

# FIA PTG

## PRINCIPAL TRADERS GROUP

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July 26, 2024

Vanessa Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Re: File No. 10-242; Application of 24X National Exchange LLC for Registration as a National Securities Exchange

Dear Ms. Countryman:

The FIA Principal Traders Group (“FIA PTG”)<sup>1</sup> appreciates the opportunity to submit this letter to the Securities and Exchange Commission (“SEC” or the “Commission”) in response to the above-referenced Application of 24X National Exchange (the “Application”).<sup>2</sup> The 24X National Exchange (“24X”) seeks to offer the trading of certain securities 23 hours per day, seven days per week, with a few exceptions.<sup>3</sup> While we are generally supportive of innovation and being responsive to the demands of the marketplace, the Application has significant implications for the regulatory, technological, and operational underpinnings of the equity securities markets and will result in significant costs for the industry broadly, all of which must be considered in connection with the Application. Moreover, if the Commission ultimately agrees that 24x7 trading is in the interest of investors and the markets, the Commission must ensure the appropriate infrastructure and rules are in place to support such a change. In this instance FIA PTG believes that such a significant expansion of trading hours by a regulated exchange raises a number of concerns and calls for appropriate industry discussion and analysis that go beyond the scope of this Application. Accordingly, we urge the Commission to withhold making any decision on the Application until such broader market engagement has taken place.

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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> <https://www.sec.gov/files/rules/other/2024/34-99614.pdf>.

<sup>3</sup> [Addendum E-1 24X National Exchange User Manual](#) at 4.

FIA PTG shares many of the concerns voiced by the Securities Industry and Financial Markets Association (“SIFMA”) in their June 27, 2024, comment letter.<sup>4</sup> We specifically concur with the questions SIFMA raises regarding both the SIPs and the TRFs, and the potential degradation of price transparency if exchange traded markets are open when these reporting facilities are closed. As market makers, FIA PTG members have a heightened concern about potential execution quality issues that could arise under the proposed scenario, as well as the potential challenges in satisfying their best execution obligations.

FIA PTG also concurs with SIFMA on the risks created by an exchange introducing their own unique price bands different from the limit-up limit-down bands used across the marketplace during regular market hours. How can we ensure that the exchange-introduced price bands are sufficient to protect the integrity of the markets? Will market participants be able to manage the complexity introduced by introducing different bands on certain venues during certain hours? These are just a couple of the many questions this concept raises, that warrant further discussion.

Finally, FIA PTG shares the cost concerns raised by SIFMA. It is essential that the Commission includes a thorough evaluation of the costs that near 24/7 trading will impose across the industry. This potentially significant market structure change will not be cheap. These costs must not be foisted on to an industry that is already laboring under the weight of several costly implementations, including the Consolidated Audit Trail, expanded FINRA membership requirements, and expanded reporting requirements, just to name a few.

FIA PTG encourages the Commission to confer with the industry through roundtables and other open forums before making a determination on this Application. We believe these novel issues are best addressed through thoughtful policy and rulemaking rather than through one-off exemptions. The decision to significantly extend the trading hours of a regulated exchange is a significant one and should not be made without thorough analysis and a detailed implementation plan.

If you have any questions, please do not hesitate to contact Joanna Mallers at [jmallers@fia.org](mailto:jmallers@fia.org).

Respectfully,

FIA Principal Traders Group



Joanna Mallers  
Secretary

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<sup>4</sup> <https://www.sec.gov/comments/10-242/10242-485831-1388714.pdf>.

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cc: Gary Gensler, Chair  
Hester M. Peirce, Commissioner  
Caroline A. Crenshaw, Commissioner  
Mark T. Uyeda, Commissioner  
Jaime Lizárraga, Commissioner