



May 1, 2020

Ms. Vanessa Countryman, Secretary
Securities and Exchange Commission
105 F Street, NE, Washington, DC 20549-1090

Re: *Notice of Proposed Order Directing the Exchanges and FINRA to Submit a NMS Plan Regarding Consolidated Equity Market Data (Release No. 34-87906; File No. 4-757)*

Dear Ms. Countryman,

FINRA is writing to clarify two points that have not been specifically addressed by other commenters with respect to the above-captioned proposal (“Proposal”) that would require the exchanges and FINRA to propose a new, consolidated SIP plan (“New Plan”).

1. Importance of Unanimous Voting. The Proposal would require the New Plan to adopt an “augmented majority” voting structure for most actions, including plan amendments. Unanimous voting for key changes and actions, such as plan amendments, can help prevent discrimination against specific market participants or market segments that are represented particularly by one SRO. It also can help protect individual SRO participants that may have divergent structures or interests from otherwise dominant SROs. If the unanimous voting requirements in the SIP plan governance structure are eliminated, FINRA believes the plan participants should be permitted and encouraged by the SEC to communicate dissenting views and concerns to the SEC about SIP actions that they believe may be discriminatory, contrary to the public interest or improperly influenced by commercial interests. The communication of minority views by individual plan participants would be especially vital for plan actions that may not be subject to the public notice and comment process.
2. Clarification of Independent Administrator Requirements. Under the Proposal, the administrator of the New Plan would not be permitted to be “owned or controlled by a corporate entity that separately offers for sale a market data product, either directly or via another subsidiary.” FINRA would appreciate clarification of the scope of activity that would disqualify an entity from acting as the administrator for the New Plan. One of the key goals of the Proposal is addressing conflicts of interest between administration of the public SIP data feeds and an entity’s own competing proprietary data products. Given the purpose of the proposed independent administrator requirement, FINRA believes that the prohibition on an entity offering its own market data products should be expressly limited to data products that compete with the SIP—in other words, data with content that includes NMS stock quotations or transactions.

FINRA thanks the SEC for its attention to these matters. Should you have any questions or wish to further discuss FINRA’s views, please contact me at [REDACTED]

Very truly yours,

/s/ Robert Colby

Robert Colby

Executive Vice President & Chief Legal Officer