



February 26, 2024

VIA ELECTRONIC SUBMISSION

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: File No. 4-757; Securities Exchange Act Release No. 34-9827 – Joint Industry Plan; Notice of Filing of a National Market System Plan Regarding Consolidated Equity Market Data.

Dear Ms. Countryman,

Polygon.io, Inc. (“Polygon”) respectfully submits this letter to the U.S. Securities and Exchange Commission (the “Commission”) to comment on the above-referenced proposed new single national market system (“NMS”) plan (the “Plan”) governing the dissemination of consolidated real-time equity market data for NMS stocks (“Consolidated Data”) to replace the three existing equity market data plans (the “Existing Plans”), which was submitted by the national securities exchanges and the Financial Industry Regulatory Authority (“FINRA”) (each an “SRO,” and collectively, the “SROs”) as required by the Commission's Amended Order.¹

Polygon’s primary business is the operation of a financial market data platform. Polygon provides individuals and businesses easy access to historical, delayed, and real-time financial market data through modern, developer-friendly technology. Polygon’s mission is to help developers build the future of finance by democratizing access to financial market data and bridging the gap between financial technology and traditional technology. As a vendor of Consolidated Data, Polygon has a significant interest in the governance of the dissemination of Consolidated Data.

Polygon supports the Commission’s advances to reform the dissemination of the Consolidated Data. Polygon is encouraged by the efforts not simply to try to harmonize the policies of the Existing Plans but rather to streamline them into one. In theory, this should result in efficiencies through reduced complexity and reduced administrative burdens of complying with multiple frameworks, resulting in increased administrative costs and frustrated end consumers.

However, synergies alone will not be enough to modernize the governance of Consolidated Data and meet the needs of today’s market participants. The data policies, fee schedules, and processes must be improved. Many industry participants have opined over the years, if not decades, on what is wrong with the data policies, fee schedules, and compliance frameworks in place today under the Existing Plans. Except for the fact that the yet-to-be-chosen administrator of the plan will be independent and without its own data product that competes with the Consolidated Data product, the Plan’s Operating Committee and the Advisory Committee responsible for the development of the policies, fees, and processes of the Plan will likely be similar to the existing Operating Committee and the Advisory Committee, the members of which

¹ See Securities Exchange Act Release No. 99403 (January 19, 2024), File No. 4-757 (“Joint Industry Plan; Notice of Filing of a National Market System Plan Regarding Consolidated Equity Market Data”); See also Securities Exchange Act Release No. 98271 (September 1, 2023), 88 FR 61630 (September 7, 2023) (“Amended Order Directing the Exchange and the Financial Industry Regulatory Authority, Inc., to File a National Market System Plan Regarding Consolidated Equity Market Data) (hereinafter, the “Amended Order”).



do compete against the Consolidated Data product with their proprietary data products. There is no demonstration in the Plan or the workstreams that the undertaking contemplated by the Plan will result in an overall improved upon and less expensive Consolidated Data offering that is fair and reasonable to the end consumer and can compete with the proprietary exchange data products that the same SROs sell. Absent this, the current structure of the Plan seems like a recipe to maintain the governance and the administration of Consolidated Data that exists today with the same ultimate and inherent conflicts of interest, the same amount of market data, the same prohibitive fee structure, the same dated, unclear definitions, the same policies updated at will with no formal notice or comment periods, and the same closed-door meetings only now everything is rolled into one.

Through the implementation of the Plan, there must be greater transparency in the various stages of the workstreams and alternative views considered. The SROs must not be insensitive to how individual decisions compound to the point where market participants seeking to access the Consolidated Data are pushed toward proprietary exchange data products instead. The seemingly rent-seeking behavior that has plagued the Existing Plans must be addressed, and every aspect surrounding the governance and administration of Consolidated Data must be reimagined. Congress initially viewed the system for collecting and distributing Consolidated Data as “form[ing] the heart of the national market system.”² In the Commission’s view, one of its “most important responsibilities is to preserve the integrity and affordability of the consolidated data stream.”³ Polygon encourages the Commission to hold the SROs responsible for implementing the Plan more accountable, ensuring that Consolidated Data is truly disseminated on a fair and reasonable basis, remembering that Congress viewed an exclusive processor of Consolidated Data as “in effect, a public utility” over which the Commission has “a special oversight and regulatory role.”⁴ The Commission should assert this special oversight. Polygon supports the Commission’s efforts to, among other things, ensure the fair distribution of Consolidated Data as the markets evolve. Every market participant, retail and institutional alike, deserves fair access to complete, up-to-date Consolidated Data.

Sincerely,

/s/ Stan Sater

Stan Sater
Legal Counsel
Polygon.io, Inc.

² Regulation NMS, 70 FR 37496, 37503 (June 29, 2005) (quoting H.R. Rep. No. 94-229, 94th Cong., 1st Sess. 93 (1975)).

³ *Id.*

⁴ Securities Acts Amendments of 1975, Report of the Senate Comm. on Banking, Housing and Urban Affairs to Accompany, S. Rep. No. 94-75, at 11-12 (1975).