



**Principal Traders
Group**

FIA Principal Traders Group 2010 Recap

MISSION

The mission of the Principal Traders Group is to:

- Provide a forum for proprietary trading groups to identify and discuss issues confronting the PTG community;
- Define common positions on public policy issues and advance the group's collective interests through the FIA;
- Improve public understanding of the constructive role played by proprietary trading groups in the exchange-traded derivatives markets; and
- Promote cost-effective, transparent access to U.S. and non-U.S. markets.

TOP ISSUES

Top Issues List - 2010

1. Swap Dealer and major swap participant definitions
2. Taxes – both transaction and 60/40
3. Position Limits
4. DMA
5. Equal access to centrally cleared OTC markets
6. Communication/Education

ACTIONS

PTG Actions – 2010 Highlights

In addition to participating in meetings, calls and task forces with members of Treasury, Congress, Federal Reserve and Regulators, here is a list of some of the accomplishments of the group since its creation in January 2010:

- Drafted Mission Statement
- Created and prioritized Top Issues List
- Approved 27 Member Firms with two additional member firms pending approval at January Parent Board meeting
- Created Communications Subcommittee
- Worked with FIA Washington to create PTG page on FIA website:
<http://www.futuresindustry.org/ptg/>
- Hired Jim Overdahl as group spokesperson to lead communications with the press
- Contributed to FIA Washington's comment letter on CFTC Position Limits Proposal
- Contributed to FIA Washington's comment letter on SEC Market Access Rule
- Contributed to FIA Washington's comment letter on CFTC Co-Location Proposal
- Contributed to FIA Washington's comment letter on Swap Definitions

ACTIONS *(continued)*

- Discussed and prioritized CFTC Rulemakings – created subcommittees to address the highest priorities:
 - > Capital & Margin for Non-Banks;
 - > Governance & Possible Limits on Ownership & Control – contributed to FIA Washington’s comment letter;
 - > Swap Data Repositories, Recordkeeping & Real Time Reporting;
 - > Anti-Manipulation & Disruptive Trading Practices – working with FIA Washington on comment letter;
 - > Position Limits – contributed to FIA Washington’s pre-rulemaking comment letter.
- Issued Press Release on Joint CFTC-SEC Staff Report on the Events of May 6 (Flash Crash).
- Created and released white paper “Recommendations for Risk Controls for Trading Firms” on November 4, 2010: http://www.futuresindustry.org/downloads/Trading_Best_Practices.pdf
- Participated on FIA Washington Direct Market Access Best Practices Committee which published white paper on “Market Access Risk Management Recommendations” on April 27, 2010: [http://www.futuresindustry.org/downloads/FIA-Mkt_Access_Risk_Mgmt\(LR\).pdf](http://www.futuresindustry.org/downloads/FIA-Mkt_Access_Risk_Mgmt(LR).pdf)

INTERVIEWS & ARTICLES

Sample Interviews

- <http://www.cnbc.com/id/15840232/?video=1592961578&play=1>
- <http://hft.thomsonreuters.com/2010/10/04/new-cftc-rules-will-let-capital-flourish-ex-cftc-official/>

Sample Articles

- <http://www.reuters.com/article/idUSTRE68253U20100903>
- <http://www.ft.com/cms/s/0/02b2a520-ae19-11df-bb55-00144feabdc0.html#axzz16PSjFZs7>
- <http://www.ft.com/cms/s/0/e2497c20-9453-11df-be4d-00144feab49a.html#axzz16PSrJmN>
- <http://www.forbes.com/2010/08/17/high-frequency-traders-rebranding-personal-finance-principal-traders.html>
- <http://www.foxbusiness.com/markets/2010/10/01/high-frequency-traders-seen-exonerated-flash-crash-report/>

TOP ISSUES IN 2011

Proposed Top Issues List - 2011

- Equal access to centrally cleared OTC markets
- Work with CFTC on rules to clarify disruptive trading practices
- Rulemaking for defining and establishing requirements for swap dealers
- Tax policies which impact PTGs
- Communication/Education on current market issues, such as DMA