



Invested in America

October 14, 2015

Via Email – Rule-Comments@sec.gov

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

Re: Self-Regulatory Organizations; New York Stock Exchange LLC; NYSE MKT LLC; Order Instituting Proceedings to Determine Whether to Disapprove the Proposed Rule Changes Amending the NYSE Trades Market Data and NYSE MKT Trades Market Data Product Offerings, File Nos. SR-NYSE-2015-31; SR-NYSEMKT-2015-56 (Sept. 23, 2015)

Dear Mr. Fields,

SIFMA appreciates the opportunity to comment on the Commission’s decision to institute proceedings to disapprove New York Stock Exchange LLC (“NYSE”) and NYSE MKT LLC (“NYSE MKT”) (together, the “Exchanges”) proposed rule changes to amend the NYSE Trades market data product and the NYSE MKT Trades market data product, published in the Federal Register in August 2015. SIFMA supports the disapproval of these above-referenced proposals pursuant to Section 19(b)(2)(B) of the Securities Exchange Act of 1934 (“Exchange Act”). SIFMA believes that these proposals violate the Exchange Act in that they are not fair and reasonable and are unreasonably discriminatory contrary to Rule 603(a)(1) and (2) under the Exchange Act.

The Exchanges propose to (1) continue “bundling” last sale trade data in their reports to the Consolidated Tape Association (the “Consolidated Tape”), and (2) include the missing last sale trade data in their own proprietary last sale “Trades Feeds” products that they do not report to the Consolidated Tape. SIFMA agrees with the comments made and positions taken by IEX Services LLC (“IEX”) in its letter to the Commission dated August 20, 2015, referencing the same proposals. We believe that both aspects of the proposal violate the requirements of Exchange Act Section 11A and Rule 603.

The Commission requires each Exchange as an SRO to provide certain “core data” to central data processors (like the one the NYSE administers for the CTA) for consolidation and distribution pursuant to joint industry plans. For each NMS security, this core data includes: "(1) [a] national best bid and offer ('NBBO') with prices, sizes, and market center identifications; (2) the best bids and

offers from each SRO that include prices, sizes, and market center identifications; and (3) last sale reports from each SRO."¹

The Exchanges are proposing to include basic last sale information in their proprietary products that they exclude in the last sale reports they transmit to the Consolidated Tape. This clearly violates Rule 603(a)(1) under the Exchange Act. Exchanges are not permitted to pick and choose which last sale data they report to the Consolidated Tape. This would disadvantage investors who do not subscribe to the Exchanges' proprietary data feeds and further undermine the value of core or consolidated data that our members are required to display and purchase. It is another example of the Exchanges attempting to package and sell their proprietary data products by undermining the value of the Consolidated Tape.

Moreover, the Exchanges' current practice of "bundling" separate trade executions into one last sale report distorts and inflates trade size data in the Consolidated Tape. This appears to be inconsistent with the Consolidated Tape Plan the Commission has approved, and we urge the Commission to review and halt this practice. We note that the other exchanges participating in the Plan do not bundle their executed trades for purposes of their last sale reports.

Forcing SIFMA members and their customers to purchase the Exchanges' proprietary products to receive complete and accurate last sale data is wholly inconsistent with National Market System goals. For the reasons stated above, we ask the Commission to issue an order of disapproval and review the Exchanges' bundling practice. Should you have any questions, please contact me at

██████████ or at ██████████.

Sincerely,

/Melissa MacGregor/

Melissa MacGregor
Managing Director and Associate General Counsel

cc: The Honorable Mary Jo White, Chair
The Honorable Luis A. Aguilar, Commissioner
The Honorable Michael S. Piwowar, Commissioner
The Honorable Kara M. Stein, Commissioner
Stephen Luparello, Director, Division of Trading and Markets
Gary Goldsholle, Deputy Director, Division of Trading and Markets
David S. Shillman, Associate Director, Division of Trading and Markets

¹ See Rule 603(b) of Regulation NMS, 17 C.F.R. § 242.603(b); Order Setting Aside Action by Delegated Authority and Approving Proposed Rule Change Relating to NYSE Arca Data, Exchange Act Release No. 59039, File No. SR-NYSEArca-2006-21 (Dec. 2, 2008), 73 Fed. Reg. 74,770, 74,780 (Dec. 9, 2008) ("2008 ArcaBook Approval Order").