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February 12, 2024

VIA ELECTRONIC SUBMISSION

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

Re: ***Options Price Reporting Authority; Notice of Filing of Proposed Amendment to Modify Section 5.2(c)(iii) of the OPRA Plan Relating to Dissemination of Exchange Proprietary Data Information (Release No. 34-99345; File No. 4-820)***

Dear Ms. Countryman:

Robinhood Financial LLC (“Robinhood Financial”)¹ respectfully submits this letter in response to the above-referenced proposed amendment (the “Proposal”)² submitted by Cboe.³

Cboe proposes an amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information (the “OPRA Plan”)⁴ relating to dissemination of exchange proprietary data

¹ Robinhood Financial, a FINRA-member broker-dealer, is a wholly owned subsidiary of Robinhood Markets, Inc. Robinhood Financial, among other things, is a put and call broker or dealer or option writer and provides brokerage services to approximately 23 million retail investors.

² See Exchange Act Rel. No. 99345, 89 FR 3963 (Jan. 22, 2024).

³ The Proposal was filed by the Cboe BZX Exchange, Inc. (“BZX Options”), Cboe Exchange, Inc. (“Cboe Options”), Cboe C2 Exchange, Inc. (“C2 Options”) and Cboe EDGX Exchange, Inc. (“EDGX Options”) (collectively, the “Sponsors” or “Cboe”).

⁴ The Options Price Reporting Authority, LLC (“OPRA”) is a securities information processor and its members consist of the national securities exchanges that have been approved by the Securities and Exchange Commission (the “Commission”) to provide markets for the listing and trading of exchange-traded securities options. The OPRA Plan is a national market system plan approved by the Commission pursuant to Section 11A of the Act and Rule 608 thereunder. It provides for the collection and dissemination of last sale and quotation information on options that are traded on the participant exchanges.

information. The OPRA Plan allows each OPRA member to disseminate its proprietary market information if the recipient has “equivalent access” to consolidated options market information disseminated by OPRA.⁵ Cboe seeks to clarify that the equivalent access requirement is satisfied if a recipient of member proprietary data is simultaneously authorized to receive OPRA data by maintaining a streaming subscription to the OPRA feed or having the ability to query OPRA data on a usage-basis.⁶ The Proposal would replace OPRA’s recently adopted interpretation that the equivalent access requirement is only satisfied by the full feed of streaming, real-time data from OPRA.

Section 5.2(c)(iii) of the OPRA Plan currently provides that an OPRA member may disseminate its proprietary information to persons who have equivalent access to consolidated Options Information disseminated by OPRA for the same classes or series of options that are included in the Proprietary Information.⁷ The OPRA Plan defines “consolidated Options Information” as “consolidated Last Sale Reports combined with either consolidated Quotation Information or the BBO furnished by OPRA” and access is “deemed ‘equivalent’ if both kinds of information are equally accessible on the same terminal or work station.”⁸

Prior to 2001, OPRA was the exclusive means for the dissemination of options last sale reports and quotation information. In 2001, though, the Commission approved an amendment to the OPRA Plan to allow options exchanges to disseminate their own market information to certain of their members.⁹ In 2003, OPRA expanded the types of persons to whom a member may disseminate proprietary information.¹⁰ OPRA amended the OPRA Plan to allow a party to disseminate proprietary information outside of OPRA to any person, provided that certain requirements, including “equivalent access” applied.¹¹ OPRA stated that it “ha[d] come to recognize that persons in addition to members of a party who enter quotes or orders into a party’s electronic market may benefit from having access to the party’s electronic network.”¹² OPRA noted

⁵ Proposal at 89 FR 3965.

⁶ Proposal at 89 FR 3964.

⁷ Proposal at 89 FR 3964.

⁸ *Id.*

⁹ Exchange Act Rel. No. 44580, 66 FR 39218 (July 27, 2001).

¹⁰ Exchange Act Rel. No. 48822, 68 FR 66892 (Nov. 28, 2003) (“2003 Amendment”).

¹¹ 2003 Amendment at 66896.

¹² *Id.*

that the expanded access would facilitate such benefits while assuring that “all persons who have access to a party’s proprietary information would also have equivalent access to consolidated market information provided by OPRA.”¹³

Following this expansion, various OPRA members offered proprietary information seemingly based on an understanding that the full streaming OPRA feed was not a requirement to satisfy equivalent access. Rather, recipients could maintain a streaming subscription to the OPRA feed or access OPRA’s usage-based data service.¹⁴ Unfortunately, in March 2023, the OPRA Management Committee adopted an interpretation that the equivalent access requirement is only satisfied where the recipient of proprietary data also receives the full feed of streaming, real-time data from OPRA.¹⁵ As a result, brokerage firms like Robinhood Financial have two choices. The first is to subscribe to the full streaming OPRA feed and be eligible for the benefits of proprietary feeds. The second is to subscribe to query-based access to OPRA data but lose access to proprietary feeds.

This interpretation, given the financial and technology demands of subscribing to the full streaming OPRA feed, is a barrier to the use of proprietary feeds. It essentially creates a two-tiered market for options market data and limits access to proprietary data feeds only to those who can meet the obligations of the full streaming OPRA feed. Given the expense and redundancy of subscribing to both the full streaming OPRA feed and a proprietary feed, it is not surprising that no options exchange currently offers a commercial proprietary data feed that can be utilized by retail investors. This is in stark contrast to equities market data where multiple exchanges have developed proprietary products that benefit retail investors.

Robinhood Financial supports the Proposal because it would increase access to accurate, timely market data. The availability of market data to investors is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets.¹⁶ The Commission has recognized that “different market participants need differing amounts of information to meet differing trading objectives.”¹⁷ Removing the requirement of the full streaming OPRA feed would create new opportunities to utilize proprietary data feeds.

¹³ *Id.*

¹⁴ Proposal at 89 FR 3964 n.14.

¹⁵ Proposal at 89 FR 3965.

¹⁶ 15 U.S.C. 78k-1(a)(1)(C).

¹⁷ Exchange Act Rel. No. 90610, 86 FR 18596 (April 9, 2021).

The Proposal could also lower costs for retail investors by providing additional methods to access data before the point of order entry.¹⁸ For example, the full streaming OPRA feed does not contain an enterprise license option. Instead, firms have to pay per user, which can be cost-prohibitive. The Proposal would reintroduce the availability of competitive, lower-priced alternatives to the OPRA feed for users and situations where consolidated data is unnecessary. This would create opportunities for lower overall costs and an improved customer experience for retail options traders.

Additionally, by increasing accessibility to proprietary data feeds, the Proposal would increase competition. Increasing competition in the market for data feeds has the potential to improve the speed, quality and affordability of the data available to investors.¹⁹ Similarly, the increase in competition is consistent with the aim of getting better and more widely available data to market participants.²⁰

The OPRA Plan's equivalent access requirement should not be interpreted to mean redundant access. The Proposal recognizes, as OPRA has recognized, that persons may benefit from proprietary data while assuring that they can access consolidated market information at the point of order entry. For all these reasons, the Commission should approve the proposed amendment to the OPRA Plan. Please contact Robinhood's Deputy General Counsel, Lucas Moskowitz, at lucas.moskowitz@robinhood.com if you have any questions or comments.

Respectfully submitted,

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Matt Billings
President, Robinhood Financial LLC

¹⁸ The Proposal also would add a new paragraph to require a display of consolidated Options Information when a trading or order-routing decision could be implemented. The Proposal would not require a display of consolidated data when market data is provided on an informational website that does not offer trading or order-routing capability.

¹⁹ See, e.g., Commissioner Caroline A. Crenshaw, Statement on Market Data Infrastructure (Dec. 9, 2020).

²⁰ Commissioner Hester M. Peirce, Market Data Infrastructure: Open Meeting Statement (Dec. 9, 2020).