



**FIA PTG Statement on Flash Boys
March 30, 2014**

The FIA Principal Traders Group issued the following statement in anticipation of the release of "Flash Boys", a book by Michael Lewis that describes some of the recent developments in electronic trading and market structure in the U.S. equity markets:

We have great respect for the author's ability to describe complex aspects of our financial system in a lively and entertaining style. It is our understanding that this book takes a critical perspective on certain trading activities commonly known as high-frequency trading. This is certainly a timely subject, and we hope that the book will draw attention to the dramatic changes in trading technology that have occurred in U.S. equity markets as well as many other markets worldwide.

Our general view on HFT is that the term covers a number of technological tools that can be used to implement many common types of trading strategies. We believe that the use of these tools has contributed to substantial improvements in market quality that have benefitted all investors. We also recognize that the rapid pace of change in the equity markets and the complexity of modern trading technology have caused considerable confusion and suspicion among investors, and we strongly support all efforts to promote better understanding of modern markets.

We also strongly support efforts to further improve the quality, safety and integrity of markets, and to that end we have initiated a number of efforts, both public and private, to provide regulators with numerous suggestions for practical reforms. Our association also has authored several reports aimed at sharing best practices for managing the risks of automated trading, and we are pleased to see that many of our suggestions are now being put into practice by other market participants and endorsed by regulators.

It is also our understanding that the book discusses a newly formed trading venue called IEX Group. We welcome experimentation in market design such as that at IEX, but we believe that any trading venue will have difficulty meeting the needs of investors without the liquidity and price discovery provided by professional traders such as our members.

Going forward, we urge regulators to conduct a thorough and comprehensive examination of all aspects of market structure. This examination should be based on empirical data and analysis, and we applaud the Securities and Exchange Commission's initiative to publish comprehensive data on orders and trades through its MIDAS website. We also urge regulators to consider both the positive and negative effects that regulation has had in creating the current market structure. We stand ready to participate in this conversation and we look forward to reading "Flash Boys."

About FIA PTG

The FIA Principal Traders Group is composed of firms that trade their own capital on the global exchange-traded markets. FIA PTG members engage in manual, automated, and hybrid methods of trading and are active in a variety of asset classes such as equities, foreign exchange, commodities, and fixed income. FIA PTG member firms serve as a critical source of liquidity, allowing those who use the markets to invest their capital and manage their risks effectively by entering and exiting markets efficiently. For further information please visit <http://www.fia.org/ptg/> or contact us at press@fia-ptg.org or +1 202 391-0226