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November 27, 2024

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

Re: Financial Data Transparency Act Joint Data Standards Rulemaking

Dear Ms. Countryman:

Nasdaq, Inc. (“Nasdaq”) appreciates the opportunity to comment on the Securities and Exchange Commission’s (“SEC” or “Commission”) proposed Joint Data Standards Rulemaking under the Financial Data Transparency Act of 2022 (“FDTA” or “Act”).¹ Nasdaq supports the Commission’s efforts to enhance financial data transparency and accessibility in U.S. capital markets. However, while Nasdaq shares the overarching goals of transparency, efficiency, and accessibility in financial data, we have substantial concerns regarding certain aspects of the proposed rulemaking, particularly with respect to operational challenges, implementation costs, and risks associated with adopting new data standards, including the proposed replacement of the CUSIP identifier system with the Financial Instrument Global Identifier (“FIGI”).

Nasdaq believes the Commission must articulate clearly the specific problem this proposal seeks to solve. The introduction of risks, costs, and significant industry disruption should be justified by a compelling and demonstrated need to resolve a problem. Currently, the Commission’s proposal appears to represent a solution in search of a problem. The existing CUSIP system has operated effectively as a widely recognized and relied upon standard in financial markets. Transitioning from CUSIP to FIGI or other identifiers risk introduction of instability without a clear benefit.

Nasdaq, along with the broader financial industry relies heavily on CUSIP as a critical reference data source integrated across numerous systems and workflows. Transitioning from CUSIP to FIGI would require extensive overhauls of existing systems and processes. This transition would require revising taxonomic data structures, retraining personnel, updating internal systems, and updating compliance procedures across a wide range of market participants, imposing a significant and disproportionate costs, especially on smaller market participants.

Additionally, transitioning from CUSIP to FIGI introduces considerable risks related to data mapping, integrity, and accuracy. CUSIP is embedded into existing workflows throughout the financial

¹ See Securities and Exchange Commission, Release No. IA-6644 (August 22, 2024), 89 FR 67890 (“Financial Data Transparency Act Joint Data Standards”).

ecosystem and replacing it with FIGI could create inconsistencies and potential disruptions in trading, clearing, and settlement processes.


While Nasdaq supports the idea of standardized financial data, we are concerned about overlapping and redundant taxonomies. Without specific guidance, introduction new identifiers risk creating an overly complex framework that is misaligned with global market practices. In addition, the lack of consistency with global identifiers could undermine the harmonization of regulatory data standards. We are further concerned that the proposed rules may overlap with existing regulatory reporting frameworks, including those mandated under Regulation SCI, Regulation NMS, and the Consolidated Audit Trail.

Nasdaq remains committed to supporting initiatives that enhance transparency, efficiency, and accessibility in financial market. However, we believe the proposed transition from CUSIP to FIGI requires furthers analysis, industry engagement, and thoughtful implementation planning to ensure a smooth transition without unintended disruptions to the marketplace.

Accordingly, Nasdaq recommends that the Commission extend the comment period, conduct a thorough cost-benefit analysis of the proposed transition, and engage stakeholders in detailed discussions to assess the full scope of the implementation burden. Nasdaq stands ready to assist the Commission in further evaluating the proposed standards and identifying solutions that promote market efficiency while minimizing costs and risks to market participants.

Thank you for considering our comments.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Jeffrey S. Davis', with a stylized, cursive script.

Jeffrey S. Davis
Senior Vice President, Principal Deputy General
Counsel
Nasdaq, Inc.

Cc: The Honorable Gary Gensler, Chairman, SEC
The Honorable Caroline A. Crenshaw, Commissioner, SEC
The Honorable Hester M. Pierce, Commissioner, SEC
The Honorable Jaime Lizarraga, Commissioner, SEC
The Honorable Mark T. Uyeda, Commissioner, SEC
Director Haoxiang Zhu, Division of Trading and Markets