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WELLINGTON  
MANAGEMENT

27 May 2020

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

VIA E-MAIL: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Re: Market Data Infrastructure  
File No. S7-03-20

Dear Ms. Countryman:

Wellington Management Company LLP ("Wellington Management") appreciates the opportunity to provide comments to the Securities and Exchange Commission (the "Commission" or "SEC") on the proposed amendment to Regulation NMS that would expand the scope of "core data" and create a new competitive environment for securities information processors (the "Proposal"). Wellington Management is a registered investment adviser structured as a private partnership, privileged to manage over \$1 trillion in client assets globally across a wide variety of equity, fixed income and asset allocation strategies.<sup>1</sup> We are providing our specific comments below, we have also had the opportunity to review an advance draft of the comments to be submitted by the Investment Company Institute, and we note that we agree with the points and rationale discussed in their letter.

We applaud the Commission for taking the initiative to review Regulation NMS. As the Commission notes in the Proposal, equity markets have evolved since Regulation NMS was adopted in 2005. Trading in current markets requires access to more robust and faster data than currently provided in the consolidated feed. The exchanges, who themselves have evolved from mutualized, non-profit enterprises into for-profit companies, have responded to market forces by providing faster and more detailed market data, while the consolidated feed has become less useful.

We believe the Proposal is a modernization of Regulation NMS necessary to accomplish its goal of providing fair access broadly to prompt and reliable market data. The Proposal recognizes the conflicts of interest inherent in the current model where the exchanges have become for-profit enterprises, but still responsible for delivery of market data to the consolidated feed. In particular, we support adding a defined term for "core data" that extends the scope of core data to include depth of book and auction data. We further support adding a defined term for "round lots" that adjusts based on the price of the traded security. These two changes will significantly enhance the quality of the data provided under Regulation NMS.

We also support ending the exclusivity of the current SIP structure, in favor of a more competitive model in the form of competing consolidators and self-aggregators, and the requirement for exchanges to provide market data to the consolidators and self-aggregators in the same format and manner as the proprietary data feed. We believe the introduction of competitive forces to the distribution of data will result in lower-latency, faster data that is more broadly available and also at reduced costs for participants.

While we support almost all of the Commission's proposal, we request that the Commission reconsider the decision not to apply the order protection rule ("OPR") to the new categories of smaller-sized "round lots." We acknowledge that the OPR has been the subject of debate and that its effectiveness has been questioned; we believe that excluding round lots of less than 100 shares will

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<sup>1</sup> As of 31 March 2020

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add unnecessary confusion and complexity. For example, a given stock could move in and out of protected status based on its market price; and market participants would be required to develop new bespoke systems should they wish to monitor that status. We support the Commission reviewing OPR holistically, rather than making piecemeal adjustments to specific market segments in other regulations.

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We appreciate the opportunity to comment on the Proposal. If you have any questions about our comments or would like any additional information, please contact either of us or Lance Dial, Managing Director and Counsel at the number above.

Very truly yours,



Mark Garabedian

Manager, Trading Data and Analytics



Lisa Mahon Lynch

Associate Director, Global Trading