



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

February 9, 2017

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

Re: Proposed Rule Change to Adopt A New Extended Life Priority  
Order Attribute under Rule 4703

Dear Mr. Fields:

Virtu Financial LLC (together with its affiliates, “Virtu” or “we”) is submitting this letter to share our views about the Proposed Rule Change to Adopt A New Extended Life Priority Order Attribute (“ELO Proposal”).

By way of background, Virtu is a leading technology-enabled market-maker and liquidity provider to the global financial markets, operating from offices in New York, Austin, Singapore and Dublin. Virtu operates as a registered market-maker across numerous exchanges and asset classes, is a member of all U.S. registered stock exchanges including Nasdaq.

Virtu provides liquidity in more than 12,000 instruments on more than 235 venues and market places, and seeks to provide liquidity across all liquid instruments traded on transparent electronic markets globally. We believe that while the U.S. equity markets continue to be among the most robust, transparent and fair markets in the world, they can be further improved for all stakeholders with measures that enhance investor confidence, facilitate price discovery and encourage healthy marketplace competition.

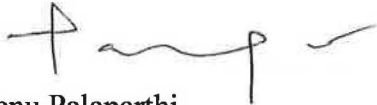
Virtu does not favor any particular exchange or market structure but broadly supports positive marketplace innovation and enhancements. We support Nasdaq’s ELO Proposal as an interesting innovation in the area of queue priority as it

rewards long term investors who are committed to a longer resting time for their orders. We have experience with TSX's Long Life Order ("LLO") in Canada which has benefited non-latency sensitive participants including retail investors, especially in less liquid names, without impacting the markets as a whole in a negative way.

However, we want to highlight a key difference between the TSX's LLO and Nasdaq's ELO. Whereas the LLO is available to all participants and places restrictions on canceling and modifying the orders, the ELO attribute is only available to Designated Retail Orders ("DROs"). As such, Nasdaq relies on the participant to correctly mark its DRO orders with the ELO attribute and to leave at least 99% of these orders unaltered for a minimum of one second. In this context, Nasdaq's proposal to review compliance with ELO requirements only at the end of each quarter is inadequate and makes this order type vulnerable to manipulation. We strongly believe that the eligibility criteria should be measured more frequently, such as weekly, to ensure that only compliant participants are rewarded with queue priority. We also believe that a participant should be turned off after two weeks of non-compliance instead of six months, as currently proposed.

In conclusion, while we are generally supportive of the Nasdaq proposal, we encourage the Commission to seek additional safeguards to minimize the opportunity for gaming.

Sincerely,

A handwritten signature in black ink, appearing to read 'Venu Palaparthi', with a stylized flourish at the end.

Venu Palaparthi  
SVP, Compliance, Regulatory & Government Affairs  
Virtu Financial