



Virtu Financial

900 3rd Avenue, 29th Floor
New York, New York 10022
Tel: (212) 418-0100
Fax: (212) 418-0123

November 29, 2016

Mr. Christopher Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Supplemental Notice of Proposed Rulemaking for Regulation
Automated Trading (“Regulation AT”), RIN 3038-AD52

Dear Mr. Kirkpatrick:

Virtu Financial, Inc. (together with its affiliates, “Virtu” or “we”) is submitting this letter to share our views with the Commodity Futures Trading Commission (the “Commission”) regarding the Supplemental Notice of Proposed Rulemaking for Regulation AT (“Supplemental NPRM”).

By way of background, Virtu is a leading technology-enabled market-maker and liquidity provider to the global financial markets, operating from offices in New York, Austin, Singapore and Dublin. Virtu acts as a registered market-maker across numerous exchanges and asset classes, is a direct member of most recognized futures exchanges in the United States and around the globe, and, through its subsidiary, is registered as a Floor Trader with the Commission and the National Futures Association.

Virtu generally supports mandated multi-layer risk controls and the proposed rule requiring Automated Traders to implement policies and procedures regarding the development and testing of their algorithmic trading systems. We believe that robust processes around development and change management are integral to ensuring that automated trading strategies behave as intended and avoid causing disruption to the futures markets. We also have expressed our support for the requirement to maintain a source code repository.

In the Supplemental NPRM, the Commission proposes to access an AT Person's¹ source code through a subpoena or via a "special call," a procedural step that is authorized by the Commission itself and executed by the Director of the Division of Market Oversight ("DMO"). According to the Commission, this change is in recognition of "the potential need for DMO to review source code, such as in association with unusual trading events or market disruptions." The Algorithmic Trading Source Code, according to the Supplemental NPRM, includes "at a minimum, computer code, logic embedded in electronic circuits, scripts, parameters input into an Algorithmic Trading System, formulas, and configuration files."

Virtu, like many other AT Persons, has invested countless human and other resources into developing and refining its extensive technological infrastructure globally and the associated market making and other trading strategies that utilize this proprietary infrastructure, and have taken significant measures to protect the confidentiality, and to limit the dissemination, of the software embodying such strategies.

We are opposed to any rule which would inhibit a market participant's ability to protect its intellectual property and believe that such access through a "special call" could undermine the substantial efforts made by participants to maintain the confidentiality of the intellectual property. As we noted in our comment letter dated December 28, 2015, our technology and market making strategies are not merely historical records, but reflect the present and future investment and or execution intentions of Virtu.

We do not believe the Commission's proposal to require the provision of source code absent a subpoena to be consistent with supporting transparent, fair and regulated markets.

We once again ask the Commission to avoid adoption or promulgation of rules which would grant the Commission or any other governmental authority inspection rights over a market participant's source code repository absent a subpoena.

Respectfully,



Douglas A. Cifu
Chief Executive Officer
Virtu Financial

¹ A term defined in § 1.3(xxxx) of the Supplemental NPRM.