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Invested in America

July 22, 2026

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

RE: File Number 4-757: Notice of Filing of the Third Amendment to the Limited Liability Company Agreement of CT Plan LLC to Adopt Revenue Allocation Formula Revisions

Dear Ms. Countryman:

The Securities Industry and Financial Markets Association[1] ("SIFMA") appreciates the opportunity to submit this letter to the U.S. Securities and Exchange Commission (the "Commission") in response to the proposal ("Proposal") by the CT Plan LLC ("CT Plan") to amend the CT Plan to revise the methodology for allocating net revenues generated by the CT Plan among its members.[2] SIFMA appreciates the Proposal's attempt to address instances when exchanges experience significantly higher levels of quoting activity at the national best bid or offer ("NBBO") compared to their levels of executed volume. However, the Proposal is a relatively narrow adjustment to the current formula. While it would target certain instances of disproportionate quoting activity, the Commission should continue to evaluate whether the overall revenue allocation framework appropriately rewards contributions to price discovery, particularly in light of its proposal to rescind Rule 611 of Regulation NMS.[3] Making more fundamental changes to the formula requires a thoughtful approach because it will impact exchange and market participant behavior. Therefore, SIFMA plans to address market data modernization, including the revenue allocation formula, more broadly in our response to the Rule 611 Proposal.

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[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).

[2] Release No. 34-105680 (June 12, 2026), 91 FR 36633 (June 17, 2026).

[3] Release No. 34-105655 (June 11, 2026), 91 FR 36656 (June 17, 2026) (the "611 Proposal").

The Proposal is a Minor Change to the Existing Formula Designed to Address Exceptional Situations

As discussed in the Proposal, the current revenue allocation formula rewards exchanges with extremely high levels of quoting and low levels of executed volume based on the formula's even split of market data revenues between trading and quoting activity.[4] Exchanges should not be eligible to share equally in market data revenues when they contribute very little to price discovery in the form of executed volume.

The Proposal acknowledges it would address outlier events. It is narrowly designed to target the most egregious instances of exchanges with unbalanced quoting and trading activity by imposing a cap on an exchange's market data revenues from quoting activity when the exchange's revenue generated from quoting is more than five times its trading activity revenue. The CT Plan's data study from 2018 to 2024 found that of 318 quarterly distributions of quote and trade revenue under the existing equity data plans, the ratio cap in the Proposal would have been breached 25 times (approximately 8% of the time).

In addition to the CT Plan's data study, SIFMA conducted a review of consolidated market data revenue distributions and exchange revenue and market share figures. The left side of the table below shows each exchange's market data revenues and quote-to-trade revenue ratios in 2025, indicating that a quote-to-trade revenue ratio of 5:1 would have impacted just three exchanges. The right side includes each exchange's total and net revenues in 2025, the portion of net revenue attributable to consolidated market data revenues, and daily volume and market share statistics. This data indicates that some exchanges rely on consolidated market data revenues for a significant portion of their net revenues.[5] The Commission should consider how the CT Plan's revenue allocation formula should be designed in a way that reduces opportunities for exchanges to generate material portions of net revenue from consolidated market data fees without meaningfully contributing to price discovery in the form of regular and significant executed volume.

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[4] A summary of the revenue allocation formula is available at: https://www.ctaplan.com/publicdocs/ctaplan/Revenue_Allocation_Formula_Summary.pdf.

[5] The data also demonstrates that all exchanges generate significant revenues from consolidated market data fees. As discussed below, the Commission must continue to focus on the costs of consolidated market data. *See infra* at n. 8 and accompanying text.

	Tape (CTA/UTP) Revenue				Total Exchange Revenue			Tape/		
Exchange	Quoting	Trading	Total	Quote/ Trade	Gross	Transaction Costs	Net	Total Net Revenue	ADV (B)	Market Share
24X	$ 309,321	$ 25,265	$ 334,586	12.24x	$ 676,398	na	$ 676,398	49.47%	0.001	0.01%
CBOE BYX	$ 2,335,300	$ 1,981,519	$ 4,316,819	1.18x	$ 109,212,000	$46,731,000	$ 62,481,000	6.91%	0.125	0.71%
CBOE BZX	$ 18,429,776	$ 10,027,819	$ 28,457,595	1.84x	$1,015,162,000	$835,073,000	$ 180,089,000	15.80%	0.632	3.59%
CBOE EDGA	$ 3,648,638	$ 1,436,927	$ 5,085,565	2.54x	$ 127,404,000	$76,379,000	$ 51,025,000	9.97%	0.127	0.72%
CBOE EDGX	$ 16,307,363	$ 8,612,230	$ 24,919,593	1.89x	$ 969,313,000	$800,192,000	$ 169,121,000	14.73%	0.873	4.96%
IEX	$ 19,533,501	$ 8,829,452	$ 28,362,953	2.21x	$ 376,627,189	$194,044,888	$ 182,582,301	15.53%	0.518	2.95%
LTSE	$ 3,571,602	$ 58,860	$ 3,630,462	60.68x	$ 16,004,000	$8,222,000	$ 7,782,000	46.65%	0.006	0.03%
MEMX	$ 9,664,653	$ 3,621,644	$ 13,286,297	2.67x	$ 626,447,244	$535,178,049	$ 91,269,195	14.56%	0.38	2.16%
MIAX PEARL	$ 4,690,649	$ 1,540,741	$ 6,231,390	3.04x	$ 400,833,000	$314,070,000	$ 86,763,000	7.18%	0.183	1.04%
NASDAQ	$ 53,416,006	$ 34,323,920	$ 87,739,926	1.56x	$2,365,932,000	$1,895,791,000	$ 470,141,000	18.66%	2.436	13.85%
NASDAQ Texas*	$ 1,657,909	$ 1,251,867	$ 2,909,776	1.32x	$ 132,980,000	$65,870,000	$ 67,110,000	4.34%	0.046	0.26%
NASDAQ PSX	$ 2,224,585	$ 449,818	$ 2,674,403	4.95x	$ 379,477,000	$257,667,000	$ 121,810,000	2.20%	0.021	0.12%
NYSE	$ 22,424,683	$ 21,322,710	$ 43,747,393	1.05x	$1,210,000,000	$739,000,000	$ 471,000,000	9.29%	1.416	8.05%
NYSE American	$ 8,541,278	$ 5,679,842	$ 14,221,120	1.50x	$ 137,000,000	$42,000,000	$ 95,000,000	14.97%	0.046	0.26%
NYSE ARCA	$ 18,674,424	$ 12,574,453	$ 31,248,877	1.49x	$1,821,000,000	$1,631,000,000	$ 190,000,000	16.45%	1.757	9.99%
NYSE National	$ 7,963,871	$ 876,049	$ 8,839,920	9.09x	$ 36,285,000	$27,723,000	$ 8,562,000	103.25%	0.058	0.33%
NYSE Texas**	$ 9,713,478	$ 26,226,838	$ 35,940,316	0.37x	$ 79,153,000	$34,889,000	$ 44,264,000	81.20%	0.059	0.34%
Subtotal	***$ 203,107,037***	***$ 138,839,954***	***$ 341,946,991***	***1.46x***						
TRF-NASDAQ Carteret	na	$ 61,190,168	$ 61,190,168		na	na	na		8.36	47.54%
TRF-NASDAQ Chicago	na	$ 431,046	$ 431,046		na	na	na		0.053	0.30%
TRF-NYSE	na	$ 3,460,216	$ 3,460,216		na	na	na		0.487	2.77%
TOTAL	**$ 203,107,037**	**$ 203,921,384**	**$ 407,028,421**		**$9,803,505,831**	**$ 7,503,829,937**	**$2,299,675,894**		**17.584**	

Source: UTP/CTA filings, SEC Form 1 filings, SIFMA estimates.
Note: CTA and UTP tape data is combined; NYSE = 2024. Form 1 data: Given financial reporting differences across exchanges, the comparison is not fully apples-to-apples; some exchanges revenue lines include other non transaction, non data business. NYSE is for 2024, "Transaction Fees + Data Services Fees"; Nasdaq is "Market Services". 24X reports only
*Formerly Nasdaq BX
**Formerly NYSE Chicago

The following table demonstrates that between 2015 and the first quarter of 2026, the number of exchanges that would have been impacted by the 5:1 quote-to-trade revenue cap on an annual basis ranged from zero to a maximum of three exchanges.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	1Q26	Avg
24X											12.24x	12.63x	12.44x
CBOE BYX	1.22x	1.22x	1.17x	1.20x	1.11x	1.22x	1.36x	1.17x	1.28x	1.29x	1.18x	1.21x	1.22x
CBOE BZX	1.48x	1.55x	1.62x	1.62x	1.94x	1.78x	1.61x	1.52x	1.64x	1.60x	1.84x	1.83x	1.67x
CBOE EDGA	1.40x	1.44x	1.55x	1.51x	1.47x	1.58x	1.58x	1.44x	1.56x	1.54x	2.54x	2.30x	1.66x
CBOE EDGX	1.67x	1.71x	1.89x	1.87x	1.84x	1.76x	1.77x	1.72x	1.59x	1.60x	1.89x	1.79x	1.76x
IEX		1.01x	0.95x	0.81x	0.80x	1.02x	1.64x	1.52x	1.10x	2.74x	2.21x	2.24x	1.46x
LTSE						32.19x	2.56x	2.54x	2.56x	9.69x	60.68x	45.26x	22.21x
MEMX						4.32x	3.05x	2.71x	2.62x	2.64x	2.67x	2.76x	2.97x
MIAX PEARL						23.56x	1.37x	1.28x	1.21x	1.18x	3.04x	3.08x	4.96x
NASDAQ	1.38x	1.40x	1.43x	1.34x	1.39x	1.42x	1.39x	1.26x	1.27x	1.32x	1.56x	1.51x	1.39x
NASDAQ Texas*	1.79x	1.47x	1.40x	1.47x	1.21x	0.93x	1.66x	1.78x	2.08x	1.73x	1.32x	1.48x	1.53x
NASDAQ PSX	3.07x	3.28x	2.92x	2.88x	3.14x	3.25x	2.32x	2.21x	2.91x	4.82x	4.95x	2.04x	3.15x
NYSE	1.32x	1.35x	1.36x	1.23x	1.28x	1.26x	1.25x	1.22x	1.20x	1.05x	1.45x	1.45x	1.29x
NYSE American	1.65x	1.63x	1.73x	1.86x	1.68x	2.24x	1.69x	1.65x	1.63x	1.50x	2.73x	2.30x	1.86x
NYSE ARCA	1.52x	1.58x	1.67x	1.65x	1.72x	1.72x	1.57x	1.57x	1.60x	1.49x	1.62x	1.68x	1.62x
NYSE National	2.33x	1.16x	0.90x	1.79x	1.40x	1.82x	1.85x	4.52x	9.89x	9.09x	1.20x	1.41x	3.11x
NYSE Texas**	6.75x	7.41x	5.90x	6.54x	4.35x	5.85x	0.07x	0.25x	0.44x	0.37x	5.70x	1.78x	3.78x

Source: UTP/CTA filings, SEC Form 1 filings, SIFMA estimates.
Note: *Formerly Nasdaq BX. CTA and UTP tape data is combined. **Formerly NYSE Chicago.

Fundamental Changes to the Revenue Allocation Formula are Needed

The issues with the existing revenue allocation formula described in the Proposal demonstrate that executed volume should be rewarded at a higher rate than quoting activity because executions represent completed transactions and therefore provide a stronger measure of market participation and price formation. The Commission should carefully evaluate the CT Plan's revenue allocation formula to determine the extent to which quoting activity on exchanges should qualify for consolidated market data revenue. These issues take on greater importance if Rule 611 is rescinded because protected quotations would no longer occupy the same central role in the market structure.

The Rule 611 Proposal repeatedly noted that Rule 611 contributes to exchange proliferation by guaranteeing exchanges consolidated market data revenues via protected quotes.[6] The Rule 611 Proposal also noted that the revenue allocation formula contributes to market complexity.[7] However, the Proposal would not introduce the kind of fundamental changes necessary to address these underlying issues. To do so in the context of the Rule 611 Proposal, the Commission must evaluate the most appropriate approach to allocating consolidated market data revenues among exchanges. This evaluation should consider the extent to which quoting activity, especially if Rule 611 is rescinded, contributes to price discovery such that it should qualify for market data revenues.

SIFMA is conducting its own analysis of these issues and we plan to provide the Commission with recommendations for revising the revenue allocation formula in connection with our response to the Rule 611 Proposal.

The Commission Should Continue to Focus on Consolidated Market Data Costs

As we have noted in other comment letters, the existing equity data plans generate significant revenues from consolidated market data.[8] Based on limited public information, the existing revenues do not appear to be reasonably related to the equity data plans' costs of collecting, consolidating, and disseminating the data. The Commission recently approved the CT Plan's fee filing amendment, subject to a sunset of the fees after two years.[9] The Commission noted that the sunset "will allow the [CT Plan] Operating Committee, the Advisory Committee to the Operating Committee, market participants, the Commission, and the public to gain valuable information and experience that can be used to evaluate the impact of the Amended Fee Proposal consistent with the Operating Committee's obligations under the CT Plan."[10]

The Commission's evaluation of the CT Plan's future revenue allocation formula should be done in close connection with its overall assessment of the CT Plan's revenues and costs. Reducing consolidated market data revenues to levels more closely aligned with costs and revising the revenue allocation formula to place greater weight on

[6] Rule 611 Proposal, 91 FR at 36666 ("Rule 611 effectively lowered barriers to entry for exchanges by giving all exchanges, no matter their trading volume or other competitive distinctions, an opportunity to display a protected quotation, and thus avail themselves of guaranteed market data and connectivity revenue as market participants are effectively required to connect, directly or indirectly, to their markets. As a result, Rule 611 and Regulation NMS have contributed to the proliferation of exchanges in our equity markets.").

[7] *Id.* at 36690.

[8] Letters from SIFMA to the Commission dated Aug. 25, 2025 (https://www.sec.gov/comments/4-757/4757-642247-1924074.pdf) and Feb. 20, 2026 (https://www.sec.gov/comments/4-757/4757-706968-2225494.pdf).

[9] Release No. 34-105778 (June 26, 2026), 91 FR 40047 (July 1, 2026).

[10] *Id.*

executions would better align economic incentives with price discovery and reduce subsidies to low-volume venues.

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Conclusion

SIFMA appreciates the opportunity to comment on the Proposal. We look forward to continuing to engage with the Commission regarding this important topic. Please contact the undersigned with any questions regarding these comments.

Respectfully Submitted,

Katie Kolchin

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