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March 1, 2021

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

Re: File Number S7-12-20: Regulation ATS for ATSS That Trade U.S. Government Securities, NMS Stock, and Other Securities; Regulation SCI for ATSS That Trade U.S. Treasury Securities and Agency Securities; and Electronic Corporate Bond and Municipal Securities Markets

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 proposed Regulation ATS for ATSS That Trade U.S. Government Securities, NMS Stock, and Other Securities; Regulation SCI for ATSS That Trade U.S. Treasury Securities and Agency Securities; and Electronic Corporate Bond and Municipal Securities Markets (the “Proposal”). As referenced in the Proposal, principal trading firms (“PTFs”) are significant participants in the Government Securities markets and subscribers to Government Securities alternative trading systems (“ATSS”). As an association of PTFs, FIA PTG is supportive of the Proposal’s efforts to increase transparency, access and the resiliency of the Government Securities marketplace and urges the Commission to move forward with finalization and implementation.

**Applying Reg ATS to Government Securities ATSS that meet certain volume thresholds would increase public operational transparency regarding conflicts of interest, order types and fees.** Through the use of proposed Form ATS-G, Government Securities ATSS would be required to, among other things: provide greater public disclosure on the operation of these ATSS,

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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 and has previously made recommendations about a variety of equity market structure issues, including Regulation NMS.

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including how orders are handled, matched and executed; provide information necessary to assess potential conflicts of interest between the broker-dealer operator and its affiliates; provide information on the type(s) of subscribers that can use the ATS; disclose information about order segmentation; and provide information on order designation, i.e., can an order be designated to interact or not interact with certain orders or trading.

**Requiring Government Securities ATSs that meet certain volume thresholds to comply with the Fair Access Rule will ensure that qualified market participants have access to the U.S. Government Securities market.** Compliance with the Fair Access Rule will require Government Securities ATSs to maintain reasonable written standards for granting access to trading on their system and prohibit unreasonably discriminatory denials of access to services offered by the ATSs.

**Multilateral U.S. Government Securities trading platforms should be held to the same regulatory standards.** FIA PTG supports standardization and harmonization of regulatory requirements across multilateral Government Securities trading platforms – including Request for Quote (RFQ) platforms. FIA PTG agrees with the SEC Fixed Income Market Structure Advisory Committee (“FIMSAC”) that disparate regulatory treatment across trading platforms impacts market efficiency and competition and introduces potential resiliency risks. Therefore, we recommend that the Commission update the definition of an ATS before finalizing the Proposal.

Thank you for your consideration of these comments. If you have any questions or need more information, please contact Joanna Mallers (██████████).

Respectfully,

FIA Principal Traders Group



Joanna Mallers  
Secretary

cc: Allison H. Lee, Acting Chair  
Hester M. Peirce, Commissioner  
Elad L. Roisman, Commissioner  
Caroline A. Crenshaw, Commissioner