



July 17, 2015

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

Re: Timestamps (Twenty Second Substantive Amendment to the Second Restatement of the CTA Plan and Sixteenth Substantive Amendment to the Restated CQ Plan (File No. SR-CTA/CQ-2015-01); and Thirty-Fifth Amendment to Nasdaq/UTP Plan (S7-24-89))

Dear Mr. Fields:

We write in response to the comments of the Securities Industry and Financial Markets Association ("SIFMA") regarding the above-captioned amendments (the "Timestamp Amendments") to the CTA Plan, the CQ Plan, and the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation, and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis (collectively the "Plans").¹ We thank SIFMA for its interest in the Participants' timestamp initiative and for SIFMA's support of the amendments.

The Timestamp Amendments propose to require the Plans' Participants to include timestamp information in the trade-report and bid-and-offer information that they submit to the Plans' securities information processors ("SIPs"). The Timestamp Amendments also require the SIPs to add the Participants' timestamps to the consolidated data feeds that the SIPs make available. The objective is to provide market participants a basis on which to compare latency from the Participants' proprietary feeds to latency from the Plans' consolidated feeds.

¹ See letter dated June 5, 2015, from Theodore R. Lazo, Managing Director and Associate General Counsel, SIFMA, to Brent J. Fields, Secretary, Securities and Exchange Commission (the "SIFMA Letter").

By way of background, at a June 5, 2014, conference, SEC Chair Mary Jo White asked the exchanges and FINRA to consider including a time stamp in the consolidated data feeds to enable users of the consolidated feeds “to better monitor the latency of those feeds and assess whether such feeds meet their trading and other requirements.”²

In response to Chair White's request, the Participants undertook to provide timestamp information that would allow market participants to compare consolidated feed latency to proprietary feed latency. The Participants' considerable deliberations in fashioning the timestamp tools included numerous meetings among the Participants and Plan subcommittees, multiple meetings with SEC staff and consultation with the industry representatives from the Plans' Advisory Committee. Further, at the SEC's request, the Participants directed the SIPs to expedite the development process to accommodate the anticipated rollout of timestamps in late July and early August. The Participants have submitted the Timestamp Amendments as a result of this process and believe that the new information that the Timestamp Amendments would require responds to Chair White's request.

The Timestamp Amendments use the term “matching engine publication timestamp” to connote the timestamp published by each Participant’s matching engine. The SIFMA Letter remarks that this term should be more clearly defined. In the Participants' view, the term "matching engine publication timestamps" is an appropriate response to Chair White's call for the information necessary to allow market participants to compare proprietary feed latency to

² See "Enhancing Our Equity Market Structure," SEC Chair Mary Jo White, Sandler O'Neill & Partners, L.P. Global Exchange and Brokerage Conference, June 5, 2014.

consolidated feed latency. As discussed above, the Participants examined, discussed and fine-tuned a response to Chair White's request for increased latency transparency. In addition, the Participants devoted considerable efforts and resources to the project on an expedited basis at the SEC's request. In the Participants' view, the Participants' provision of matching engine publication timestamps will provide transparency that the Participants believe the industry will find most useful.

The SIFMA Letter also comments that each FINRA trade reporting facility or quotation facility should be required to provide to the SIPs the timestamp when the trade or quote was processed by the FINRA facility, regardless of whether the facility offers a proprietary feed. However, the objective of providing an additional timestamp on SIP trade and quotation output messages is to enable market participants to compare the time that a Participant transmits trade or quotation information via a proprietary feed and the time that the SIP transmits the same information via a consolidated feed. For a FINRA facility that does not publish a proprietary feed, there is no such comparison to be made. An additional FINRA timestamp in the absence of a proprietary feed would not provide meaningful information to market participants.

SIFMA also suggests that each FINRA trade reporting facility or quotation facility should be required to furnish the SIPs with a timestamp for any and all intermediate processing steps between the reporting facilities and the SIPs. However, this suggestion is beyond the scope of the project that Chair White proposed for the SIPs. Further, the implementation of such additional timestamps would (1) delay the rollout of the timestamp initiative considerably, (2) come at a significant cost to the industry, (3) require specialized equipment, (4) add significant bandwidth requirements and (5) result in an array of timestamps that would likely lead to

confusion within the industry. Therefore, after reviewing SIFMA's suggestions, the Participants believe there is little beneficial value in adding timestamps for such intermediate processing steps.

Finally, the SIFMA letter comments that the SIP Plan processors should determine whether a trade is last sale eligible or is reported out of sequence. However, these suggestions are also outside the scope of Chair White's request and, consequently, are outside the scope of the product that the Participants designed in response. Further, the Participants believe that the SIPs are not the appropriate parties make out-of-sequence and last-sale-eligible determinations. These determinations properly belong with the Participants in interpreting their own rules. As the Participants have historically determined last sale eligibility and out of sequence reporting pursuant to their own rules, they believe that it is appropriate for them to maintain the same practice going forward.

We hope this letter clarifies points that the SIFMA letter raises. Especially considering SIFMA's support of the Timestamp Amendments, we respectfully request the Commission to approve them. We believe that the industry will benefit from the transparency they would provide.

Sincerely,



Emily Kasparov
Chairman
Plans' Operating Committees

cc:

Katherine A. England, Assistant Director, Division of Trading and Markets
CTA, CQ and UTP Plan Participants