

TIO02 FAQs

1. If one trades MFT or LFT beyond a 1-second time frame or a 1-minute timeframe, is it advisable to spend hefty money on infrastructure or colocation?

If the performance of your strategy does not get impacted by the addition of a few milliseconds in latency, colocation may not be a necessary requirement for your strategy.

2. When the broker says live market data, what is the kind of data the gives?

Most brokers provide snapshot data. If you are looking for TBT data, you must ask the broker specifically for TBT data, as it is not likely to be the default case.

3. What sort of historical data access do brokers provide? is it membership-based? how much would it typically cost?

Brokers usually provide standard OHLCV data for various markets they operate in across assets. Generally, they are subscription-based. The cost depends on factors like asset, duration and market for which you require the data.

4. Am I dependent on the broker's data quality/latency if I will be submitting my trades through a single broker?

Yes, your data quality/latency would depend on the quality of your source. If your strategy is latency-sensitive, it may be advisable that you source data directly from the exchange.

5. What kind of liability comes on to owners when it is a proprietary firm?

It is a function of whether the entity is a limited liability or not. In a proprietorship or partnership, the liability may be unlimited. In the case of a Limited Liability Partnership (LLP) or Limited Liability Company (or Private Limited Company or Limited Company), the liability is limited unless you give any undertaking for unlimited liability.

6. What kind of delay can you expect when a retail trader gets market data for some script in comparison to a prop system with colocation?

Latency would be quite high if you are taking the market data through the internet as opposed to being present in colocation. In a colocation facility, you should be able to get data within less than a millisecond or rather a few 100 microseconds in most of the cases. From the internet, it can take a few milliseconds to a few hundred milliseconds.

7. What is an option for a single founding member, to create a limited liability company?

In this case, you can opt for One person company (OPC) if the regulations in your geography allow for that or you can operate as a Proprietorship.