



Via Electronic Delivery

September 26, 2016

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File Number S7-14-16: Disclosure of Order Handling Information Proposal

Dear Mr. Fields:

Thomson Reuters appreciates the opportunity to comment on the SEC's disclosure of order handling information proposal ("the proposal"). Thomson Reuters¹ through our Financial & Risk business unit provides buy-side, sell-side and corporate customers with information, analytics, workflow, transaction and technology solutions and services that enable effective price discovery and support efficiency, liquidity and compliance. In particular, our wealth management offerings² include a complete suite of products that enable retail and institutional brokers to manage the daily tasks of their front, middle and back office operations. While we do not perform Rule 605/606 reporting, we do provide files to those vendors in support of this reporting. As such, while we would not provide functionality to facilitate the data analysis required by this rule, our clients have raised implementation concerns on a subset of issues that we would like to address in this comment letter.

Institutional/Retail Definition

Given that the proposed institutional disclosures are focused on orders that are routed using algorithms, our clients believe that the definition of institutional orders should be based on if the order is "not held." Consequently, "held" order flow would be considered retail orders and subject to the retail disclosure requirements. We believe this definition is preferable to the proposal in that the vast majority of retail order flow is "held." Additionally, there are more occasions when retail order flow exceeds the \$200,000 market value for equities.

We would also recommend an exemption from reporting institutional disclosures for those firms with a de minimis amount of "not held" order flow. We note that in some cases "not held" orders can be used to work retail order flow in highly illiquid securities. We do not believe the institutional disclosures are intended to focus on this type of order flow. While including a de minimis exemption, may alleviate our clients from institutional order routing

¹ Thomson Reuters is the world's leading source of news and information for professional markets. Our customers rely on us to deliver the intelligence, technology and expertise they need to find trusted answers. The business has operated in more than 100 countries for more than 100 years. Thomson Reuters shares are listed on the Toronto and New York Stock Exchanges (symbol: TRI). For more information, visit www.thomsonreuters.com.

² For more information on Thomson Reuters Wealth Management offerings, see [here](#).



disclosures. The following issues would need to be addressed if they were subject to the institutional disclosure requirement.

Availability of Liquidity Indicators

Our understanding is that the determination of orders providing or removing liquidity will be based on liquidity indicators reported by an execution venue that has an order book, e.g., an ATS or exchange. In order to populate these data elements of the institutional disclosure, execution reports need to pass this information in a uniform manner on an execution report. Currently, this information is not consistently passed to routing brokers. We appreciate the SEC providing specifications for the reporting formats and encourage them to work with the execution venues to establish uniform FIX tags for the accurate population and distribution of this data.

Implementing Strategy Type

Our clients may employ algorithms offered by other firms. In other cases, our clients work “not held” orders manually. We are concerned with the implementation of the strategy type requirement that would require an order to be characterized with a strategy type of aggressive, neutral, or passive. These are subjective metrics that may be dependent on time of day, extent of algo customization, or market conditions. In order to avoid subjectivity, we recommend exploring other measures that can be objectively determined based on a comparison to market data, e.g., orders that are marketable vs. non-marketable. In the absence of objective metrics, we believe that strategy type needs to be required on execution reports, allowing an order routing broker to accurately provide the institutional disclosures.

Eliminate New Format for Retail Customer Requests

Our clients already have processes in place to respond to customer requests made as part of Rule 606. We do not see the merit in developing a new format given that none of the data has changed. We also note that customers rarely request data as part of Rule 606 and we question the need for any implementation effort given the lack of corresponding benefit.

Our clients will have a significant implementation effort to meet the proposal’s requirements. We believe that addressing the subset of implementation issues outlined above will help ease the implementation burden.

Regards,

Manisha Kimmel
Chief Regulatory Officer, Wealth Management
Thomson Reuters