

FINANCIAL INFORMATION FORUM

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March 1, 2019

Tyler Raimo
Senior Special Counsel
Division of Trading and Markets
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: FIF Comments on Regulation of NMS Stock Alternative Trading Systems

Dear Mr. Raimo,

On behalf of the members of the Financial Information Forum's ("FIF")¹ Reg ATS-N Subgroup ("Working Group"), FIF would like to thank the Securities and Exchange Commission ("SEC" or "Commission") for the opportunity to provide feedback on Reg ATS-N disclosure requirements. FIF believes that the recommendations highlighted in this letter should be considered by Commission Staff to help facilitate a more efficient and streamlined Reg ATS-N submission process as well as provide the Commission and the general public with additional detail concerning the operation of ATSs.

Form ATS-N Disclosure and Reporting Process

Reg ATS-N requires registered broker-dealers operating an NMS Stock ATS to publicly post Form ATS-N filings on the Commission's website through the Commission's EDGAR system. While FIF believes that the EDGAR system provides ATSs with an efficient process to submit Reg ATS-N filings directly to the SEC, several updates should be considered by the Commission. Specifically, FIF recommends the following²:

- Currently, the EDGAR system requires ATSs to submit disclosures in narrative form without an obvious ability to format the response with headings, separate paragraphs, or other ways to make the disclosures easier for the public to read. FIF believes that in certain circumstances, disclosure information provided in a strict narrative form may not accurately reflect the information that the ATS intended to convey and may prove unwieldy and unhelpful for investors attempting to learn how a particular ATS operates. Additionally, the current form does not allow ATSs to properly space wording/delineate between paragraphs, which often results in difficult-to-read responses. Therefore, FIF recommends that the Commission consider allowing ATSs to submit disclosure information in other formats when applicable (*i.e.* bullets, tables, charts, etc.). Furthermore, FIF recommends that the Commission allow ATSs the option of submitting an addendum to provide the Commission with additional information when

¹ FIF (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.

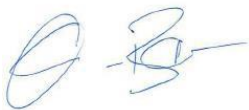
² FIF's recommended enhancements are listed by order of importance as identified by FIF Member ATSs.

- applicable;
- The EDGAR text interface limits ATS' ability to paste certain fields and symbols (*i.e.* quotation marks, hyphens, bullet points) that are necessary to provide the Commission with all disclosure information in a streamlined and easily digestible manner;
 - ATSs request that subsequent versions of Form ATS-N allow an effective "cutting and pasting" option. Currently, several ATSs provide Reg ATS-N disclosures based upon information contained within internal procedure documents. Allowing ATSs to readily cut and paste from internal documents will alleviate potential transcriptional errors;
 - Form ATS includes several fields in which the ATS is required to answer 1) yes or 2) no. ATSs believe that not all of the questions contained in Form ATS-N could be answered via a yes or no answer without further explanation. To allow ATSs to provide further context/information to the Commission, FIF recommends that subsequent versions of Reg ATS-N include a "comment" field regardless of whether the answer is yes or no. FIF further recommends that an answer of "Not applicable" or "N/A" be permitted;
 - Form Reg ATS-N requires ATSs to provide publicly available information as part of their disclosure. To avoid repetition, FIF recommends that ATSs be permitted to reference and link prior disclosure of public information (*i.e.* FINRA's BrokerCheck);
 - ATSs identified several questions that appear to be repetitive. FIF recommends that where possible, Form ATS-N questions be consolidated where possible. Furthermore, FIF recommends that EDGAR allow ATSs to reference previous responses that adequately answer subsequent questions;
 - Some ATSs experienced challenges with uploading PDFs that did not comport with certain versions of Adobe. FIF recommends that the Commission provide clear guidance regarding what version of Adobe the EDGAR system can accept or in the alternative broaden the number of acceptable attachment formats that EDGAR can accept.

Conclusion

FIF wishes to thank the Commission for considering the aforementioned recommendations on improving the Reg ATS-N disclosure submission process. We believe that our recommendations will provide ATSs subject to the rule with a more efficient means by which to submit their disclosures to the Commission, while also providing an opportunity for ATSs to provide additional detail to the Commission/public. FIF looks forward to further discussion with the Commission regarding the recommendations raised in this letter and welcomes the opportunity to provide additional information.

Regards,



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Director
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