



June 9, 2021

The Honorable Gary Gensler
Chair, U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *Approval of CT Plan and Implementation of Market Data Infrastructure Rule*

Dear Chair Gensler:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ is writing you to express our continued strong support for the efforts by the Securities and Exchange Commission (“Commission”) to update the governance of and infrastructure supporting the distribution of real-time consolidated equity market data for national market system (“NMS”) stocks. By issuing the governance order in May 2020 (“Governance Order”) to streamline and update the governance of the current equity market data plans and adopting the infrastructure rule in December 2020 (“Infrastructure Rule”) to modernize the distribution of equity market data, the Commission has made tremendous progress to ensure that the system governing the distribution of equity market data meets the needs of today’s investors and marketplace.² While tremendous progress has been made, more remains to be done to complete these efforts. We urge the Commission to see these efforts through and we stand ready and willing to assist the Commission as it does so.

The Governance Order and the Infrastructure Rule are designed to ensure that consolidated equity market data is distributed fairly and reasonably and provides the content needed to facilitate best execution in today’s market. Both rulemakings were unanimously approved by the Commission. As Commissioner Lee indicated in connection with voting to approve the Governance Order, holistic reform of the current system governing the distribution of equity market data is needed, including the changes contemplated in the Governance Order

¹ SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our members, we advocate for legislation, regulation and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

² See Release No. 34-88827 (May 6, 2020), 85 FR 28702 (May 13, 2020) (Governance Order); Release No. 34-90610 (December 9, 2020), 86 FR 18596 (April 9, 2021) (Infrastructure Rule).

and those proposed in the Infrastructure Rule.³ Moreover, as the Commission noted in the release adopting the Infrastructure Rule, retail investors will be able to see, and more readily access, better-priced quotations as a result of the rule's new round lot definition for higher-priced stocks and the inclusion of odd-lot quotations in the new core data disseminated under the rule. Given the benefits these rulemakings will provide to investors and the marketplace, it is critically important that the Commission fully implement them.

The Governance Order

The Commission's Governance Order directed the self-regulatory organizations ("SROs") to consolidate the three current equity market data plans (i.e., the CTA Plan, CQ Plan and Nasdaq UTP Plan) into a single plan governing the distribution of equity market data and to update the governance structure of the data plans to, among other things, allow non-SRO market participants to participate in the governance of the new plan. The Governance Order is designed to reduce unnecessary duplication among the three current market data plans and to address the exchanges' conflict of interests as operators of the securities information processors ("SIPs") under the plans and sellers of proprietary market data products that compete with SIPs. In response to the Governance Order, the SROs submitted a new, single national market system plan in August 2020 that is designed to comply with the order (the "CT Plan").⁴

As we noted in our comment letters on the proposed CT Plan, we appreciate the SROs' submission of the CT Plan and broadly support it.⁵ Consolidating the three current market data plans into a single plan and adding industry member representation to the governance of the new plan represent crucial first steps to improving and modernizing the current system governing the distribution of equity market data. The Commission initially published the CT Plan for public comment on October 13, 2020 and has extended the time by which it must approve the new plan until June 10, 2021, though the Commission can extend this date for an additional 60 days under Rule 608(b)(2)(ii) of Regulation NMS until August 9, 2021.⁶ We strongly urge the Commission to approve the new plan as soon as possible, taking into account certain suggestion we have included in our comment letters.

The Infrastructure Rule

The Commission's Infrastructure Rule modernizes the national market system for the collection, consolidation, and dissemination of information with respect to quotations for and transactions in NMS stocks. The rule expands the content of core data that is required to be disseminated under Regulation NMS to include odd-lot data, depth of book data and auction

³ See Statement on Final Order Directing the Creation of a New Plan for Consolidated Equity Market Data by Commissioner Lee on May 6, 2020 (<https://www.sec.gov/news/public-statement/statement-lee-nms-governance-2020-05-06>).

⁴ See Release No. 34-90096 (Oct. 6, 2020), 85 FR 64565 (Oct. 13, 2020).

⁵ See Letter from SIFMA dated November 12, 2020 (<https://www.sec.gov/comments/4-757/4757-8011746-225395.pdf>); Letter from SIFMA dated February 18, 2021 (<https://www.sec.gov/comments/4-757/4757-8389970-229378.pdf>).

⁶ See, e.g., Release No. 34-91504 (April 8, 2021), 86 FR 19667 (April 14, 2021).

imbalance information. The rule also establishes new round lot quantities of less than 100 shares for certain higher-priced securities that would be publicly disseminated to provide investors with more information about better-priced orders in high-priced stocks. Further, the rule would decentralize the distribution of consolidated market data currently performed by the exclusive SIPs and instead rely on “competing consolidators” that would be responsible for collecting, consolidating, and disseminating consolidated market data products to the public. SIFMA strongly supports the rule as it represents many years of Commission and industry efforts to make critical updates to the current market data infrastructure.⁷

Under the Commission’s order approving the Infrastructure Rule, the rule will become effective on June 8, 2021. That effective date will start the clock on a lengthy implementation process designed to ensure that the rule will be effectively implemented consistent with the rule’s goal of modernizing the current market data infrastructure for the benefit of all investors. Given the significance of the updates in the rule, we recognize that there are a lot of steps that need to occur before the rule can be fully implemented. Nonetheless, we fully support complete implementation of the rule and stand ready and willing to assist the Commission and its staff in these efforts.

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We greatly appreciate your consideration of the matters discussed above and look forward to working with the Commission and its staff to see that the Governance Order and Infrastructure Rule are fully implemented. Given the benefits these rulemakings will provide to investors and the marketplace, it is critically important that they be completed.

With kindest personal regards,



Kenneth E. Bentsen, Jr.
President and CEO

⁷ See Letter from SIFMA dated May 26, 2020 (<https://www.sec.gov/comments/s7-03-20/s70320-7235189-217109.pdf>).