Virtu Financial
900 3rd Avenue, 29th Floor
New York, New York 10022
Tel: (212) 418-0100
Fax: (212) 418-0123

October 6, 2016

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

Re: Securities Exchange Act Release No.78713 (August 29, 2016); SR-NASDAQ-2016-120

Dear Mr. Fields:

Virtu Financial LLC (together with its affiliates, "Virtu" or "we") is submitting this letter in response to the above-referenced Proposed Rule Change to Adopt the Third Party Connectivity Service under Rules 7034(b) and 7051 ("Proposal"). Nasdaq is proposing to segregate connectivity to the proprietary data feeds from connectivity to third party services, including UTP SIP data. As a result, a customer of the UTP feeds would be compelled to subscribe to the 10Gb Ultra connectivity option and incur an additional cost of $5,000 each month.

By way of background, Virtu is a leading technology-enabled market-maker and liquidity provider in the U.S. Our affiliate, Virtu Financial BD, LLC, ("VFBD") operates as a market-maker across numerous exchanges in the U.S., is a member of all U.S. registered stock exchanges. Another Virtu affiliate, Virtu Financial Capital Markets, LLC, is a Designated Market Maker on the floor of the New York Stock Exchange. As such, these entities obtain and use the UTP SIP data as part of their activities, especially for critical regulatory information such as Limit Up Limit Down (LULD) price bands, short sale restrictions and regulatory halts.

As you are no doubt aware, Nasdaq serves as both the Processor and Administrator of the UTP SIP and has historically transmitted this data on the same connection as its proprietary data for which Virtu and hundreds of other participants pay a premium price. Nasdaq now is attempting to charge separately for this data/connectivity by simply unbundling the SIP data and labelling it as a "Third Party Service".

We are puzzled by Nasdaq's insistence that we subscribe to a Third Party Connectivity Service in order to receive Third Party Services, a list that includes the UTP SIP, a critical data feed for which Nasdaq is a provider, as well as a variety of other "third party" feeds that we currently do not obtain from Nasdaq. In short, we think that Nasdaq's proposed Third Party Connectivity Service is an expensive solution that is in search of a problem. We therefore question the need for an additional 10Gb Ultra line, which imposes a cost on market participants with no clear benefit. We respectfully urge you to compel Nasdaq to demonstrate why this "service" needs to be unbundled at all.

Finally, we do not believe that the requirement to get a new 10Gb Ultra connection is a technical necessity. We reviewed peak utilization of Virtu's 10Gb Ultra connection through which we receive all of Nasdaq's proprietary and UTP SIP data and concluded that there was enough capacity left over to accommodate any additional requirements arising from the migration of the UTP SIP to INET technology. We believe that a more comprehensive review of capacity requirements and connectivity options is necessary before a conclusion can be drawn that the only option is a separate 10 Gb Ultra connection.

In conclusion, we urge the SEC to disapprove Nasdaq's proposal because it imposes an increased cost without clear benefit. We appreciate this opportunity to share our views on this important issue and would be pleased to discuss in further detail as and when appropriate.

Sincerely,

Douglas A. Cifu
Chief Executive Officer
Virtu Financial