Reuters Talks Trading in Dark Pools With Nathaniel Lalone

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Financial Services partner Nathaniel Lalone was interviewed by Reuters on persistent "dark" trading by European equity traders in spite of regulatory efforts to create greater transparency through the revised Markets in Financial Instruments Directive (MiFID II). One criticism is that MiFID II was not sophisticated enough to handle the nuances of the market, particularly in the area of double volume caps for dark pool trading. Nate noted that investors switching in and out of the dark pools as those limits are imposed and lifted creates market "whiplash." He added, "If it becomes clear the system as it was intended isn't working, then they [the regulators] have to stop it. The aim might be right, but the lived reality might not be." He suggests that the European Commission could extend the timeout period for banned stocks as a potential deterrent. "Absent the push to have trading on non-dark mechanisms, people fall back into old habits."

The Reuters article appeared in *The New York Times*, *London South East*, and *MarketScreener* by 4-traders.com. ("Old Habits Die Hard: European Equity Traders Still Prefer the Dark, Defy MiFID," November 28, 2018)

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