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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. 3-17841

**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. 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 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: February 9, 2017

Respectfully submitted,

SIDLEY AUSTIN LLP

Handwritten signature of Eric D. McArthur in cursive script, positioned above 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>
New York Stock Exchange LLC	SR-NYSE-2016-93	34-79748	January 6, 2017
Bats BZX Exchange, Inc.	SR-BatsBZX-2016-89	34-79758	January 9, 2017
Bats BZX Exchange, Inc.	SR-BatsBZX-2016-90	34-79762	January 9, 2017
Bats BYX Exchange, Inc.	SR-BatsBYX-2016-40	34-79760	January 9, 2017
Bats EDGX Exchange, Inc.	BatsEDGX-2016-75	34-79761	January 9, 2017
Bats EDGA Exchange, Inc.	SR-BatsEDGA-2017-01	34-79773	January 11, 2017
Bats EDGX Exchange, Inc.	SR-BatsEDGX-2017-02	34-79774	January 11, 2017
C2 Options Exchange, Incorporated	SR-C2-2017-003	34-79796	January 13, 2017
The NASDAQ Stock Market LLC	SR-NASDAQ-2017-004	34-79863	January 13, 2017

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**CERTIFICATE OF SERVICE**

I hereby certify that on February 9, 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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Dated: February 9, 2017

  
Eric D. McArthur