



**FIA Principal Traders Group**  
2001 Pennsylvania Avenue NW  
Suite 600 | Washington, DC 20006

T 202 466 5460  
F 202 296 3184

[ptg.fia.org](http://ptg.fia.org)

March 3, 2016

Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-0609

Re: Release No. 34-75925; File No. 10-222  
Investors' Exchange, LLC; Notice of Filing of Application, as Amended, for  
Registration as a National Securities Exchange under Section 6 of the Securities  
Exchange Act of 1934

Dear Mr. Fields:

The FIA Principal Traders Group (“FIA PTG”)<sup>1</sup> appreciates the opportunity to further comment on Investors’ Exchange, LLC’s (“IEX” or the “Exchange”) application for registration as a National Securities Exchange (“Application”).<sup>2</sup> In our original letter dated November 6, 2015, we expressed concerns about (1) IEX’s proposal to give protected status to its quotations despite their being subject to an intentional delay, (2) the introduction of pegged order types with a speed advantage over other order types, and (3) IEX’s affiliated broker-dealer not being subject to the access delay in the same way as other non-affiliated broker-dealers.<sup>3</sup>

---

<sup>1</sup> FIA PTG is an association of more than 20 firms that 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 and has previously made recommendations about a variety of equity market structure issues, including Regulation NMS (See <https://ptg.fia.org/keywords/equity-market-structure>).

<sup>2</sup> <https://www.sec.gov/rules/other/2015/investors-exchange-form-1.htm>

<sup>3</sup> <https://www.sec.gov/comments/10-222/10222-18.pdf>

Brent J. Fields, U.S. Securities and Exchange Commission

March 3, 2016

Page 2

It appears that, in its recent amendment, IEX addressed the third concern about fair access.<sup>4</sup> We were pleased to see that IEX responded positively to the concerns about its attempt to provide latency advantages to its affiliated broker-dealer.

IEX has not, however, done anything to address FIA PTG's other two concerns. Specifically, IEX's intentional access delay still does not comply with Rule 611 of Regulation NMS, and as such, these purposely delayed quotes should not be protected. In addition, as described in our previous letter, IEX should not be permitted to give hidden pegged orders a speed advantage over other order types, including displayed quotations.

FIA PTG respectfully urges the Commission not to approve the IEX application until IEX resolves these two remaining concerns. We further urge the Commission to re-open the comment period in light of the recent IEX amendment to afford the public adequate opportunity to review and provide feedback on IEX's proposed changes. Moreover, any change to the protected quotation status requirements of Regulation NMS should, of course, only occur after a full notice and comment period.

If you have any questions about these comments, or if we can provide further information, please do not hesitate to contact Mary Ann Burns ([maburns@fia.org](mailto:maburns@fia.org)).

Respectfully,

FIA Principal Traders Group



Mary Ann Burns  
Chief Operating Officer  
FIA

cc: Mary Jo White, Chairwoman  
Kara M. Stein, Commissioner  
Michael S. Piwowar, Commissioner  
Stephen Luparello, Director, Division of Trading & Markets

---

<sup>4</sup> See Letter to Brent J. Fields, Secretary, Securities and Exchange Commission, from Sophia Lee, General Counsel, IEX (Feb. 29, 2016).