

November 12, 2020

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-7010

Re: Release No. 34-90096; File No. 4-757, Joint Industry Plan; Notice of Filing of a National Market System Plan Regarding Consolidated Equity Market Data

Dear Ms. Countryman:

Refinitiv welcomes the opportunity to comment on the Joint Industry Plan, Notice of Filing of a National Market System Plan Regarding Consolidated Equity Market Data. Refinitiv respectfully submits the below comments.

Refinitiv is a trusted source of intelligent information for businesses and professionals. We combine industry expertise with innovative technology to deliver key information to decision makers in the financial market. As a leading provider of market data worldwide, we provide real-time and historical data from more than 250 exchanges and hundreds of over-the-counter markets and price contributors covering 14 million instruments. These include equities, options, derivatives, fixed income, commodities and energy, and foreign exchange.

As a global vendor of exchange market data, Refinitiv has a unique vantage point, facilitating the distribution of exchange market data to our diverse client base including the key stakeholders in this debate – the buy-side, the sell-side and ultimately, individual investors. In addition to being impacted directly by many of the issues discussed in this filing, we also see firsthand how market data issues affect our clients. In many cases these issues are the same in that the US exchanges treat our data feed clients as vendors, subject to the same distribution fees and administrative burdens.

Additionally, we have been at the table of the CTA/UTP committees for several years via Kerry Baker-Relf who holds a seat on the Advisory Committee. Although we have appreciated our ability to work with other members of the Advisory Committee to provide input and advice to the Operating Committee, we are often frustrated by the lack of action taken by the Committees in response to that advice. After review of the proposed plan, Refinitiv believes that generally the Plan is a good one but there are a few changes that are required for the Plan to meet the requirements that were set out by the SEC. Our comments are outlined below.

Qualification Requirements for Market Data Vendor Representative

Our first comment is regarding the qualification requirements for the Market Data Vendor Non-SRO Voting Representative to the Operating Committee. The requirement in the proposed Plan is that the market data

vendor advisor be “a securities market data vendor that is not affiliated or associated with a Member, broker-dealer, or investment adviser with third-party clients”. Refinitiv believes that this requirement was included in order to ensure that the market data vendor is truly representing the vendor community rather than a Member exchange or a broker-dealer or investment adviser. The challenge is that all market data vendors with a strong and broad perspective on the vending business, have ownership interest in at least one broker dealer. Many vendors choose to invest in broker dealers in order to create and have available technology that will complement traditional vending technology. Refinitiv has observed that even smaller vendors that do not have ownership interest in a broker dealer typically have partnership agreements with broker dealers.

If vendors that are affiliated or associated with a broker dealer are excluded from the pool of possible adviser candidates, no employees of major vendors would be eligible. This would greatly decrease the size of the pool and eliminate many candidates that have the depth and breadth of understanding that comes from working for a large vendor.

As an alternative, Refinitiv recommends that the requirement for market data vendor advisors be revised to remove the restriction around broker dealers. In order to ensure that the vendor adviser is truly representing the vendor community rather than a broker dealer, the requirement could be further revised to state that the individual representing the vendor community must not be associated with or in a direct control relationship with a broker dealer.

Pricing, Policies, Agreements Should Be Included in the Plan

Refinitiv believes that the proposed Plan is missing some very important elements: 1) Pricing 2) Policies and 3) Agreements. Refinitiv believes that the new Plan should include the price schedule, policy manual, and vendor/subscriber agreements. As a market data vendor, it is very important to our business that these three elements are clearly defined in and included as part of the Plan.

This change will give the market data industry greater confidence that the Operating Committee is offering the data to the market in a fully transparent way and that a level playing field is firmly established and managed.

Administration of market data is an extremely complex business in part because of the diverse and complicated policies that are implemented by exchanges. Policy changes that may seem simple to an exchange have a major downstream impact on administration of vendor products. For example, if an exchange changed their policies to make delayed data fee liable, vendors would need to need to make a large number of changes to ensure that clients are notified in a timely manner, entitlements are in place, order management systems are ready to take orders, reporting systems are ready to report client usage to the exchanges, frontline client support teams understand the change, and that we are able to invoice for the data. Vendors typically get 90 days’ notice of such changes so need to quickly rearrange our priorities in order to ensure compliance with the new exchange policy.

If the vendor or client does not have a clear view of the policies, there is a high risk that management of the data could be done incorrectly, and the vendor or client could end up with a potentially catastrophic financial exposure. Items such as the definition of “Unit of Count” or “Non-display” or the rules of engagement around

audits are typically included in policy documents. Documenting these policies in the Plan will help vendors and clients to understand their responsibilities and implement them correctly.

Including these items in the Plan would also mean that there would be clear procedures around the establishment, amendment and interpretation of these items. This would give the market confidence that there will be discipline and clear communication when prices, policies, or agreements are amended.

Separation of Member Exchange Employees and Administration of Data

Lastly, Refinitiv believes that in order to eliminate potential conflicts of interest, there should be a complete separation between the administration of the Plan and the employees of the Member SROs. Proprietary data products represent a growing revenue stream for exchanges. In the past, there have been complaints that the exchanges that were acting in the capacity of administrator of the consolidated tape allowed their proprietary data interests to negatively influence the promotion and management of the consolidated tape. Allowing employees of exchanges to manage the administration of the CT Plan would mean that there is no clear separation of proprietary data interests from the management of the consolidated tape and conflicts of interest would continue to be a possible issue. Refinitiv believes that the only way to eliminate these conflicts is to have a complete separation of the administrator of CT data from proprietary data interests. The Plan should be administered by a team that is completely unaffiliated with Member exchanges.

Conclusion

Refinitiv appreciates the opportunity to comment on these issues that are so integral to our industry. We think that the changes proposed by the SEC in their rule filing will significantly improve the health of the consolidated tape in the US. We also believe that the initial filing submitted by the exchange is good but needs some further changes to truly achieve what the SEC envisioned. If you would like to discuss any of these comments further, please do not hesitate to contact me at [REDACTED] to discuss this further.

Respectfully,



Sherry Madera
Chief Industry & Government Affairs Officer