 18, 2010.

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SIFMA Comment Letter on File No. SR-FINRA-2013-042
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FINRA's proposal, SIFMA believes that providing consistent and standardized public disclosure of ATS trading volume will allow for accurate evaluation of market quality based on objective data.⁴ In addition, we urge FINRA to work with member firms and other market participants to develop similar public disclosure of trading volume for other off-exchange market centers that do not operate as ATSS. SIFMA also urges the Commission to work with exchanges to establish a reporting regime to provide consistent and standardized public disclosure of exchange execution volume carried out by displayed orders, partially displayed/partially undisplayed orders, and fully undisplayed orders.

SIFMA also believes that increased transparency can be accomplished without causing unnecessary operational friction. In this regard, we offer the following suggestions on the proposal to reduce potential frictions while maintaining the proposal's goal of increased transparency.

- **Reporting Timeframes.** SIFMA suggests that FINRA modify the proposed reporting timeframes to harmonize them with the timeframes set forth in Rule 605 of Regulation NMS. FINRA's proposal would require ATSS to report the required information within seven business days after the end of each week, while Rule 605(a)(3) requires ATSS to report execution information within one month after the end of each month. In addition, ATSS that report volume to third-party providers currently do so on a monthly basis. If FINRA were to adopt monthly reporting time frames, the reported information could be made public immediately, as is the case with Rule 605 data. Incorporating the Rule 605 timeframes would reduce the amount of systems changes necessary to implement the new reporting requirement with no material delay in making the information publicly available.⁵ Reducing implementation impact is particularly relevant in this case because FINRA has indicated willingness to sunset the self-reporting requirement after the new MPID requirement has taken effect.⁶

⁴ In its proposal, FINRA states that it "does not intend to begin publishing self-reported data for TRACE-Eligible Securities until it has had the opportunity to evaluate the data received from such ATSS and the differences between the existing trade reporting regimes applicable to equity and debt securities." SIFMA believes that any decision by FINRA to begin publishing self-reported data for debt securities should be addressed in a subsequent proposed rule change that is subject to public notice and comment before any such publication begins.

⁵ In its proposal, FINRA states that it "intends to establish a fee to recover costs that may be incurred in providing the information to professional users of the data; however, non-professional users could receive the data free of charge." SIFMA requests that FINRA provide additional detail about the types of fees it would charge for receiving the trading volume and clarify that the basic trading volume information would be made available to all users, professional and non-professional, on FINRA's website at no charge.

⁶ In this regard, SIFMA urges FINRA to make the format for weekly reporting as straightforward as possible to minimize the need for member firms to make systems changes to comply with the requirement while it is in effect.

Ms. Elizabeth M. Murphy, Securities and Exchange Commission
SIFMA Comment Letter on File No. SR-FINRA-2013-042
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- **Reporting Requirement.** SIFMA requests that FINRA commit to sunsetting the ATS reporting requirement as soon as possible after the MPID requirement has taken effect. We appreciate FINRA's recognition that some member firms will have to make systems changes to implement that MPID requirement, and we support FINRA's plan to allow 270 days before the MPID requirement becomes effective. In addition, we recognize FINRA's statement that, when "FINRA confirms the unique MPID requirement is functioning as intended, FINRA will determine whether to continue to require ATSs to self-report volume information." In the interest of providing certainty to member firms, SIFMA requests that FINRA state affirmatively that it will rescind the self-reporting requirement when FINRA confirms that the MPID requirement is functioning as intended. SIFMA believes that, when the MPID requirement is effective and functioning, the regulatory need for the self-reporting will be fully obviated.

* * *

SIFMA greatly appreciates the Commission's consideration of the issues raised above in connection with FINRA's proposed rule. SIFMA would be pleased to discuss these comments in greater detail with the Commission and the Staff. If you have any questions, please contact either me (at [REDACTED] or [REDACTED]) or Timothy Cummings (at [REDACTED] or [REDACTED]).

Sincerely,



Theodore R. Lazo
Managing Director and
Associate General Counsel

cc: Mary Jo White, Chairman
Luis A. Aguilar, Commissioner
Daniel M. Gallagher, Commissioner
Michael S. Piwowar, Commissioner
Kara M. Stein, Commissioner
John Ramsay, Acting Director, Division of Trading and Markets
James R. Burns, Deputy Director, Division of Trading and Markets
David S. Shillman, Associate Director, Division of Trading and Markets

November 12, 2013

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
Email: rule-comments@sec.gov

Re: File Number SR-FINRA-2013-042; Notice of Filing of Proposed Rule Change to Require Alternative Trading Systems to Report Volume Information to FINRA and Use Unique Market Participant Identifiers

Ladies and Gentlemen,

Liquidnet, Inc. appreciates the opportunity to comment on SR-FINRA-2013-042, "Notice of Filing of Proposed Rule Change to Require Alternative Trading Systems to Report Volume Information to FINRA and Use Unique Market Participant Identifiers" (the FINRA rule proposal).

Liquidnet supports the FINRA rule proposal as it would enhance transparency to investors relating to where orders are executed in the market. The FINRA rule proposal also would make publicly available data that is relevant to the current market structure debate, contributing to an informed discussion of market structure issues.

We have the following specific comments on the FINRA rule proposal:

Proposed time period for implementation

FINRA proposes that the effective date for the ATS volume reporting requirement will be 90 days following publication of the regulatory notice announcing Commission approval. This timeframe should be acceptable, subject to FINRA providing a format for reporting the data that is straightforward for firms to implement.

Professional user fee

FINRA proposes a user fee for professionals that seek to access the reportable volume data. The purpose for the fee is to enable FINRA to recover costs that it may incur in collecting and providing the data. We would propose, as an alternative, that the fees be borne by FINRA Members as part of their FINRA dues. FINRA notes that an important objective of the rule proposal is to enhance the transparency of trading activity in the over-the-counter market. Making the data available to all users without cost would be the approach that is most consistent with this objective.


Reporting of individual executions

We would support, in the future, a requirement that the ATS where individual trades are executed be identified to the public, subject to an appropriate delay period that is acceptable to institutional investors. This data would be useful for long-term investors in comparing execution quality across execution venues.

In Europe, this data is currently available to the public on a real-time basis. Intelligent Financial Systems Limited (IFSL), a UK-based firm that specializes in execution cost analysis for European equities, uses this data to compare execution quality across execution venues. In its March 2013 report, IFSL computes that Liquidnet provides 106.64 basis points of savings on average relative to execution on an exchange market.¹ The report further shows that Liquidnet Europe's average execution size for March 2013 was €811,163, resulting in Liquidnet saving each side (the buyer and the seller) €8,650, or the equivalent of \$11,626 on average, for each trade executed on Liquidnet.² These cost savings are passed on directly to the individual long-term investors that are the beneficiaries of the accounts managed by our institutional clients. This type of data is beneficial for institutional investors in determining how they can most efficiently execute orders on behalf of their customers.

We appreciate the opportunity to comment on the FINRA rule proposal.

Very truly yours,



Howard Meyerson
General Counsel

Enc.

¹ Intelligent Financial Systems Limited, "LiquidMetrix Guide to European Dark Pools," March 2013. The summary page of the report is enclosed with this letter.

² Based on a conversion rate of USD/EUR = 1.344, as of November 12, 2013, <http://www.bloomberg.com/markets/currencies/currency-converter/> (accessed November 12, 2013).



LiquidMetrix Guide to European Dark Pools – March 2013

Key Points

- This guide contains information on the following dark pools: BATS Europe Dark, BlockMatch™, Chi-Delta, Liquidnet, Nordic@Mid, POSIT, Turquoise Dark, UBS MTF.
- We analyse every trade executed on these venues comparing the price achieved to full depth lit liquidity on European trading venues.
- Based on this analysis we can quantify price improvement, EVBBO outliers and a range of other execution quality statistics for each dark pool.
- For each dark pool we also provide some general information such as market model used, stock coverage.

Overview

During March 2013 a total value of EUR 32.64bn was traded on the Dark Pools included in this guide.

Some brief statistics:

- Overall an average price improvement of 14.19 BPS representing EUR 46.33m was achieved by dark pool participants compared to a strategy of sending aggressive orders to the best lit venue.
- Although all venues price off the midpoint of the primary market, well over 99% of dark pool trades executed were also within consolidated EVBBO.

Trade sizes on some venues were of a size that meant the trades could not have been executed on any lit venue (% illiquid on lit).

	BATS Dark	BlockMatch	Chi-Delta	Liquidnet	Nordic@Mid	POSIT	Turquoise Dark	UBS MTF
% illiquid on lit	0.06%	0.32%	0.05%	70.80%	0.36%	18.89%	0.28%	0.06%
% inside EVBBO*	99.62%	99.98%	99.71%	99.98%	99.92%	99.73%	99.62%	99.70%
% outside EVBBO*	0.38%	0.02%	0.29%	0.02%	0.08%	0.27%	0.38%	0.30%
% at EVBBO Mid*	52.94%	26.20%	55.36%	69.59%	76.29%	52.97%	48.04%	30.20%
Arbitrage v MTF	0.003 BPS	0.000 BPS	0.002 BPS	0.000 BPS	0.000 BPS	0.001 BPS	0.004 BPS	0.004 BPS
Avg Onbook Spread	8.42 BPS	8.99 BPS	8.88 BPS	219.28 BPS	16.18 BPS	86.60 BPS	10.70 BPS	7.48 BPS
Avg improvement	4.21 BPS	4.49 BPS	4.43 BPS	106.64 BPS	8.07 BPS	18.90 BPS	5.35 BPS	3.74 BPS
Worst Case Spread Capture ***	30.41%	11.57%	32.88%	40.11%	42.98%	33.28%	24.99%	16.75%
Value Traded	€ 8,251 m	€ 8,245 m	€ 8,128 m	€ 2,879 m	€ 82m	€ 4,245 m	€ 2,823 m	€ 8,186 m
No of trades	780,969	365,631	990,241	3,179	7,497	253,759	415,718	1,001,947
Avg Trade Size	€ 6,724	€ 6,878	€ 6,449	€ 11,163	€ 10,989	€ 16,729	€ 7,081	€ 8,170
Instruments Traded	1,289	1,325	1,307	720	210	1,393	1,336	1,505
(Avg p.d)	(853)	(651)	(902)	(86)	(65)	(621)	(865)	(939)
Eff Instruments	71.1	74.8	80.0	52.4	20.4	85.8	83.1	72.8
(Avg p.d)	(32.8)	(45.6)	(58.1)	(13.5)	(7.5)	(32.90)	(50.3)	(48.7)
Fees	0.15 BPS	n/a	0.50 BPS	n/a	n/a	n/a	0.30 BPS	0.10 BPS
	0.058 BPS (self cross)		0.15 BPS (non IOC/FOK)					
Cleared / Counterparty	Yes CCP=Multiple	No Bilateral	Yes CCP=Multiple	Bilateral/ CCP=SiX-clear	CCP/ Bilateral	n/a n/a	Yes CCP=Multiple	Yes CCP=Multiple

*Based on value traded

** Based on midpoint reported trades only, not accounting for maker - taker fee/rebate.

*** For dark pools that include bid/offer matches, this statistic is not relevant, see Methodology.

markit Data for BlockMatch, Liquidnet, POSIT, UBS MTF is supplied by Markit B2AT. Markit B2AT is a MiFID-compliant trade reporting platform which enables MTFs and investment firms to meet their pre- and post-trade transparency obligations for their cash equity trades.

For more information contact: markitb2at@markit.com

The LiquidMetrix Guide to European Dark Pools and data for Turquoise, BATS Europe and Chi-X Europe is supplied by LiquidMetrix.

LiquidMetrix
Best Execution, Quantified

LiquidMetrix is the suite of software services focussing on execution quality, transaction cost analysis, SOR analysis, best execution compliance and pre-trade cost prediction offered by Intelligent Financial Systems.

For more information contact: liquidmetrix@ifs.com



2/1/2014

Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

RE: File No. SR-FINRA-2013-042: Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change to Require Alternative Trading Systems to Report Volume Information to FINRA and Use Unique Market Participant Identifiers

Dear Ms. Murphy:

ModernIR, a data-analytics provider and the No. 1 Market Structure Analytics firm for public companies, appreciates the opportunity to comment on FINRA's proposal to improve dark-pool transparency.

We support these efforts in concept. Data-reporting form is woefully out of step with market function. But why without uniformity, and why elevate a regulatory need above public transparency?

If FINRA is entitled to data for enforcement purposes a week after the fact, but everybody else must wait another week, the implication is that rulemakers are more important than those paying the rulemakers. FINRA has revenues above \$800 million, and its top executives receive compensation ranging from roughly \$700,000 to over \$2 million annually¹. Are we getting things backward here? The purpose of rules isn't to enrich regulators. It's to address shortcomings in markets that otherwise legislatively are to remain free of impediment.

I'll observe too as I have in the past: There are no comments from public companies. All come from brokers, market operators and industry associations. This rule would not be under consideration if there were no shares of public companies to trade. The number of National Market System components in the Wilshire 5000 Index stood at 3,687 at Dec 31, 2012, and 3,665 at Dec 31, 2013², perpetuating the long, slow slide extant since 1998. There have not been 5,000 components in the Wilshire 5000 for a decade. Yet on goes rule-making at the exclusion of the goose that lays the golden egg. This seems short-sighted.

It is incumbent upon both FINRA and the SEC to engage issuers, which do not matriculate in trading and brokerage conclaves. The regulatory imprimatur to avoid discriminating against any constituency in rule-making abides, and the cornerstone of democracy is open discourse. FINRA could at very least approach

¹ FINRA Annual Report:

<http://www.finra.org/web/groups/corporate/@corp/@about/@ar/documents/corporate/p291721.pdf>

² Source: Wilshire Associates, statistics on index-composition available publicly here:

<http://web.wilshire.com/Indexes/Broad/Wilshire5000/Characteristics.html>

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NIRI, the trade association for public companies, and provide a backgrounder for circulation, inviting comment on the rule-proposal. If issuers fail to respond, the fault is their own then.

And let's be honest about the purpose of the proposal. An average person trying to read it would run screaming into the nearest pond (true of all these rule filings –written in language only regulators and lawyers follow well) but strip out the gobbledygook and SR-FINRA-2013-042 is a rule for figuring out if brokers are complying with another rule created by the SEC. Do we need a rule to determine if a rule is being followed?

If so, how about fixing the original problem? Amend Reg ATS to include data-reporting requirements, and appoint FINRA the keeper of the data. Then the SEC is in charge of the rule, to boot.

Real purpose No. 2 for this proposal is so FINRA can float a trial balloon about selling more data. We don't object to FINRA selling data. In fact we'd support appointing FINRA the keeper of market data – from the SIP to consolidated trade summaries (volume by MPID and by security, subdivided into long and short volume) available to everyone in a timely fashion.

But requiring Alternative Trading Systems to report data and then selling that data is murky legal water indeed and seems to open the process to lawsuits. It's in effect regulatory confiscation, which federal courts have rejected.

We have two more objections: Timing, and scope. First, trades happen in fractions of seconds. BATS posts consolidated volume for the whole market continuously³. Exchanges furnish trading data to issuers about brokers responsible for trades on the listing exchange on a one-to-two-day delay⁴.

Short interest reports are released every two weeks – and this appears to be the model FINRA is following, where brokers are required to furnish data to the regulatory body a week before they are offered publicly. But short interest is nearly as useless today as 13Fs, regulatory filings on ownership. Both are hopelessly outdated. At June 2013, data for the S&P 500 showed short interest at roughly 2.3% of total outstanding shares, and yet data from FINRA and the exchanges shows short VOLUME – trades marked short as opposed to long – were 40% of total market volume over the same time. In other words, short interest as tracked doesn't reflect how markets work, where the bulk of shorting occurs intraday and closes out by day's end. Reporting trading data two weeks after the fact is nearly useless too. It doesn't reflect how markets work.

Why go through the hassle, the disruption, the expense, of propagating a rule that doesn't match market function? Casting about for an answer, we'd conclude that the purpose is self-serving for FINRA and not really in the best interest of the public or market constituencies, including issuers. Could we get it right, rather than just passing another rule, please?

Our final objection: For the national market system to function as the unified one it's designed to be, there should be a single disclosure standard for market operators, period. If Alternative Trading Systems – dark pools – are going to be forced to offer transparency that's greater than the displayed markets, a point SIFMA's Theodore Lazo made more subtly than I in his comment letter on the original rule-filing⁵, what

³ BATS Trading Market Volume Summary: http://www.batstrading.com/market_summary/

⁴ NYSE Connect, Nasdaq Online, data facilities providing exchange trade-executions to issuers.

⁵ SIFMA comment letter, Nov 11, 2013: <http://www.sec.gov/comments/sr-finra-2013-042/finra2013042-1.pdf>

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about standardizing disclosure requirements across the board? I like Mr. Lazo's suggestion but differ with him that a month after the month past, the standard for Rule 605, is the answer.

Here's the answer, seems to me. FINRA already hosts daily (the day following) TRF voluntary disclosures on a per-security basis for short volume and total volume.⁶ Why couldn't FINRA host a facility for which it's compensated that provides complete market data on a one-day delay?

This is simple stuff. If security XYZ traded one million shares, one should be able to add up volumes by market participant ID that equals one million shares, and know what's long and what's short. That information is already captured. FINRA could compensate the producers of that data, and then mark it up and sell it to cover its own costs.

If we're going to slog through this process, how about doing it once and getting it right? Let's create a simple set of standards so the market functions transparently amid clear rules reflecting contemporary behavior. Complicating the market by further subdividing supposed transparency standards doesn't help anyone save FINRA trying to fulfill its regulatory duties. This is not the purpose for rule-making.

And please involve issuers. If effort isn't made to include them in discourse, I cannot see why issuers would not seek legal remedies. The Securities Act forbids discrimination against issuers. Any way one slices it, rule-making processes that exclude a core constituency are contrary to the manifest tenor.

Yours sincerely,

Timothy Quast



President & Founder

⁶ FINRA Daily Reg SHO Rule 201 data files: <http://regsho.finra.org/regsho-Index.html>



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November 12, 2013

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Via Email to rule-comments@sec.gov

Ms. Elizabeth M. Murphy
Secretary, Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number SR-FINRA-2013-042; Release No. 34-70676

Barclays Capital Inc. comment on FINRA proposed rule change to require alternative trading systems to report volume information to FINRA and use unique market participant identifiers

Dear Ms. Murphy:

Barclays Capital Inc. ("Barclays") welcomes the opportunity to comment on the above-referenced rule proposal from the Financial Industry Regulatory Authority ("FINRA"). Barclays is a full-service investment bank that owns and operates Barclays ATS ("LX"), which is one of the largest alternative trading systems ("ATSs") in terms of US equity volume traded.¹ LX is part of Barclays' equities liquidity strategy, designed to assist the firm in providing best execution to its clients.

FINRA's current proposal would require each ATS to report to FINRA the aggregate weekly share volume and number of trades executed within the ATS. In addition, FINRA would require each ATS to acquire and use a single, unique market participant identifier ("MPID") when reporting information to FINRA. FINRA would publicize the weekly data for equity securities on its website on a delayed basis.

Barclays fully supports the objectives of FINRA's proposal – to improve the regulator's ability to surveil for compliance with FINRA rules, Securities and Exchange Commission ("Commission") rules, and the federal securities laws; and to enhance transparency of individual ATS volumes in a way that preserves the anonymity of sensitive trade activity. We anticipate that the proposal will improve FINRA's ability to protect investors and promote fair and competitive markets through enhanced oversight and transparency of transactions within ATSs.

FINRA's objectives are fully aligned with Barclays' approach to managing LX. Earlier this year, Barclays publicly announced its commitment to disclosing LX volumes on a monthly basis, despite the lack of a regulatory requirement.² Our commitment to reporting volumes, together with other initiatives undertaken to share information about how we operate LX, demonstrate our belief that transparency benefits not only our clients, but the market overall. We encourage efforts to standardize ATS transparency across the industry and feel that FINRA is well-positioned to do so.

¹ LX is currently the #1 reporting dark pool. Sources: Rosenblatt Securities, TABB Group. (October 2013)
Further information on LX can be found at: <http://group.barclays.com/disclosures/important-ats-disclosures>. We welcome the opportunity to discuss LX at greater length with the Commission, the Staff, and FINRA.

² See "Barclays Announces Commitment to Reporting Dark Pool Volume" (May 20, 2013). LX reports volumes to Rosenblatt Securities and TABB Group.

We commend FINRA for recognizing the benefits of making standard ATS statistics accessible to the public on a delayed basis. As the market structure continues to evolve, this transparency will assist traders in finding natural sources of liquidity and allow them to make more informed decisions about their trading. It will also give the investing public a reliable and uniform source of data which can be used to help understand and evaluate ATSs as a significant segment of the market structure. Further, this will complement the Commission's recent initiatives regarding transparency and analysis of market structure data, which we similarly support.

While supporting the proposal, we would like to suggest two changes to better achieve its objectives.

- **Reporting requirement.** In the proposal, FINRA envisions a time when "the use of unique MPIDs by ATSs could eventually obviate the need for self-reporting of trading information to FINRA." Barclays' current use of a unique MPID for LX would make the additional weekly reporting requirement unnecessary, redundant, and cumbersome. We encourage FINRA to eliminate the weekly requirement for any ATS operator upon a firm's demonstration of effective compliance with the MPID requirement.
- **Fees.** In the proposal, FINRA describes its intention to establish fees and restricted terms for certain users of the data. While we acknowledge that calculating and publishing the data will require some effort by FINRA, we recommend that FINRA follow the example of the Commission, which has made trade information freely accessible to the public via <http://sec.gov/marketstructure>. The accessibility of aggregate ATS volume information will facilitate analysis, trend tracking, and greater understanding of ATSs as market centers. Also, given that the firms providing trade reports already go to considerable expense to comply with reporting requirements, it is counterproductive to charge firms to get aggregated data back again. The plan to charge a fee conflicts with the principles of accessibility and transparency that are being promoted in this proposal.

* * *

We appreciate the Commission's consideration of the issues raised above in connection with FINRA's proposal. We remain eager to provide further input should the Commission, the Staff, or FINRA wish to discuss any of these issues at greater length.

Yours sincerely,



William White
Head of Electronic Trading
Barclays Capital Inc.