

# FIA PTG

## PRINCIPAL TRADERS GROUP

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March 8, 2023

Jennifer Piorko Mitchell  
Office of the Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington, DC 20006-1506

Re: Regulatory Notice 15-13: Trading Activity Fee (TAF), May 5, 2015

Dear Ms. Mitchell:

The FIA Principal Traders Group (“FIA PTG”)<sup>1</sup> appreciates the opportunity to comment in response to the renewed Request for Comments on the Financial Industry Regulatory Authority, Inc. (“FINRA”) proposal to exempt from the Trading Activity Fee (“TAF”), transactions executed by proprietary trading firms (“PTFs”) on an exchange of which the firm is a member (the “Proposal”).<sup>2</sup> FIA PTG supports the Proposal.

On July 29, 2022, the Securities and Exchange Commission (the “Commission”) re-proposed amendments to Rule 15b9-1 (the “Amendments”)<sup>3</sup> that would effectively require PTFs registered as broker dealers, like many FIA PTG members, that engage in any trading activity other than on national securities exchanges on which they are members to become members of FINRA (as the sole National Securities Association). Adopting the Amendments without a conforming change to the FINRA TAF structure will have significant financial ramifications for most FIA PTG members.

FIA PTG agrees with both FINRA<sup>4</sup> and the Commission<sup>5</sup> who have acknowledged the potentially significant monetary impact of applying the current TAF structure to PTF broker dealers that

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<sup>1</sup> FIA PTG is an association of firms, many of whom are broker-dealers, who trade their own capital on exchanges in futures, options and equities markets worldwide. FIA PTG members engage in manual, automated and hybrid methods of trading, and they are active in a wide variety of asset classes, including equities, fixed income, foreign exchange and commodities. FIA PTG member firms serve as a critical source of liquidity, allowing those who use the markets, including individual investors, to manage their risks and invest effectively. The presence of competitive professional traders contributing to price discovery and the provision of liquidity is a hallmark of well-functioning markets. FIA PTG advocates for open access to markets, transparency and data-driven policy.

<sup>2</sup> See [FINRA Regulatory Notice 15-13, Trading Activity Fee, May 5, 2015](#).

<sup>3</sup> See [Exemption for Certain Exchange Members, July 29, 2022](#) – Release No.34-95388; File. No. S7-05-15.

<sup>4</sup> See *supra* note 2, at 3.

<sup>5</sup> See *supra* note 3, at 137.

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become FINRA members. We concur it “could result in a significant TAF obligation for these ... firms that may be disproportionate to FINRA’s anticipated costs associated with the financial monitoring and trading surveillance of these firms...”<sup>6</sup> FIA PTG appreciates FINRA’s acknowledgement of the significantly lower cost of performing oversight of proprietary trading member firms that do not engage in customer business.

It is important that FINRA provide for the equitable allocation of reasonable dues, fees, and other charges among members and must ensure regulatory fees are assessed in line with its actual cost of regulating its members. Accordingly, FIA PTG supports the Proposal and related modification to TAF for proprietary trading firms. Finally, should the Amendments be adopted by the Commission, FIA PTG requests that FINRA move quickly thereafter to implement the Proposal to encourage firms to apply for membership more quickly rather than waiting until the end of the implementation period.

If you have any questions or need more information, please contact Joanna Mallers ([jmallers@fia.org](mailto:jmallers@fia.org)).

Respectfully,

FIA Principal Traders Group



Joanna Mallers  
Secretary

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<sup>6</sup> See *supra* note 2, at 3.