THOMSON REUTERS

Via Electronic Delivery

March 17, 2015

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

Re: SR-FINRA-2016-005: Notice of Filing of a Proposed Rule Change to Reduce the Synchronization Tolerance for Computer Clocks that are Used to Record Events in NMS Securities and OTC Equity Securities

Dear Mr. Fields:

Thomson Reuters appreciates the opportunity to comment on SR-FINRA-2016-005 to reduce the clock synchronization tolerance for NMS securities and OTC equities ("the proposal"). Thomson Reuters[1] 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 offerings[2] 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. We are an OATS and back office processing service provider; as such, we are directly impacted by this proposal.

In reviewing the proposal, we understand that the scope of this change extends beyond OATS to include equities trade reporting, the recording of events for options as well as other books and records' events where time is a component. We respectfully request that FINRA provide a list of impacted events to ensure that firms are appropriately implementing reduced clock synchronization across all relevant systems. If it is not possible to provide a comprehensive list of events where data and time are recorded, we ask that FINRA articulate all FINRA rules where data and time are required including an explanation of what non-FINRA rules may also be covered by the language of FINRA Rule 4511.

[1] Thomson Reuters is the world's leading source of intelligent information for businesses and professionals. Combining industry expertise with innovative technology, it delivers critical information to leading decision makers in the financial and risk, legal, tax and accounting, intellectual property and science and media markets powered by the world's most trusted news organization. For more information about Thomson Reuters, please go to www.thomsonreuters.com.
[2] For more information on Thomson Reuters Wealth Management offerings, see here.

Given the recent SEC approval of exemptive relief[3] from Rule 613 and statements by SEC Commissioner White[4] and staff[5] regarding the publication and approval of the Consolidated Audit Trail (CAT), we question the need for separate rule-making on clock synchronization. We do not see significant value in moving to tighter clock synchronizations a month or two ahead of the timeframes that are already included in the CAT NMS Plan and believe that the FINRA proposal will disrupt implementation planning already in progress based on the anticipated approval of the CAT NMS Plan.

If FINRA is permitted to proceed with their proposal, we believe nine months[6] is a more reasonable timeframe for implementation given that it coincides with current expectations of when the CAT NMS Plan clock synchronization tolerances would be implemented, thus reducing the disruptive nature of introducing a duplicate set of rules with a shortened implementation time frame. We note that the FIF Survey[7] which is referred to in the FINRA filing also recommends a nine-month implementation time based on a survey of over 25 market participants. A nine month implementation date would in no way preclude firms from moving to tighter clock synchronization prior to that date but would allow firms that require additional time an opportunity to meet the proposal's requirements without impacting projects currently in flight. As the FIF Survey stated, "while additional time may not reduce costs, it may ease implementation as firms manage this effort in conjunction with other compliance initiatives." In 2016, firms are actively working on T+2, MSRB/FINRA trade reporting changes, Money Market Reform as well as expected changes in support of the Department of Labor's Fiduciary Rule.

In support of this initiative, we see the following work effort:

- Ensure that all environments can support the 50 millisecond requirement including mainframe, LINUX, and windows-based environments. It is important to note that solutions will be different based on environment. We anticipate investments in both hardware and software to meet the proposed requirements.

- Beyond installation and configuration of new hardware and software, monitoring will need to be enhanced to ensure clock sync within the 50 millisecond tolerance. Creation of dashboards and more frequent polling will be required.

- Operations staff will need to be assigned to monitor and remediate any issues that arise. Policies and procedures to address clock sync failure will need to be developed and deployed.

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[3] See March 1, 2016, Order Granting Exemptions from Certain Provisions of Rule 613 Pursuant to Section 36(a)(1) of the Securities Exchange Act of 1934
[4] See Jan 16, 2016, A Conversation with Chair Mary Jo White Keynote Session, 43rd Annual Securities Regulation Institute
[5] See March 3, 2016, Testimony from Mr. Stephen Luparello, Director of Division of Trading and Markets, U.S. Securities and Exchange Commission at "Regulatory Reforms to Improve Equity Market Structure" Hearing, Committee On Banking, Housing, And Urban Affairs Subcommittee On Securities, Insurance, And Investment
[6] The proposal currently sets a six month implementation time for those participants who provide millisecond data today.
[7] Included as an attachment to the Financial Information Forum comment letter, dated February 20, 2015.

Nine months for implementation will ensure an orderly transition to reduced clock synchronization tolerances. While we understand that regulators in Canada implemented clock sync tolerances in less than nine months, we believe that the Rule 613 requirements and CAT NMS Plan should dictate the timing of this project. Additionally, the more complex nature of the U.S. marketplace justifies additional time for this initiative.

Regards,

Manisha Kimmel
Chief Regulatory Officer, Wealth Management
Thomson Reuters