



August 25, 2025

Ms. Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-1090

**RE: File No. 4-757; CT Plan Filing for Fees Charged to Vendors and Subscribers
for Consolidated Equity Market Data, CT Plan Policies, and Data Subscriber
Agreements**

Dear Ms. Countryman:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ submits this letter to encourage the Securities and Exchange Commission (the “SEC” or “Commission”) to ensure that the single national market system (“NMS”) plan governing the public dissemination of real-time consolidated equity market data (“CT Plan”) is implemented in a timely manner and that the national securities exchanges (“exchanges”) and FINRA (the “SROs” or “Plan Participants”) develop the upcoming fee filing for consolidated equity market data fees consistent with the requirements under the Securities Exchange Act of 1934 (“Exchange Act”) that such fees be fair, reasonable, and not unreasonably discriminatory.² Given the critical importance of consolidated equity market data to the successful functioning of the NMS, the Commission must play a leading role during the implementation of the CT Plan and the remaining aspects of the Market

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 industry’s one million employees, we advocate on 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 *Order Approving, as Modified, a National Market System Plan Regarding Consolidated Equity Market Data*, Release No. 34-101672, (Nov. 20, 2024), 89 FR 94924 at 94955-60 and Article XIV, Section 14.1, 89 FR at 94978 (Nov. 29, 2024) (“CT Plan Approval Order”) (providing that the plan be operational within 30 months of plan approval, i.e., by April 2027 and that the CT Plan file with the Commission its initial fees, policies and Data Subscriber Agreements within 12 months of plan approval, i.e., by November 2025. See also Exhibit F of the proposed CT Plan Joint Industry Plan); *Notice of Filing of a National Market System Plan Regarding Consolidated Equity Market Data*, Securities Exchange Act Release No. 99403 (Jan. 19, 2024), 89 FR 5002 (Jan. 25, 2024).

Data Infrastructure Rule (“MDI Rule”).³ The Commission’s active role is necessary so that consolidated equity market data is modernized in the manner the Commission intended in these 2020 rulemakings the Commission unanimously approved.⁴

Executive Summary

As further discussed below, SIFMA urges the Commission to:

- Ensure the CT Plan’s fee filings for consolidated equity market data, including the fee filing the CT Plan is due to submit to the Commission for approval by November 2025, are consistent with Exchange Act requirements that such fees be fair, reasonable, and not unreasonably discriminatory by applying a cost-based standard, which is the standard the Commission has used in its analysis of consolidated equity market data fees over the past 20 years.
- Follow through on its previous efforts to improve the governance, administration, quality, and content of consolidated equity market data, which have stalled due to litigation brought by certain SROs and other delays.
- Require the CT Plan to include cost information in its filings for consolidated equity market data fees so that the Commission, and the public, have transparency sufficient to evaluate whether the fees are consistent with Exchange Act fee requirements. Based on the limited amount of publicly available information about the current Equity Data Plans’ costs, it appears the amount of current Net Income distributed to the SROs is significantly higher than, and not reasonably related to, the operating costs of collecting, consolidating, and disseminating consolidated equity market data.

³ *Market Data Infrastructure*, Release No. 34-90610 (Dec. 9, 2020), 86 FR 18596 (Apr. 9, 2021). The MDI rule, among other things, expanded the content of “core data” to include certain odd-lot quotations and five levels of depth-of-book data, established new definitions for odd-lots and round-lots so that round lot sizes will vary based on the price of the security, and established a decentralized model, using Competing Consolidators and Self-Aggregators, for the dissemination of consolidated equity market data in place of the current exclusive Securities Information Processors (“SIPs”) model. See also *infra* at n. 12.

⁴ Recent Commission rulemaking accelerated some aspects of the MDI Rule and the remaining aspects are to be implemented in three phases, with the first phase set to take place when the SROs amend the Equity Data Plans or CT Plan pursuant to Reg NMS Rule 614(e) to establish fees for consolidated market data offered to Competing Consolidators and Self-Aggregators to conform it to the decentralized model. See, e.g., *Regulation NMS: Minimum Pricing Increments, Access Fees, and Transparency of Better Priced Orders*, Release No. 34-101070 (Sept. 18, 2024), 89 FR 81620, 81625 at nn. 73-76 and accompanying text (Oct. 8, 2024) (noting that “[t]he Commission’s approval of amendments to the effective national market system plan(s) filed pursuant to rule 614(e) will be the starting point for the rest of the MDI Rules implementation schedule, which includes a 180-day development period, during which competing consolidators can register with the Commission, and ends with the cessation of the operations of the exclusive SIPs and testing and implementation of the changes necessary to implement the round lot definition.”).

- Require the CT Plan to create policies and data subscriber agreements that are easy to understand, implement, and use, as the current data usage reporting and compliance requirements and fee structures are onerous and overly complex.
- Revisit the Competing Consolidator/Self-Aggregator model the Commission adopted in the MDI Rule and either confirm its approach and set a date certain by which the CT Plan must propose a fee amendment for the sale of “core data” to Competing Consolidators and Self-Aggregators or determine a new method for introducing competition into the market for consolidated equity market data.
- Address the practice of exchanges submitting incomplete, immediately effective fee filings, subsequently withdrawing those filings, and replacing them with new filings with minimal changes prior to the statutory deadline for Commission suspension solely to avoid suspension and maintain the new fees implemented by the initial filing, which abuses the provision in Section 19(b)(3) of the Exchange Act permitting exchange fees or fee changes to be immediately effective upon filing with the Commission.

I. Background

For many years SIFMA, as well as its predecessor the Securities Industry Association, has been heavily engaged on matters concerning the consolidation and dissemination of equity market data. Our active engagement on this topic is based on the simple premise that investors, regardless of their size or strategy, need timely, reliable, and accurate market data upon which to base their investment decisions. The SEC also shares this view. As the Commission has stated repeatedly in the past, including in its 2020 CT Plan Governance Order to the Plan Participants,

Congress charged the Commission with ensuring the prompt, accurate, reliable, and fair collection, processing, distribution, and publication of information with respect to quotations for and transactions in such securities and the fairness and usefulness of the form and content of such information. In furtherance of this responsibility, the Commission must help ensure that certain “core data” is widely available for reasonable fees. The Commission has also recognized that investors must have this core data to participate in the U.S. equity markets.⁵

⁵ See *Order Directing the Exchanges and the Financial Industry Regulatory Authority to Submit a New National Market System Plan Regarding Consolidated Equity Market Data*, Release No. 34-88827 (May 6, 2020), 85 FR 28702, 28705 (May 13, 2020) (“Governance Order”).

The Congressional mandate for certain “core data” to be widely available for reasonable fees is also articulated in the role of the Equity Data Plans,⁶ adopted pursuant to Regulation NMS,⁷ to facilitate the collection and dissemination of core data so that the public has ready access to a “comprehensive, accurate, and reliable source of information for the prices and volume of any NMS stock at any time during the trading day.”⁸

As demonstrated in *Appendix A* attached to this letter, through prior orders and rulemakings, many of which the Commission approved unanimously, the Commission has adopted many significant, beneficial changes to the governance, administration, and content of consolidated equity market data. However, these initiatives have been delayed by more than five years due to litigation brought by the exchanges, as well as Commission delays in swiftly implementing the MDI Rule and CT Plan following the D.C. Circuit’s opinions in May 2022 upholding the MDI Rule⁹ and in July 2022 upholding most of the Commission’s CT Plan Governance Order.¹⁰ SIFMA urges the Commission to fully implement the remaining aspects of the MDI Rule—while giving further consideration to whether Competing Consolidators/Self-Aggregators will be able to successfully compete with the Plan Participants—on a strict timeline and ensure that the Plan Participants work to implement the single CT Plan on schedule and consistent with Exchange Act requirements. Commission leadership is necessary to avoid further delays of these critical market data initiatives.

Over the past 20 years, technological advances have reduced costs in almost all areas of the equities markets, including the cost of technology used to collect, consolidate, and disseminate consolidated equity market data. Yet these cost reductions have not been reflected in the fees market participants pay to ingest consolidated equity market data. Consolidated equity market data fees remain extremely high and continue to grow while the SROs’ investments in the content and speed of this data have been intermittent and have resulted in only

⁶ Pursuant to Regulation NMS, the exchanges and FINRA are required to participate in an NMS Plan to collect, consolidate, and disseminate “core” and other consolidated market data. Currently, there are three such NMS Plans (the “Equity Data Plans”): (1) the Consolidated Tape Association Plan (“CTA Plan”), (2) the Consolidated Quotation Plan (“CQ Plan”), and (3) the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation, and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis (“UTP Plan”).

⁷ *Regulation NMS*, Release No. 34-51808 (June 9, 2005), 70 FR 37496, 37560 (June 29, 2005).

⁸ *Governance Order*, 85 FR at 28705; see also, *Regulation of Market Information Fees and Revenues*, Release No. 34-42208 (Dec. 9, 1999), 64 FR 70613, 70614 (Dec. 17, 1999) (“Market Information Concept Release”) (“This consolidated, real-time stream of market information has been an essential element in the success of the U.S. securities markets. It is the principal tool for enhancing the transparency of the buying and selling interest in a security, for addressing the fragmentation of buying and selling interest among different market centers, and for facilitating the best execution of customers’ orders by their broker-dealers.”).

⁹ *Nasdaq Stock Market LLC et al. v. SEC*, No. 21-1100 (D.C. Cir. 2022).

¹⁰ *Nasdaq Stock Market LLC et al. v. SEC*, No. 21-1167 (D.C. Cir. 2022).

marginal improvements. As the Commission and market participants have noted repeatedly over many years, the SROs, which have exclusive control over the distribution of consolidated equity market data via the Equity Data Plans, are conflicted in operating the Plans.¹¹ The exchanges have an incentive to ensure that the speed, content, and quality of consolidated equity market data are not enhanced in a manner that might permit competition in the future with the exchanges' own proprietary data products. The exchanges' proprietary data—which subscribers can receive for a separate fee—often contain more granular information and can be consumed faster than the consolidated equity market data the SIPs distribute on behalf of the Equity Data Plans.¹² At the same time, exchanges also receive significant market data revenues from the SIPs because broker-dealers are obligated to pay for the SIP feeds to meet certain regulatory obligations and the SIPs are the exclusive providers of this information.¹³ While there is limited public transparency regarding the operation of the Equity Data Plans, it appears the fees the

¹¹ See, e.g., *Notice of Proposed Order Directing the Exchanges and the Financial Industry Regulatory Authority To Submit a New National Market System Plan Regarding Consolidated Equity Market Data*, Release No. 34-87906 (Jan. 8, 2020), 85 FR 2164, 2166 (Jan. 14, 2020) (“In the Commission’s view, these market developments have heightened conflicts of interest between the exchanges’ commercial interests and their regulatory obligations under the Act and the Equity Data Plans to produce and provide core data. . . . The SIPs have significant market power in the market for core and aggregated market data products and are monopolistic providers of certain market information. But the operation of the Equity Data Plans has not kept pace with the efforts of the exchanges to expand the content of—and to employ technology to reduce the latency and increase the throughput of—certain proprietary data products. . . . By contrast, the Participants of the Equity Data Plans have not taken comparable measures to update the SIPs to reflect new innovations in market data in response to evolving markets and the changing needs of investors . . .”); *CT Plan Approval Order*, *supra* n. 2 at 94924-25 (“The Commission believes that the demutualization of the exchanges and the proliferation of proprietary exchange data products have heightened the conflicts between the SROs’ business interests in proprietary data offerings and their obligations as SROs under the national market system to ensure prompt, accurate, reliable, and fair dissemination of core data through the jointly administered Equity Data Plans.”).

¹² SIPs disseminate consolidated market data on behalf of the Equity Data Plans. Each SIP distributes the net market data revenues it receives for consolidated market data, after deducting operating expenses, to the relevant exchanges and FINRA. See, e.g., CTA Plan, Section XII(a) (as of June 3, 2021). FINRA returns most of the market data revenues it receives to broker-dealers that report transactions to the SIPs via FINRA-controlled trade reporting facilities. See FINRA Rules 7610A and 7610B.

¹³ For example, the Vendor Display Rule (Rule 603 of Regulation NMS) generally requires broker-dealers to provide a consolidated display of market data for NMS stocks for which they provide quotation information to customers. Rule 600(b)(14) of Regulation NMS provides that the consolidated display includes “(i) the prices, sizes, and market identifications of the national best bid and national best offer for a security; and (ii) [c]onsolidated last sale information for a security,” while Rule 600(b)(15) of Regulation NMS provides that “consolidated last sale information” includes “the price, volume, and market identification of the most recent transaction report for a security that is disseminated pursuant to an effective national market system plan.” Broker-dealers can purchase consolidated display data by either: (1) purchasing proprietary market data from every exchange individually, consolidating this information, and offering it to its customers or (2) purchasing SIP data. Purchasing proprietary market data from every exchange and consolidating the information is very labor-intensive and expensive, and many brokers, particularly retail brokers, rely on SIP data to meet Vendor Display Rule requirements. Broker-dealers also use SIP data to meet additional non-display purposes of such data, including to meet best execution obligations, ingest Limit Up Limit Down price bands, and understand regulatory halts.

Equity Data Plans charge for consolidated equity market data are much higher than their aggregate costs because the Plan Participants appear to generate a significant amount of Net Income¹⁴ (see Section II.B., below) through their role as the exclusive provider of consolidated equity market data.

We also are concerned that rising market data costs are negatively impacting competition in the broker-dealer industry, making it more difficult for new entrants and levying an additional tax on already tight broker-dealer operating margins. The SEC recently reported that the number of broker-dealers declined by approximately 30% from 2010 to 2024, but assets grew by approximately \$1.7 trillion, noting a trend of industry consolidation, with a declining fraction of market participants responsible for a larger asset pool by the end of the sample period.¹⁵ High market data costs make it difficult for broker-dealers, particularly smaller broker-dealers, to broadly offer market data to their customers. Industry concerns regarding conflicts of interest and regulatory barriers to competition in the current exclusive SIP model persist despite the Commission's concerted efforts over several years to address these issues (see *Appendix A*).¹⁶

Through the filing the CT Plan is due to submit in November 2025, the Commission has a unique opportunity to reengage on these important topics. First, the Commission should ensure that the CT Plan's proposed consolidated equity market data fees are reasonably related to the CT Plan's costs for collecting, consolidating, and disseminating the data and that associated fee policies are easy to understand, implement, and use. Second, because the Commission's prior efforts to decrease regulatory barriers to competition in the market for consolidated equity market data have been unsuccessful to date, the Commission should use this opportunity to revisit whether the MDI Rule's decentralized model will facilitate competition as the Commission intended and either confirm its approach and set a date certain by which the CT Plan must propose a fee amendment for the sale of "core data" to Competing Consolidators and Self-Aggregators or chart a different path forward.¹⁷ Third, the Commission should carefully scrutinize exchange fee filings as we have observed a recent trend involving the exchanges

¹⁴ Net Income is a defined term in the Equity Data Plans. See, e.g., CTA Plan, Section XII(a)(v) (as of June 3, 2021).

¹⁵ SEC Division of Economic Risk and Analysis, June 2025, *Broker-Dealer Activity in the United States*, available at <https://www.sec.gov/files/dera-broker-dealer-activity-2506.pdf>.

¹⁶ These issues were accurately predicted at the time of Reg NMS's adoption. See *Dissent of Commissioners Cynthia A. Glassman and Paul S. Atkins to the Adoption of Regulation NMS*, Release No. 34-51808, at 41-43 (June 9, 2005), available at <https://www.sec.gov/files/rules/final/34-51808-dissent.pdf> ("By entrenching the single consolidator model, the majority grants a monopoly for the consolidation of market data, which erects another barrier to encouraging competitive solutions for market data consolidation.").

¹⁷ As the Commission is aware, eliminating anticompetitive regulations is a priority of the current Administration. See, e.g., *Justice Department Launches Anticompetitive Regulations Task Force* (Mar. 27, 2025), available at <https://www.justice.gov/opa/pr/justice-department-launches-anticompetitive-regulations-task-force>; *Reducing Anti-Competitive Regulatory Barriers*, Executive Order (Apr. 9, 2025), available at <https://www.whitehouse.gov/presidential-actions/2025/04/reducing-anti-competitive-regulatory-barriers/>.

abusing the immediately effective upon filing rulemaking process to impose new proprietary market data fees before adequately justifying those fees. SIFMA and its member firms stand ready to help the Commission on these important topics and below we set forth areas for the SEC to consider.

II. The Commission should ensure the CT Plan’s fee filings are designed to be consistent with Exchange Act requirements for such fees to be fair, reasonable, and not unreasonably discriminatory. CT Plan policies and data subscriber agreements should be easy to understand, implement, and use.

As described in more detail in *Appendix B* attached to this letter, SIFMA has consistently supported the Commission’s efforts to improve the quality, utility, and timeliness of real-time consolidated equity market data. As part of this support, SIFMA has advocated for increased transparency, improved governance, and reduced costs in the collection and dissemination of consolidated equity market data. We urge the Commission to press the SROs to make these improvements to consolidated equity market data now that the CT Plan is operational and will be fully implemented by April 2027, a date less than two years away. Any further delays in the implementation of the CT Plan are unacceptable.

Based on the CT Plan’s implementation timeline, the inherent conflicts of interest that the exchanges have with respect to the dissemination of consolidated equity market data, and previous efforts by certain exchanges to delay and unwind previous Commission reforms to consolidated equity market data, the Commission must be an active participant in the CT Plan Operating Committee meetings it attends so that the November 2025 fee filings are consistent with Exchange Act requirements for such fees to be fair, reasonable, and not unreasonably discriminatory.¹⁸ The Commission should not wait until it receives the CT Plan’s fee filing to evaluate in the first instance how the Operating Committee proposes to set and structure the CT Plan’s fees and policies for consolidated equity market data. The prior efforts of certain exchanges demonstrate that waiting for this filing is the wrong approach. As the Commission is aware, to implement the core data provisions of the MDI Rule, certain exchanges, over the objections of other Plan Participants, submitted highly unreasonable fee and non-fee proposals for core data that the Commission ultimately disapproved.¹⁹ This rulemaking and Commission

¹⁸ 15 U.S.C. § 78k-1(c)(1)(C) and (D); 17 CFR § 242.603(a)(1) and (2). The Commission also must ensure that any related policies or interpretations the CT Plan proposes based on specific fee categories or market participant types (e.g., professional, non-professional, per-quote-packet, non-display use, etc.) are not unreasonably discriminatory. See *infra* at Section II.C.

¹⁹ *Order Disapproving the Twenty-Fifth Charges Amendment to the Second Restatement of the CTA Plan and Sixteenth Charges Amendment to the Restated CQ Plan*, Release No. 34-95851 (Sept. 21, 2022), 87 FR 58613 (rejecting an attempt by certain Plan Participants to establish fees for the raw data underlying consolidated market data using a “value-based” methodology, and noting that “[w]hile cost-based pricing is not required by statute, a ‘reasonable relation to costs’ is . . . the principal method discussed by the Commission for assessing the fairness and reasonableness of fees for core data.”); *Order Disapproving the Fifty-Second Amendment to the Joint Self-*

review process lasted almost a year, further delaying the implementation of the MDI Rule, with certain exchanges filing the proposed amendments in November 2021 and the SEC's disapproval of them occurring nearly a year later in September 2022. This type of exchange action, which is avoidable with Commission involvement prior to the submission of the fee filings, should not be repeated with the new CT Plan.²⁰

We also urge the Commission to ensure the CT Plan's upcoming fee filing provides the Commission, and the public, with the necessary transparency to evaluate whether the proposed fees are consistent with Exchange Act standards governing fees for consolidated equity market data. Prior to the Operating Committee's submission of draft CT Plan fees and policies for Commission review and approval, the Commission should notify the Operating Committee that: (1) it must include cost information in the CT Plan's public filing, and (2) data on current fee levels for consolidated equity market data (or individual exchange proprietary data products²¹) is not a sufficient cost baseline to assert compliance with Exchange Act fee standards.²² As we have repeatedly noted and further discuss below, because the Equity Data Plans do not provide any public information about costs, there is no evidence that the fees the Plans currently charge for consolidated equity market data are fair, reasonable, and not unreasonably discriminatory. The CT Plan's upcoming fee filing must include sufficient information regarding the cost to collect, consolidate, and disseminate consolidated equity market data, so that the Commission and the public can evaluate whether the proposed fees are consistent with these Exchange Act standards.²³

Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis, Release No. 34-95849 (Sept. 21, 2022), 87 FR 58592 (Sept. 27, 2022).

²⁰ The Governance Order more fairly allocated voting power among the SROs on the CT Plan Operating Committee by giving each exchange group one vote, with a second vote for those groups with a minimum percentage of aggregate notional trading volume (15% during four of the preceding six months). The Equity Data Plans allocated one vote per exchange license. The CT Plan's more equitable voting allocation should help smaller SROs have more say in the process and potentially prevent patently unreasonable filings by a small number of SROs like those discussed above.

²¹ See, e.g., Release No. 34-95851, supra n. 19, 87 FR at 58620 (noting that an exchange Plan Participant included in the fee filing asserted in a comment letter in support of the filing "that the best basis for determining the value of core data are the fees currently charged for proprietary data fees, which, according to the commenter, have been 'tested by market competition' and therefore provide a good starting point for estimating the value of new core data and for setting fees at efficient levels.").

²² In addition, market participants expect there to be significant economies of scale and savings associated with combining three separate market data plans into a single plan, so the Commission should be wary of any attempt by the CT Plan to use current Equity Data Plan fees as a baseline for the reasonableness of future fees.

²³ See also, *Dissent of Commissioners Glassman and Atkins*, supra n. 15 at 42 ("[Critics] note that the relative opaqueness of the market data pricing process inhibits public scrutiny on the current cost of consolidated market information. It is difficult to argue that, in an era of heightened disclosure requirements, a virtual public utility should not be required to openly justify and account for the use of public funds.").

A. The CT Plan's fees must be reasonably related to the costs of collecting, consolidating, and disseminating consolidated equity market data.

The CT Plan is responsible for justifying the fairness and reasonableness of its fees and demonstrating that such fees are fair, reasonable, and not unreasonably discriminatory.²⁴ In particular, “[a]ny failure of the plan participants that filed the NMS plan filing to provide such detail and specificity may result in the Commission not having a sufficient basis to make an affirmative finding that an NMS Plan filing is consistent with the Exchange Act and the rules and regulations issued thereunder that apply to NMS plans.”²⁵ Without transparent cost information, the CT Plan will be unable to demonstrate its compliance with Exchange Act requirements governing the distribution of consolidated equity market data and the Commission will be unable to approve the filing.

The SEC should use a cost-based standard for reviewing the CT Plan's fee filing (and related policies) because this standard is consistent with the Exchange Act, Regulation NMS, and the Commission's prior analysis of this issue over the past 20 years. As discussed in *Appendix C*, attached to this letter, in the early 2000s, the Commission expressed some preliminary concerns that the exchanges, which also operate as SROs, might not generate enough revenue from their exchange activities to adequately fund their regulatory functions. But those historical concerns are no longer relevant given that the exchanges have converted to for-profit entities. The Commission's initiatives during this period (1999 through 2005) occurred when most exchanges operated as member-owned, not-for-profit entities. Now, all exchanges operate as demutualized, for-profit entities, some of which are publicly traded and listed on their own market. Many of these exchanges are highly profitable, especially when market volatility increases.²⁶ Given the varied revenue sources exchanges now have as for-profit entities within a holding company structure, as well as their access to the capital markets, there is minimal, if any, risk that the exchanges would not be able to fund their regulatory responsibilities if they do not receive government subsidies in the form of excessive consolidated equity market data net revenues that are not reasonably related to the costs to process and disseminate the data.²⁷

In addition, although exchanges have retained their SRO status, many exchanges rely heavily on regulatory services contracts with FINRA to perform some or all of their regulatory functions. In other words, many exchanges have partially, if not completely, outsourced their

²⁴ 17 CFR §700(b)(3)(ii).

²⁵ *Id.*

²⁶ Arasu Kannagi Basil, *Cboe delivers record profit as tariff risks drive hedging rush*, REUTERS (May 2, 2025), available at <https://finance.yahoo.com/news/exchange-operator-cboe-posts-record-131026056.html> (stating that Cboe's revenue in the first quarter 2025 “jumped 13% to a quarterly record of \$565.2 million.”). Nasdaq's 10-K for the year ended 2024 indicated its cash equity trading business alone generated \$1.428 billion in total trading revenues and \$430 million in net trading revenues. See <https://nasdaqinc.gcs-web.com/node/108606/html> at 42.

²⁷ Furthermore, the SEC has the authority to discipline any SRO that does not fulfill its regulatory obligations.

regulatory obligations to FINRA. Under current circumstances, the Commission's historical concerns that the exchanges' SRO functions might suffer under a strict cost-based model for consolidated equity market data no longer seem valid. Instead, individual exchanges now have alternative and varied revenue sources, including their proprietary market data products. In the meantime, without a true cost-based approach, the exchanges' consolidated equity market data net revenues have soared while their investments to improve the data have been minimal and taken far too long.

Following the adoption of Regulation NMS, the Commission has relied primarily on a "reasonable relation to costs" as the standard for evaluating whether consolidated equity market data fees are fair, reasonable, and not unreasonably discriminatory.²⁸ The Commission should require strict compliance with this standard when the CT Plan develops and ultimately submits its fee filings later this year. Specifically, for the CT Plan to demonstrate that its fees for consolidated equity market data comply with Exchange Act and Regulation NMS requirements, it must provide enough information for the Commission, and the public, to conclude that the fees are fair, reasonable, and not unreasonably discriminatory because they are reasonably related to the actual costs the Plan Participants, via the CT Plan, incur to collect, consolidate, and disseminate equity market data.

During its review, the Commission should apply the same standard to consider the costs each SRO is charging the processor, and not merely the central processor's aggregate costs to consolidate and disseminate the data. If one or more SROs makes the data available to the central processor at unreasonably high prices, then the central processor's total costs will necessarily be very high. If the Commission does not look through to the underlying exchanges' processes for setting fees and making the data available to the central processor, the ultimate cost analysis may not be useful.

²⁸ See e.g., *Market Data Infrastructure*, supra n. 3, 86 FR at 18685 (explaining that since its review of an SRO fee filing in 2008, "a reasonable relation to costs has [] been the principal method discussed by the Commission for assessing the fairness and reasonableness of such fees for core data, with the recognition that this does not preclude the Commission from considering in the future the appropriateness of another guideline to assess the fairness and reasonableness of core data fees in a manner consistent with the Exchange Act."); *In the Matter of the Application of Bloomberg L.P.*, Release No. 34-83755, Admin. File Nos. 3-18314, 3-18316 at nn. 63-67 and accompanying text (July 31, 2018) ("The principal method we have discussed for assessing the fairness and reasonableness of core data fees has stated that core data fees should bear at least some relationship to costs . . ."); *In the Matter of Application of SIFMA*, Release No. 34-84432 (Oct. 16, 2018) (noting that with respect to "core" data, the SIPs are "monopolistic providers," and as a result, "the Commission has recognized there is little opportunity for market forces to determine the overall level of fees. Instead, the Commission has said that fees for core data 'need to be tied to some type of cost-based standard in order to preclude excessive profits if fees are too high.'") (citing *Market Information Concept Release*).

B. Current Equity Data Plan data revenues do not appear to be reasonably related to costs.

Without active Commission participation during the CT Plan’s development of its fee filing, and transparency around total costs, the exchanges that control the CT Plan will likely continue to take advantage of the pricing power they have over the dissemination of real-time consolidated equity market data. For example, although there have been incremental investments to the quality and speed of consolidated equity market data in recent years, the fees that market participants must pay the Equity Data Plans to receive this data continue to generate significant Net Income for the exchanges that control the Equity Data Plans. The following table shows the amount of Net Income from trade and quote revenue distributed to the Plan Participants in the Equity Data Plans from 2017 through 2024:

Year	Tape A	Tape B	Tape C	Total
2017	\$164,638,775	\$96,589,682	\$125,440,882	\$386,669,339
2018	\$163,769,187	\$93,721,172	\$131,877,870	\$389,368,229
2019	\$162,910,535	\$95,801,143	\$130,679,783	\$389,391,461
2020	\$175,168,125	\$102,066,098	\$145,791,054	\$423,025,277
2021	\$178,802,153	\$108,919,653	\$154,050,688	\$441,772,494
2022	\$170,419,106	\$107,805,933	\$150,205,511	\$428,430,550
2023	\$164,594,961	\$105,067,997	\$147,902,509	\$417,565,467
2024	\$157,579,347	\$99,553,027	\$131,231,859	\$388,364,233
Total	\$1,337,882,189	\$809,524,705	\$1,117,180,156	\$3,264,587,050

Combined Annual Net Income Distributed to Plan Participants – CTA/CQ and UTP Plans²⁹

Although the SIPs disclose net revenues, there is no transparency regarding the costs for the SIPs to collect, consolidate, and distribute equity market data information.³⁰ The Commission’s proposed order directing the exchanges and FINRA to consolidate and restructure the current three separate Equity Data Plans into a single plan stated that “total revenue for the three Equity Data Plans totaled more than \$430 million in 2017, based on their audited financial statements.”³¹ Therefore, based on SIFMA’s understanding of the limited publicly available information regarding the amount of SIP revenues distributed to the SROs in 2017 (\$386,669,339), it appears that the amount the SIPs spent to operate the consolidated equity

²⁹ Source: Quarterly trade and quote revenue distributed to Plan Participants for Tapes A, B, and C, *available at* https://www.ctaplan.com/publicdocs/ctaplan/Q1_2025_CTA_Quarterly_Revenue_Disclosure.pdf and https://www.utpplan.com/DOC/UTP_Revenue_Disclosure_Q12025.pdf.

³⁰ As discussed in *Appendix C*, the Commission’s attempts to improve SRO structure and transparency, including transparency of SRO revenues, through a concept release, request for comment, and rule proposal in 2004 did not advance.

³¹ See Release No. 34-87906, *supra* n. 11, 85 FR at 2179, n. 190.

market data streams in 2017 was approximately \$43.3 million.³² Fees for consolidated equity market data must be fair, reasonable, and not unreasonably discriminatory to comply with Exchange Act fee standards. As discussed above, the primary measure the Commission uses to evaluate fees under these standards is whether the fees are reasonably related to costs. The amount of Net Income distributed to the exchanges and FINRA in 2017—more than \$385 million—appears to be *almost nine times* the \$43.3 million in SIP operating costs that year. By any measure, based on the limited amount of publicly available information, the costs to operate the SIPs in recent years do not appear to be reasonably related to the Net Income the exchanges and FINRA generate under the Equity Data Plans. This gap also appears to demonstrate that net revenues far outpace the Plan Participants’ investments to improve the content and speed of SIP data.

In addition to the lack of transparency regarding the costs to collect, aggregate, and disseminate consolidated equity market data, the Commission has not affirmatively approved, or publicly analyzed, the fees the Equity Data Plans currently charge for consolidated equity market data because those fees were established before the Commission’s 2020 final rule rescinding the ability of NMS plans to file fee changes for immediate effectiveness.³³ Specifically, the current CTA/CQ Plan fees have been in place since October 2014³⁴ and the current UTP Plan fees have been in place since March 2018.³⁵ The lack of any Commission review and public explanation regarding whether the current Equity Data Plan fees for consolidated equity market data comply

³² The totals in this section are based on SIFMA’s understanding of the description of the figures included in the cited documents. If the figures represent something else, the totals likely would need to be updated. The public’s inability to confidently calculate these totals demonstrates the lack of transparency associated with the Equity Data Plans’ costs to collect, consolidate, and disseminate consolidated market data. In 2010, the Commission disclosed the unaudited “2008 Financial Information for Networks A, B, and C” in Table 1 of the *Concept Release on Equity Market Structure*, Release No. 34-61358 (Jan. 14, 2010), 75 FR 3594, 3601. In 2008, the Plan Participants received \$449,082,000 in total Net Income on just \$14,873,000 in total Network expenses (the Commission noted that the total expenses in Table 1 did “not include the costs incurred by SROs to generate market data and provide such data to the Networks”).

³³ *See Rescission of Effective-Upon-Filing Procedure for NMS Plan Fee Amendments*, Release No. 34-89618 (Aug. 19, 2020), 85 FR 65470 (Oct. 15, 2020).

³⁴ *Notice of Filing and Immediate Effectiveness of the Twenty-First Charges Amendment to the Second Restatement of the CTA Plan and Twelfth Charges Amendment to the Restated CQ Plan*, Release No. 34-73278 (Oct. 1, 2014), 79 FR 60536 (Oct. 7, 2014); *Notice of Filing and Immediate Effectiveness of the Forty-Second Amendment to the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis*, Release No. 34-82938 (Mar. 23, 2018), 83 FR 13542 (Mar. 29, 2018).

³⁵ CTA Plan fees and policies are available at https://www.ctaplan.com/publicdocs/ctaplan/Schedule_of_Market_Data_Charges.pdf. UTP Plan fees and policies are available at <https://www.utpplan.com/doc/DataPolicies.pdf>. The CTA attempted to amend its fees in October 2017, but the Commission stayed the effectiveness of the fees pending a challenge by Bloomberg because CTA “made no attempt to justify the fairness and reasonableness” of the fee changes, and the prior fee rates eventually were reinstated. *See In the Matter of Application of Bloomberg L.P.*, *supra* n. 28.

with the Exchange Act calls into further question whether the current fees are fair, reasonable, and not unreasonably discriminatory. As the Commission is aware, the Equity Data Plans are currently the exclusive consolidators and disseminators of consolidated market data and the fees the Equity Data Plans currently charge are not subject to competitive forces. These factors make Commission review of the CT Plan's proposed fees critically important.

Further, the Equity Data Plans and the CT Plan do not permit non-SRO participation on their Operating Committees (non-SROs participate in an advisory capacity only). As a result, market participants (including retail investors) that are consumers of consolidated equity market data, and contributors to and participants in the NMS, are forced to pay for such data (which they generate by posting bids and offers, and executing trades) yet have no ability to control data costs or improve its content and latency, and the exchanges' conflicted motivations with respect to equity market data remain unchecked.

C. CT Plan policies and data subscriber agreements should be easy to understand, implement, and use.

In addition to establishing market data fees, the CT Plan is also charged with proposing policies governing those fees and the associated new data subscriber agreements. The current CTA/CQ and UTP Plans' market data policies on data use are complex and burdensome, particularly in terms of reporting requirements, fee structures, administrative overhead, and audits. For example, current Plan market data policies involve:

- *Extensive and complex reporting requirements.* The CTA/CQ and UTP Plans have different fee schedules and policies, with fee structures that vary depending on the user of the data and how the data is used. Firms are required to track every professional and non-professional user, categorize usage across platforms, and submit detailed reports to multiple exchanges and SIP administrators. Existing fee schedules are layered and non-transparent and vary by Plan and product. This includes display versus non-display fees and redistribution fees. Enterprise caps and educational exemptions are limited and require pre-approval.
- *Administrative burdens.* Current data usage reporting and compliance requirements are onerous, particularly for firms managing large numbers of display devices or using data across multiple platforms. Market participants employ small armies of personnel dedicated to managing entitlements and ensuring compliance with fee policies and reporting requirements. Moreover, firms are often subject to exchange audits by a Plan Administrator that they do not select. Audits require additional time and resources to demonstrate existing compliance with the Plans' policies and may result in large fines for minor violations.

A benefit of consolidating the existing CTA/CQ and UTP Plans into a single CT Plan is that market participants will only need to comply with a single set of fees and policies. During

its review, the SEC should ensure these fees and policies are easy to understand, implement, and use, and reflect the need for investors to have market data at a reasonable cost. To that end, we suggest the SEC consider the following:

- *Simpler fee structure.* A simpler pricing model in place of the current models of different fees for different usage types would reduce the administrative costs of SIP data compliance.
- *Broader redistribution rights.* Consideration should be given to allowing data subscribers broader redistribution rights for internal use of data. Firms should also be able to provide data to external integration partners/FinTechs in the normal course of business for limited cost.
- *Reduced reporting requirements and overhead obligations.* To alleviate current administrative burdens and costs, CT Plan market data policies should minimize current reporting requirements (such as counting customers, and further by type of customer, *i.e.*, professional vs. non-professional), audit requirements, Exhibit A (use case) submissions, and subscriber agreement obligations. We also suggest that the current restrictive market data display and attribution requirements be reevaluated.

In addition to reducing the burden on broker-dealers, as the SROs noted in the proposed CT Plan, minimizing the administrative complexity of the fees and the policies of the CT Plan will reduce the scope of the services that a Plan Administrator will need to provide.³⁶ Reducing the prospective Plan Administrator's scope of services could also increase the competitive pool of RFP responses of potential bidders to become the Administrator and decrease the overall costs of administering the CT Plan.

III. The Commission should revisit whether Competing Consolidators/Self-Aggregators will be able to participate successfully in the market for consolidated equity market data.

When the Commission adopted the MDI Rule, it approved an implementation schedule that anticipated Competing Consolidators/Self-Aggregators would start to offer consolidated equity market data by the first part of 2022. But, as discussed above and outlined in *Appendix A*, this timeline has been delayed substantially due to exchange-led litigation, the Commission's delay in updating its CT Plan Governance Order following resolution of the litigations, and lack of a plan amendment setting the rate at which Competing Consolidators/Self-Aggregators will

³⁶ See *Joint Industry Plan; Notice of Filing of a National Market System Plan Regarding Consolidated Equity Market Data*, Release No. 34-99403 (Jan. 19, 2024), 89 FR 5002 (Jan. 25, 2024).

purchase core data from the CT Plan Operating Committee. Absent a timeline for this process, and an understanding of the costs of core data, market participants that plan to enter the market as Competing Consolidators must continue to sit on the sidelines while the status quo—where NMS Plans are the sole, monopolistic providers of consolidated equity market data—remains in place.

SIFMA has long supported introducing competition into the market for consolidated equity market data (see *Appendix B*). As discussed above, the current exchanges that control the SIPs—and the SIPs’ associated fees and revenues—are insulated from competition in the dissemination of consolidated equity market data and are conflicted through the simultaneous sale of their proprietary data products. As a result, exchange Plan Participants have no incentive to reduce costs or make investments to improve the SIPs.³⁷ However, we are concerned that the Competing Consolidator model the Commission adopted in the MDI Rule for the dissemination of consolidated equity market data may not be able to introduce the competition the Commission was seeking.

Specifically, because the exchanges control the CT Plan Operating Committee and non-SROs continue to have no voice in setting the fees for the underlying raw data that Competing Consolidators will purchase, consolidate, and disseminate, we anticipate that the CT Plan Operating Committee will attempt to establish fee levels that maintain the SROs’ current revenue streams for the distribution of consolidated equity market data. Competing Consolidators will be unable to effectively compete in this market because they will be forced to purchase the underlying raw data from the SROs at such a high rate that will make the model financially impractical and uneconomical.

We believe the SEC should reexamine the decentralized distribution model it outlined in the MDI Rule and either set a date certain by which the CT Plan Operating Committee must propose a fee amendment for the sale of data to Competing Consolidators and Self-Aggregators or chart a different path forward. Currently there is no timeline for the CT Plan to propose fees for the data that Competing Consolidators would purchase.³⁸ To advance this process, the

³⁷ The Antitrust Division of the Department of Justice acknowledged the competitive barriers in the market for market data under the Equity Data Plans in its comment letter to the Commission regarding the MDI Rule Proposal. See letter from Makan Delrahim, Assistant Attorney General, U.S. Department of Justice, Antitrust Division to the SEC (May 26, 2020), available at <https://www.sec.gov/comments/s7-03-20/s70320-7228535-217028.pdf> (noting that “[t]he widespread availability of timely market information not only promotes competition by reducing barriers to entry, but it also promotes fair and efficient markets. This should benefit both industry participants and the U.S. economy as a whole.”). In June 2022, the SEC and DOJ entered into a Memorandum of Understanding “to foster cooperation and communication between the agencies with the aim of enhancing competition in the securities industry.” See <https://www.sec.gov/newsroom/press-releases/2020-140>.

³⁸ See *CT Plan Approval Order*, *supra* n. 2, 89 FR at 94960 (“Because the previously filed and disapproved amendments were inconsistent with the MDI Rules, specifically Rule 614(e), the participants to the effective national market system plan(s) will need to develop and file new proposed amendments pursuant to Rule 608, and—

Commission should provide the CT Plan with a short-term deadline by which it must file a plan amendment detailing the fees it would charge for the data and its rationale for its proposed fee levels, fee models, and fee policies. This plan amendment would provide the Commission and the public a better understanding of the fees Competing Consolidators and Self-Aggregators would have to pay for data and whether the decentralized model, as currently constructed, would work in practice or require modifications.³⁹

IV. The Commission should scrutinize exchange fees for proprietary data products, connectivity, and co-location services, and immediately suspend fee filings that do not comply with the Exchange Act.

Pursuant to Section 19(b)(3)(A) of the Exchange Act, individual SRO filings to establish or amend a fee are immediately effective when they are filed with the Commission, subject to potential Commission suspension of the rule filing within 60 days pursuant to Section 19(b)(3)(C).⁴⁰ This includes fees exchanges charge for proprietary market data, connectivity, and co-location.

SIFMA has recently observed that exchanges are abusing the immediately effective fee filing process by implementing market data fees with immediate effectiveness even though the filings are not compliant with the Exchange Act.⁴¹ If an exchange has not met its burden under Section 19(b) of the Exchange Act to explain with specificity (1) “the basis and purpose” of a new or amended fee, including fees that are immediately effective or (2) that a particular fee is consistent with the Exchange Act or Commission guidance on fee filing requirements, the Commission should immediately suspend the exchange’s fee filing and institute proceedings to determine whether to approve or disapprove the proposal.⁴² An exchange should not be able to “evergreen” fees – that is, manipulate statutorily established timeframes by imposing fee

given that the approved CT Plan will, when fully implemented, replace the Equity Data Plans—it is the Commission’s expectation that the SROs will file these proposed amendments to the approved CT Plan. The proposed amendments would also need to include the fees proposed for data underlying consolidated market data.”).

³⁹ As discussed, market participants feel obligated to purchase consolidated market data in part due to certain regulatory obligations. *See supra* n. 13. As part of a broader review of the market for market data, the Commission could consider other ways to address the current competitive imbalance, including by modifying regulatory obligations such as the Vendor Display Rule to allow broker-dealers to use alternatives to consolidated market data to display timely and accurate market information to their customers.

⁴⁰ 15 U.S.C. § 78s(b)(3).

⁴¹ *See, e.g.*, Release No. 34-102016 (Dec. 20, 2024), 89 FR 105650, 105651 at n. 3 (Dec. 27, 2024); Release No. 34-101690 (Nov. 21, 2024), 89 FR 93731, 93732 at n. 3 (Nov. 27, 2024).

⁴² For example, the instruction to Form 19b-4 states: “The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the [Exchange] Act and applicable rules and regulations under the [Exchange] Act.”

increases that are immediately effective for a period of 59 days and withdrawing the filing and replacing it with a new, minimally changed filing, on the 60th day. The sole purpose of these exchange actions is to restart the regulatory review period for the proposal to avoid suspension of the filing by the Commission and to preserve the exchange's ability to continue charging the higher fees throughout this process.

It is critically important that the Commission address this troubling pattern of questionable practice given the current level of immediately effective rule filings SROs submit to the Commission, the reduced number of Commission staff available to review the sufficiency of these filings, and D.C. Circuit and Eleventh Circuit opinions finding that SRO rule changes made pursuant to Section 19(b)(3) that the Commission does not suspend cannot be challenged in court.⁴³ The Commission should address this practice and take steps to discourage SROs from filing rule changes, particularly immediately effective fee increases, before the filings, including any required details and analysis, are complete.

We request that the Commission consider engaging in rulemaking to address this SRO practice. As part of this approach, the Commission could consider establishing clearer standards that SROs must meet to be able to file new or amended fees and deem those filings that do not meet such standards as not appropriately filed and therefore unenforceable.

* * *

⁴³ *NetCoalition v. SEC*, No. 10-1421 (D.C. Cir. 2013); See also *American Securities Association v. SEC*, No. 23-13396 (11th Cir. 2025) (citing *NetCoalition* and finding that the Commission's post hoc review of SRO Consolidated Audit Trail ("CAT") fee filings was insufficient justification for the 2023 CAT Funding Model because, among other items, the Commission's decision not to institute review proceedings of individual SRO fee filings is immune from challenge, so a decision to allow a 100% pass-through filing would not be subject to judicial review).

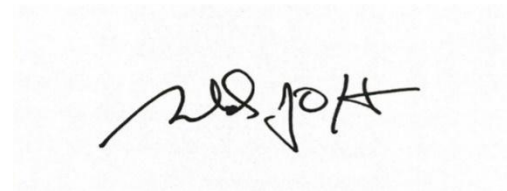
V. Conclusion

SIFMA appreciates the opportunity to submit this letter to the Commission regarding the state of consolidated equity market data. Unfortunately, the issues we raise in this letter are not new. SIFMA and other market participants have been calling for significant changes to the state of consolidated equity market data for years. To date, despite previous attempts by the Commission, these concerns have not been addressed, and the exchanges' conflicts of interest with regard to consolidated equity market data continue unabated. Based on this history, the Commission should recognize that it must play a leading role for there to be any meaningful improvements in the quality, content, and speed of consolidated equity market data. If you have any questions or need any additional information, please contact Joseph Corcoran at (202) 962-7383, Gerald O'Hara at (202) 962-7343, or Katie Kolchin at (212) 313-1239.

Sincerely,



Katie Kolchin, CFA
Managing Director, Head of Equity &
Options Market Structure



Gerald O'Hara
Vice President & Assistant
General Counsel

Cc:

Hon. Paul S. Atkins, Chairman
Hon. Caroline A. Crenshaw, Commissioner
Hon. Hester M. Peirce, Commissioner
Hon. Mark T. Uyeda, Commissioner

Jamie Selway, Director, Division of Trading and Markets
Kelly Riley, Associate Director, Division of Trading and Markets

Abigail Slater
Assistant Attorney General
U.S. Department of Justice, Antitrust Division



File No. 4-757; CT Plan Filing for Fees Charged to Vendors and Subscribers for Consolidated Equity Market Data, CT Plan Policies, and Data Subscriber Agreements
August 25, 2025

Appendix A

Chronology of Commission Efforts to Modernize Consolidated Equity Market Data

Date	Action	Cite	Link
October 25-26, 2018	SEC Roundtable on Market Data and Market Access.	N/A	https://www.sec.gov/about/divisions-offices/division-trading-markets/equity-market-structure-roundtables
May 21, 2019	SEC Staff Guidance on SRO Rule Filings Relating to Fees.	N/A	https://www.sec.gov/about/staff-guidance-sro-rule-filings-fees
January 8, 2020	SEC published a notice of proposed order directing the Plan Participants to submit a new NMS plan combining the three existing Equity Data Plans into a single plan (“Notice of Proposed Governance Order”).	File No. 4-757, Release No. 34-87906, 85 FR 2164 (Jan. 14, 2020)	https://www.govinfo.gov/content/pkg/FR-2020-01-14/pdf/2020-00360.pdf
February 14, 2020	SEC <i>unanimously</i> proposed the Market Data Infrastructure Rule.	File No. S7-03-20, Release No. 34-88216, 85 FR 16726 (Mar. 24, 2020).	https://www.govinfo.gov/content/pkg/FR-2020-03-24/pdf/2020-03760.pdf
March 6, 2020	SEC <i>unanimously</i> reopened the comment period to allow additional time for comment on the Notice of Proposed Governance Order.	File No. 4-757, Release No. 34-88340, 85 FR 14987 (Mar. 16, 2020)	https://www.govinfo.gov/content/pkg/FR-2020-03-16/pdf/2020-05243.pdf

Date	Action	Cite	Link
May 6, 2020	SEC <i>unanimously</i> directed the Plan Participants to submit a new NMS Plan combining the three existing Equity Data Plans into a single plan (“Governance Order”).	File No. 4-757, Release No. 34-88827, 85 FR 28702 (May 13, 2020)	https://www.govinfo.gov/content/pkg/FR-2020-05-13/pdf/2020-10041.pdf
June 1, 2020	Certain Plan Participants filed a petition in the D.C. Circuit challenging the Governance Order.	N/A	Unavailable
June 3, 2020	Certain Plan Participants filed a motion with the SEC to stay the effectiveness of the Governance Order pending final resolution of their litigation.	N/A	Unavailable
June 12, 2020	SEC <i>unanimously</i> denied Nasdaq’s petition to stay the effectiveness of the Governance Order.	File No. 4-757, Release No. 34-89066, 85 FR 36921 (June 18, 2020)	https://www.govinfo.gov/content/pkg/FR-2020-06-18/pdf/2020-13127.pdf
August 19, 2020	SEC <i>unanimously</i> rescinded the ability of NMS Plan Participants to submit rule filings to establish or amend fees as immediately effective.	File No. S7-15-19, Release No. 34-89618, 85 FR 65470 (Oct. 15, 2020)	https://www.govinfo.gov/content/pkg/FR-2020-10-15/pdf/2020-18572.pdf
October 6, 2020	SEC provided notice that pursuant to the Governance Order, the Plan Participants filed an NMS Plan regarding consolidated equity market data with the Commission on August 11, 2020.	File No. 4-757, Release No. 34-90096, 85 FR 64565 (Oct. 13, 2020)	https://www.govinfo.gov/content/pkg/FR-2020-10-13/pdf/2020-22467.pdf
December 9, 2020	SEC <i>unanimously</i> adopted the MDI Rule to require modernization of the	File No. S7-03-20, Release No. 34-	https://www.govinfo.gov/content/pkg/FR-2021-04-09/pdf/2020-28370.pdf

Date	Action	Cite	Link
	content and dissemination of consolidated market data.	90610, 86 FR 18596 (Apr. 9, 2021)	
December 9, 2020	Multiple exchanges filed a petition to stay the effectiveness of the MDI Rule.	File No. S7-03-20, Release No. 34-90610	https://www.sec.gov/files/rules/final/2021/34-90610-motion-stay.pdf
March 24, 2021	SEC denied the exchanges' motion to stay the effectiveness of the MDI Rule.	File No. S7-03-20, Release No. 34-91397	https://www.sec.gov/files/rules/other/2021/34-91397.pdf
August 6, 2021	SEC <i>unanimously</i> approved the NMS Plan regarding consolidated equity market data ("CT Plan Approval Order").	File No. 4-757, Release No. 34-92586, 86 FR 44142 (Aug. 11, 2021)	https://www.govinfo.gov/content/pkg/FR-2021-08-11/pdf/2021-17113.pdf
August 2021	Certain Plan Participants filed a petition in the D.C. Circuit challenging the CT Plan Approval Order, which was combined with the earlier petition challenging the Governance Order.	N/A	Unavailable
October 13, 2021	D.C. Circuit stayed the effectiveness of the Governance Order and the approved CT Plan pending the outcome of the exchanges' litigation.	D.C. Circuit Order, <i>Nasdaq Stock Mkt. LLC v. SEC</i> , No. 21-1167 (D.C. Cir. Oct. 13, 2021).	Unavailable
November 19, 2021	Equity Data Plans filed separate fee and non-fee amendments to implement the MDI Rule.	<u>Fee amendments</u> : Release No. 34-93625, 86 FR 67517 (Nov. 26, 2021); Release No. 34-93618, 86 FR 67562 (Nov. 26, 2021). <u>Non-fee amendments</u> : Release	34-93625: https://www.govinfo.gov/content/pkg/FR-2021-11-26/pdf/2021-25752.pdf 34-93618: https://www.govinfo.gov/content/pkg/FR-2021-11-26/pdf/2021-25747.pdf 34-93615: https://www.govinfo.gov/content/pkg/FR-2021-11-29/pdf/2021-25745.pdf

Date	Action	Cite	Link
		No. 34-93615, 86 FR 67800 (Nov. 29, 2021); Release No. 34-93620, 86 FR 67541 (Nov. 26, 2021).	34-93620: https://www.govinfo.gov/content/pkg/FR-2021-11-26/pdf/2021-25748.pdf
September 21, 2022	SEC <i>unanimously</i> disapproved the Equity Data Plan fee and non-fee amendments to implement the MDI Rule.	<u>Fee amendment disapprovals:</u> Release No. 34-95849, 87 FR 58592 (Sept. 27, 2022); Release No. 34-95851, 87 FR 58613 (Sept. 27, 2022). <u>Non-fee amendment disapprovals:</u> Release No. 34-95848, 87 FR 58544 (Sept. 27, 2022); Release No. 34-95850, 87 FR 58560 (Sept. 27, 2022).	34-95849: https://www.govinfo.gov/content/pkg/FR-2022-09-27/pdf/2022-20831.pdf 34-95851: https://www.govinfo.gov/content/pkg/FR-2022-09-27/pdf/2022-20833.pdf 34-95848: https://www.govinfo.gov/content/pkg/FR-2022-09-27/pdf/2022-20827.pdf 34-95850: https://www.govinfo.gov/content/pkg/FR-2022-09-27/pdf/2022-20830.pdf
May 24, 2022	D.C. Circuit upheld the MDI Rule.	<i>Nasdaq Stock Market LLC et al. v. SEC</i> , No. 21-1100 (D.C. Cir. 2022)	https://media.cadc.uscourts.gov/opinions/docs/2022/05/21-1100-1947763.pdf
July 5, 2022	D.C. Circuit upheld most aspects of the Governance Order and CT Plan Approval Order.	<i>Nasdaq Stock Market LLC et al. v SEC</i> , No.	https://www.govinfo.gov/content/pkg/USCOURTS-caDC-21-01167/pdf/USCOURTS-caDC-21-01167-0.pdf

Date	Action	Cite	Link
		21-1167 (D.C. Cir. 2022)	
September 1, 2023	SEC <i>unanimously</i> directed the Plan Participants to file an amended single NMS Plan governing consolidated equity market data (“Amended Governance Order”).	File No. 4-757, Release No. 34-98271, 88 FR 61630 (Sept. 7, 2023)	https://www.govinfo.gov/content/pkg/FR-2023-09-07/pdf/2023-19311.pdf
January 19, 2024	SEC provided notice that pursuant to the Amended Governance Order, the Plan Participants filed an NMS Plan regarding consolidated equity market data with the Commission on October 23, 2023.	File No. 4-757, Release No. 34-99403, 89 FR 5002 (Jan. 25, 2024)	https://www.govinfo.gov/content/pkg/FR-2024-01-25/pdf/2024-01369.pdf
September 18, 2024	SEC <i>unanimously</i> approved amendments to Reg. NMS: (Minimum Pricing Increments, Access Fees, and Transparency of Better Priced Orders)	File No. S7-30-22, Release No. 34-101070, 89 FR 81620 (Oct. 8, 2024)	https://www.govinfo.gov/content/pkg/FR-2024-10-08/pdf/2024-21867.pdf
October 30, 2024	Exchanges filed a petition in the D.C. Circuit challenging the amendments to Reg. NMS.	N/A	Unavailable
November 20, 2024	SEC <i>unanimously</i> approved the amended CT Plan.	File No. 4-757, Release No. 34-101672, 89 FR 94924 (Nov. 29, 2024)	https://www.govinfo.gov/content/pkg/FR-2024-11-29/pdf/2024-27644.pdf
December 12, 2024	SEC stayed the effectiveness of the updated tick sizes and access fees pending resolution of the exchanges’ litigation.	File No. S7-30-22, Release No. 34-101899.	https://www.sec.gov/files/rules/other/2024/34-101899.pdf



File No. 4-757; CT Plan Filing for Fees Charged to Vendors and Subscribers for Consolidated Equity Market Data, CT Plan Policies, and Data Subscriber Agreements
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Appendix B

SIFMA Comment Letters re: Consolidated Equity Market Data

Date	Topic	Link
October 24, 2014	Recommendations for Equity Market Structure Reforms (at pp. 8-11)	https://www.sifma.org/wp-content/uploads/2017/05/sifma-submits-comments-to-the-sec-with-recommendations-for-equity-market-structure-reforms.pdf
July 10, 2014	SIFMA Board Committee on Equity Market Structure, Recommendations	https://www.sifma.org/wp-content/uploads/2014/07/sifma-equity-market-structure-recommendations.pdf
March 29, 2017	Meeting of Equity Market Structure Advisory Committee	https://www.sec.gov/comments/265-29/26529-1674696-149276.pdf
October 24, 2018	Roundtable on Market Data and Market Access	https://www.sifma.org/wp-content/uploads/2018/10/File-No.-4-729-SIFMA-Comments-on-Roundtable-on-Market-Data-and-Market-Access-October-24-2018-002.pdf
September 18, 2019	Petition for Transparency of Funding of Consolidated Market Data	https://www.sifma.org/wp-content/uploads/2019/09/File-No.-4-729-SIFMA-Comment-Letter-on-Improving-Market-Data-Structure-September-18-2019.pdf
January 13, 2020	Market Data	https://www.sifma.org/wp-content/uploads/2020/02/File-No.-4-729-SIFMA-Comment-Letter-on-Market-Data-January-13-2020.pdf
February 28, 2020	SEC Order on the Governance and Operation of the SIPs	https://www.sifma.org/wp-content/uploads/2020/03/SIFMA-Comment-Letter-on-SEC-Order-on-the-SIP-2-28-2020.docx.pdf
May 26, 2020	Market Data Infrastructure Proposed Rule	https://www.sifma.org/wp-content/uploads/2020/06/SIFMA-CL-on-Market-Data-Infrastructure-.pdf

Date	Topic	Link
December 17, 2021	SIP Fee and Non-Fee Filings to Implement the MDI Rule	https://www.sifma.org/wp-content/uploads/2022/04/SIFMA-Comment-Letter-on-SIP-Proposals-12-16-2021.pdf
March 31, 2023	Equity Market Structure Proposals	https://www.sifma.org/wp-content/uploads/2023/03/Market-Structure-Proposals.pdf
February 26, 2024	NMS Plan Regarding Consolidated Equity Market Data	https://www.sec.gov/comments/4-757/4757-435579-1080402.pdf



File No. 4-757; CT Plan Filing for Fees Charged to Vendors and Subscribers for Consolidated Equity Market Data, CT Plan Policies, and Data Subscriber Agreements
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Appendix C

Background on the Commission's Standard for Evaluating Consolidated Equity Market Data Fees for Exchange Act Compliance

In the Market Information Concept Release in 1999, the Commission included a suggestion that a “flexible, cost-based approach” be used to evaluate fees charged for consolidated equity market data that would have included a wide variety of SRO costs “as part of the cost of market information for the purpose of determining fair and reasonable fees.”¹ But the Commission never adopted that approach due to concerns at that time that the SROs needed the consolidated equity market data revenues to fund their regulatory programs.² One of the challenges with the Commission’s suggested approach was the need for it to understand the various categories of costs SROs incurred and which of these categories would have been appropriately funded by consolidated equity market data revenues.³

In 2005, the Commission changed the formula for allocating consolidated equity market data revenues in approving Regulation NMS and at that time explained its hesitancy to adopt an overly restrictive “cost-based” standard for reviewing Equity Data Plan fees because it did not want to disrupt an important revenue stream for the SROs operating the Plans without more

¹ *Regulation of Market Information Fees and Revenues*, Release No. 34-42208 (Dec. 9, 1999), 64 FR 70613, 70627 (Dec. 17, 1999) (“Market Information Concept Release”) (explaining that under the proposed “flexible, cost-based approach” to market information, “the information that the SROs provide to the Plan processors would not be considered cost-free. Before quotations and transaction reports can be delivered to the Plan processors and made available to the public, a market must provide a mechanism for bringing buying and selling interests together in a fair and orderly manner. In addition, the SROs must establish, monitor, and enforce trading rules, as well as otherwise regulate their markets to prevent fraudulent and manipulative acts or practices. The SROs incur substantial costs in performing these functions, and they contribute to the value of the information.”).

² See *Concept Release Concerning Self-Regulation*, Release No. 34-50700 (Nov. 18, 2004), 69 FR 71256, 71274 (Dec. 8, 2004) (“SRO Transparency Release”) (noting the recommendations from the Advisory Committee on Market Information, which “specifically rejected the flexible cost-based approach” . . . because of “the consensus view that it was essentially a ‘ratemaking’ approach that was unwise and, ultimately, unworkable.”). Ultimately, the Advisory Committee did not make any “specific recommendations for changing the way in which the Commission assesses market information fees to determine whether they are consistent with the Exchange Act . . .” *Report of the Advisory Committee On Market Information: A Blueprint For Responsible Change* (Sept. 14, 2001), available at <https://www.sec.gov/divisions/marketreg/marketinfo/finalreport.htm#information>.

³ *Market Information Concept Release*, supra n. 1, 64 FR at 70627 (“The first step in determining the cost of market information is to identify, in theory, the categories of costs that are incurred to generate and disseminate market information. The second step is to allocate appropriately the amount of the costs included in these categories, which requires a determination of whether the relevant categories are ‘direct costs’ of market information or ‘common costs.’”).

careful consideration of potential broader impacts to the markets.⁴ Without this aggregate revenue stream (which was \$393.7 million in 2004) to assist the SROs in funding their regulatory functions, the Commission posited, the quality of the SROs' aggregate market data may have declined.⁵ Instead of taking any action to address the level of market data fees at that time, the Commission stated: "Given the potential harm if vital SRO functions are not adequately funded, we believe that the level of market data fees is most appropriately addressed in a context that looks at SRO funding as a whole."⁶ Prior to the adoption of Reg NMS, the Commission had embarked on a review of SRO structure and transparency, and it believed those separate reviews would elicit the information it needed to evaluate market data fees using a holistic view of SRO funding.⁷ However, the Commission did not finalize the SRO Transparency or SRO Structure rules and never achieved the public transparency regarding SRO costs and revenues it sought so that the Commission and the public could have the opportunity to review and "respond to market data fee changes on a more informed basis."⁸

Regardless, the Commission's historical concerns regarding SRO-funding levels are moot given that exchanges currently operate as for-profit entities. Since 2008 "a reasonable relation to

⁴ *Regulation NMS*, Release No. 34-51808 (June 9, 2005), 70 FR 37496, 37560 (June 29, 2005) (noting that "[s]ome commenters suggested that, instead of modifying the Plan formulas for allocating market data revenues, the Commission should impose a cost-based limitation on fees. Most, however, adopted a very restricted view of market data costs – solely the costs of the Networks to collect data from the individual SROs and disseminate it to the public. Yet nearly the entire financial burden of collecting and producing market data is borne by the individual markets, not by the Networks. If, for example, an SRO's systems break down on a high-volume trading day and it can no longer provide its data to the Networks, investors would suffer the consequences of a defective data stream, regardless of whether the Networks are able to continue operating."). Even if the current Commission were to apply the more "flexible" approach described in Reg. NMS that looks at "SRO funding as a whole," we believe it would lead to a reduction in the costs to consume consolidated equity market data. As discussed in SIFMA's comment letter, exchanges are for-profit entities that generate revenue from a variety of sources, including proprietary market data products. There is no longer any need (assuming there was a need circa 2005) for market participants to subsidize the regulatory obligations and functions of the exchanges (and FINRA) via the exorbitant net revenues they receive from consolidated equity market data fees.

⁵ *Id.* (stating that the Commission "must maintain high standards of SRO performance, without which the data they produce would be worth little.").

⁶ Although the Commission believed at the time that allowing the exchanges to collect large net revenues from consolidated equity market data potentially would incentivize them to continue investing in that data, as discussed throughout this letter, that outcome was not realized.

⁷ In December 2004, the Commission published a concept release Concerning Self-Regulation along with proposed rules regarding SRO transparency, which among other things would have required SROs to publicly report and break down their revenue sources, including revenue generated from market information fees, itemized by product. *SRO Transparency Release*, *supra* n. 2; *Fair Administration and Governance of SROs*, Release No. 34-50699 (Nov. 18, 2004), 69 FR 71126 (Dec. 8, 2004) ("SRO Structure Release"). For example, the rules proposed in the SRO Structure Release would have "require[d] exchanges and associations to disclose their revenues earned from market information fees, including market data fees, itemized by product. . . . [which] would provide market participants, the public, and the Commission with an understanding of the other primary sources of revenue for exchanges and associations and, in particular, would permit the assessment of the relative adequacy of an exchange's or association's expenditures on its regulatory program as a proportion of its overall revenues."). *Id.* at 71159.

⁸ *SRO Transparency Release*, *supra* n. 2, 69 FR at 71275

costs has [] been the principal method discussed by the Commission for assessing the fairness and reasonableness of such fees for core data, with the recognition that this does not preclude the Commission from considering in the future the appropriateness of another guideline to assess the fairness and reasonableness of core data fees in a manner consistent with the Exchange Act.”⁹

⁹ *Market Data Infrastructure*, Release No. 34-90610 (Dec. 9, 2020), 86 FR 18596, 18685 (Apr. 9, 2021).