Quantitative and Algorithmic Trading

Businesses that deploy quantitative and algorithmic trading strategies face an array of legal issues as complex as the equations they create. Katten is a world leader in advising hedge funds and asset managers, proprietary trading firms, and other market participants that deploy these strategies to reshape markets and change investor expectations.

A one-stop resource for diverse issues distinct to the industry

Our team has been at the forefront of this industry since its inception. For decades, we have served as counsel to some of the world's largest quant funds and most of the industry's major proprietary trading firms, including the early pioneers of these strategies. We understand the full panoply of factors that impact algorithmic and high-speed trading success, including the flood of new and proposed regulations globally, the competition for technology and talent, the importance of intellectual property protection and data security, and the effects of trading errors and system malfunctions. We guide clients that use quantitative and algorithmic methods through the full scope of issues vital to their business, including corporate and transactional, regulatory and compliance, litigation and enforcement, tax, technology and cybersecurity, and employment, among others. Our integrated, 360-degree approach allows us to recognize potential issues before they become problems and to develop commercially practical solutions.

At the center of trading innovation

Our Chicago roots, strong presence in worldwide financial capitals and in-house experience at global financial firms have put us on the front lines of trading innovation and related issues. We advise on matters related to volatility and to quantitative, algorithmic, black box, grey box and other alternative and emerging trading strategies. We work with businesses to implement appropriate development, network, surveillance, maintenance and co-location services, other mission-critical technologies and technology services, and data protection practices and policies. We have substantial experience in drafting and negotiating agreements for low-latency network services employing a myriad of cutting-edge technologies, including dark fiber optic, short wave and microwave technologies. Because our practical knowledge is comprehensive, clients never waste time explaining the basics of their business to us.

Key Contacts



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Navigating the global regimes

Our US attorneys and those in China and the UK advise hedge funds and proprietary trading firms on establishing trading offices around the globe, including structuring operations, navigating tax regimes, obtaining requisite licenses, advising on regulatory regimes and addressing our clients' intellectual property and technology-related needs abroad. Clients call on us to provide insight and advice on evolving and complicated US and international regulations, including EU initiatives such as the Market Abuse Regulation, the Alternative Investment Fund Managers Directive and the Markets in Financial Instruments Directive II, as well as the developments surrounding Brexit and its potential impact on clients' businesses. We understand the structure, risk and regulatory context of the financial products that our clients trade, and we advise clients routinely on trading activities before they occur, in real time, and after the fact. We also have significant experience navigating complex regulatory issues that arise in high-volume, side-by-side trading between quant managers, funds and proprietary trading firms. Our attorneys have held senior positions at the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Commodity Futures Trading Commission, the Department of Justice and major US exchanges. By combining our industry and regulatory knowledge with our commercial perspective, we partner with our clients to help achieve business goals while managing risk.

Recognitions

Recognized or listed in the following:

- *Best Law Firms*
  - Derivatives and Futures Law
    - National, 2011–2024
    - Chicago, 2011–2024
    - New York City, 2019–2021
- *BTI Litigation Outlook*
  - Securities and Finance Litigation Honor Roll, 2018
- *Chambers Global*
  - Derivatives, USA, 2015–2026
  - Hedge Funds, USA, 2022–2026
- *Chambers USA*
  - Derivatives
    - Nationwide, 2014–2026
  - Hedge Funds

- Nationwide, 2016–2019, 2021-2026
- *The Legal 500 United Kingdom*
  - Financial Services (Non–Contentious/Regulatory), 2013–2027
    Derivatives and Structured Products, 2016–2027
- *The Legal 500 United States*
  - Alternative/Hedge Funds, 2013–2026
  - Financial Services Litigation, 2016–2026