

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

In The Matter of:

The Application of SECURITIES INDUSTRY  
AND FINANCIAL MARKETS ASSOCIATION

For Review of Action Taken by Certain Self-  
Regulatory Organizations Listed in Exhibit A  
Annexed Hereto.

Admin. Proc. File No. 3-17787

**APPLICATION FOR AN ORDER SETTING ASIDE  
RULE CHANGES OF CERTAIN SELF-REGULATORY-  
ORGANIZATIONS LIMITING ACCESS TO THEIR SERVICES**

The Securities Industry Financial Markets Association (“SIFMA”) submits this application, pursuant to Sections 19(d) and 19(f) of the Securities Exchange Act of 1934 (the “Act”), for an order setting aside certain rule changes (the “Rule Changes”) unilaterally issued by the self-regulatory organizations (“SROs”) listed in Exhibit A attached hereto.<sup>1</sup> The Rule Changes limit the access of SIFMA’s members and their customers to market data made available by the SROs and are inconsistent with the Act.

1. SIFMA is a trade association that represents certain securities firms, banks, and asset managers. Market data is integral to the business of SIFMA’s members and their customers, and members of SIFMA regularly access or seek to access the market data that the SROs make available.

2. The SROs have provided notice that they filed the Rule Changes, which purport to allow them to charge new and amended fees for market data products and related services made available exclusively by the SROs. The Rule Changes became effective upon filing with the SEC, and the SEC has not suspended the Rule Changes or instituted proceedings to disapprove them.

3. SIFMA has submitted other applications pursuant to Sections 19(d) and 19(f) challenging earlier rule changes by the SROs that adopted or amended fees for various market data products. In an order dated May 16, 2014, the SEC held that (1) it has jurisdiction to review such applications by persons aggrieved by an SRO’s rule change imposing fees for market data, and (2) such fees will be held unenforceable to the extent they are inconsistent with the Act, including the Act’s requirement that the data for which those fees are imposed be made available

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<sup>1</sup> Exhibit A includes a fee increase issued by NYSE for its corporate actions data (NYSE, NYSE MKT, and NYSE Arca) which took effect on January 1, 2017. NYSE did not file any rule change with the Commission in connection with this fee increase. In addition to being inconsistent with the Act because it limits access to market data, therefore, this fee increase is unlawful because NYSE failed to file a rule change or provide notice to the Commission as required by Section 19(d).

on “fair and reasonable” terms. Order Establishing Procedures 10–19, Rel. No. 34-72182, Admin. Proc. File Nos. 3-15350 & 3-15351 (May 16, 2014). In addition, the SEC referred to the Chief Administrative Law Judge (“Chief ALJ”) SIFMA’s challenges to two of the rule changes and stayed proceedings on the other challenges. *Id.* at 19–22.

4. The SEC should set aside the Rule Changes because they constitute limitations on access to the SROs’ services for purposes of Section 19(d) and (f). This is so because they limit access to critical market data for anyone unwilling or unable to pay the onerous, supra-competitive fees the SROs are charging. Furthermore, the SEC should set aside the Rule Changes under Sections 19(d) and (f) because SIFMA’s members and their customers must pay fees that are not consistent with the Act. The Rule Changes are not “fair and reasonable,” 15 U.S.C. § 78k-1(c)(1)(C), and they do not “provide for the equitable allocation of reasonable . . . fees . . . among . . . persons using [the SROs’] facilities,” *id.* § 78f(b)(4). Nor do the Rule Changes “promote just and equitable principles of trade” or “protect investors and the public interest,” *id.* § 78f(b)(4). In sum, the Rule Changes are unenforceable under Section 19(b)(3)(C).

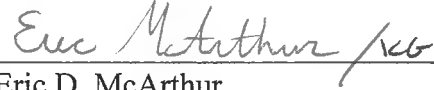
5. Under the SEC’s “market-based” approach, market forces cannot provide a basis for finding that an SRO’s non-core data fees are “fair and reasonable” unless the SRO is subject to significant competitive forces in setting the fees. The SROs have offered no evidence of such competitive forces. The SROs also have provided no evidence of the cost of collecting and distributing the data at issue, despite the D.C. Circuit’s finding that such costs are undeniably relevant evidence, *see NetCoalition v. SEC*, 615 F.3d 525, 537–38 (D.C. Cir. 2010).

6. SIFMA respectfully requests that this application be held in abeyance pending a decision in the proceeding before the Chief ALJ, as has been done with other challenges.

Dated: January 13, 2017

Respectfully submitted,

SIDLEY AUSTIN LLP

Handwritten signature of Eric D. McArthur in cursive script, written over a horizontal line.

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**Rule of Practice 420(c) Statement:** Service upon the applicant may be accomplished by serving their attorneys at the address listed above.

**EXHIBIT A**

<b>Exchange</b>	<b>File Number</b>	<b>Release Number</b>	<b>Date of Notice</b>
The NASDAQ Stock Market LLC	R-NASDAQ-2016-167	34-79556	December 14, 2016
Bats EDGX Exchange, Inc.	SR-BatsEDGX-2016-73	34-79595	December 19, 2016
Bats BYX Exchange, Inc.	SR-BatsBYX-2016-39	34-79623	December 20, 2016
The NASDAQ Stock Market LLC	SR-NASDAQ-2016-178	34-79619	December 20, 2016
The NASDAQ Stock Market LLC	SR-NASDAQ-2016-168	34-79617	December 20, 2016
Bats BZX Exchange, Inc.	SR-BatsBZX-2016-87	34-79636	December 21, 2016
The NASDAQ Stock Market LLC	SR-NASDAQ-2016-172	34-79649	December 21, 2016
Miami International Securities Exchange LLC	SR-MIAX-2016-47	34-79666	December 22, 2016
NASDAQ BX, Inc.	SR-BX-2016-071	34-79667	December 22, 2016
NASDAQ PHLX LLC	SR-Phlx-2016-122	34-79654	December 22, 2016
New York Stock Exchange LLC	SR-NYSE-2016-45	34-79674	December 22, 2016
NYSE MKT LLC	SR-NYSEMKT-2016-63	34-79672	December 22, 2016
NYSE Arca, Inc.	SR-NYSEArca-2016-89	34-79673	December 22, 2016
NASDAQ BX, Inc.	SR-BX-2016-073	34-79690	December 23, 2016
Bats EDGA Exchange, Inc.	SR-BatsEDGA-2016-32	34-79699	December 28, 2016
The NASDAQ Stock Market LLC	SR-NASDAQ-2016-175	34-79701	December 29, 2016
C2 Options Exchange, Incorporated	SR-C2-2016-025	34-79711	December 29, 2016
Chicago Board Options Exchange, Incorporated	SR-CBOE-2016-092	34-79709	December 29, 2016
NYSE MKT LLC	SR-NYSEMKT-2016-126	34-79728	January 4, 2017
New York Stock Exchange LLC	SR-NYSE-2016-92	34-79730	January 4, 2017
NYSE Arca, Inc.	SR-NYSEArca-2016-172	34-79729	January 4, 2017
New York Stock Exchange LLC	NYSE Group Corporate Actions Data Fee Increase Effective Jan. 1, 2017 (NYSE/NYSE MKT/ NYSE ARCA Market Data)	N/A	NYSE notified SIFMA members by termination of existing agreements as of Dec. 31, 2016 (NYSE failed to provide proper notice via a filing with the Commission)

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**CERTIFICATE OF SERVICE**

I hereby certify that on January 13, 2017, I caused a copy of the foregoing Application For An Order Setting Aside Rule Changes Of Certain Self-Regulatory Organizations Limiting Access To Their Services to be served on the parties listed below by First Class Mail.

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*(via hand delivery)*

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Miami International Securities Exchange LLC  
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Princeton, NJ 08540

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Dated: January 13, 2017

  
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Eric D. McArthur