

# FINANCIAL INFORMATION FORUM

5 Hanover Square  
New York, New York 10004

212-422-8568

## Via Electronic Delivery

August 28, 2018

Mr. David Shillman  
Associate Director, Division of Trading and Markets  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

*Re: Planned Sunset Date of the Tick Size Pilot Program – Proposed September 28 Termination Date*

Dear Mr. Shillman,

On behalf of Financial Information Forum (“FIF”)<sup>1</sup> Industry Members (for the purposes of this letter, referred to as “FIF members” or “members”), FIF is submitting comments on the expected Tick Size Pilot termination date. The comments herein are intended to offer support for a September 28, 2018 termination date to allow broker-dealers and vendors additional time (*i.e.* two full days prior to the resumption of trading activity on Monday) to revert their trading systems to their pre-pilot environment prior to the resumption of trading activity.

### ***Proposed Termination Date***

Pursuant to the NMS Plan, the Tick Size Pilot is scheduled to sunset on October 3, 2018.<sup>2</sup> FIF understands that the Commission is considering amending the scheduled termination date to Friday, September 28, 2018 to allow Industry Members additional time to make the required systems changes to migrate their trading systems back to their pre-pilot mode (*i.e.* placing all Tick Size Pilot Securities into the ‘control group’). In FIF’s view, terminating the Tick Size Pilot Program at the end of the trading day on Friday, September 28, 2018 will provide adequate lead time (*i.e.* 65 hours) for Industry Members to test their systems and ensure that any impact resulting due to the migration to pre-pilot trading behavior will be minimized or eliminated prior to market open on Monday, October 2.

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<sup>1</sup> FIF ([www.fif.com](http://www.fif.com)) was formed in 1996 to provide a centralized source of information on the implementation issues that impact the securities 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.

<sup>2</sup> SEC Release No 34-74892 (“The Commission.... Is approving a Pilot Period of two years in this order. Any proposal to extend the Tick Size Pilot beyond the two-year term would be considered and evaluated at a later date”).

***Issuance of Adequate Notice and Guidance***

FIF emphasizes that upon the Commission’s final decision on the termination date of the Tick Size Pilot Program, adequate notice be provided to Industry Members as expeditiously as possible. As FIF previously noted in our [July 31, 2018 comments](#)<sup>3</sup>, Industry members need sufficient notice of the planned termination date and associated guidance to adequately decommission Pilot-specific reporting protocols (*i.e.* FINRA’s OATS reporting, changes to FINRA’s Retail Investor Order Exception). Additionally, FIF notes that as with any required change to trading systems and regulatory reporting infrastructures, Industry Members require adequate notice to plan for and properly allocate resources to sufficiently implement technology changes in a manner that is minimally evasive to their trading activity.

***Summary***

FIF wishes to thank the Commission for their consideration of the Friday, September 28<sup>th</sup> planned Pilot termination date in lieu of the October 3 planned termination date. In FIF’s view, the earlier termination date will allow for a more fulsome opportunity for the Industry to migrate to the pre-Pilot trading environment with minimal impact on trading activity.

FIF welcomes the opportunity to further discuss the proposed September 28<sup>th</sup>, 2018 Pilot termination date at your convenience.

Sincerely,



Christopher Bok, Esq.  
Financial Information Forum

CC:

- Mr. Brett Redfearn, Director, Division of Trading and Markets, SEC
- Ms. Stephanie Dumont, Senior Vice President and Director of Capital Markets Policy, FINRA

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<sup>3</sup> See letter from Christopher Bok, FIF to David Shillman, Associate Director, SEC, *Planned Sunset of the Tick Size Pilot Program, Pursuant to NMS Rule 608* (July 31, 2018).