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August 30, 2022

Via email to rule-comments@sec.gov

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: Susquehanna International Group, LLP Comment Letter Addressing Notice of Filing of Amendment to the National Market System Plan Governing the Consolidated Audit Trail, dated May 20, 2022; File No. 4-698

Dear Ms. Countryman;

Susquehanna International Group, LLP writes in response to the Securities and Exchange Commission's ("SEC" or the "Commission") request for comments in response to the above-referenced proposed amendment (the "Proposed Amendment") to the National Market System Plan Governing the Consolidated Audit Trail ("CAT").¹ Susquehanna International Group, LLP is a member of the Susquehanna International Group of Companies ("SIG").² SIG is a privately held global trading firm with over 2,400 employees and 14 offices across North America, Europe, and Asia. SIG trades and makes markets in nearly every asset class.

SIG is submitting this letter to support the comments made by SIFMA in their June 30, 2022 comment letter.³ Specifically, SIG strongly concurs with SIFMA's position that the proposed disclaimer of warranties clause functions as an inappropriate limitation of liability provision. SIG also concurs with (i) SIFMA's position that the self-regulatory organizations ("SROs") should not be permitted to disclaim representations or warranties or impose liability limitations regarding the CAT system which the SROs operate and control, and (ii) SIFMA's opposition to the proposed waiver of jury trial provision. As SIFMA correctly pointed out, the Proposed Amendment's "...disclaimer of warranties clause should be rejected for the same reasons that the SEC previously

¹ Release No. 34-095031 (June 3, 2022), 87 FR 35273 (June 9, 2022), <https://www.sec.gov/rules/sro/nms/2022/34-95031.pdf>

² SIG is comprised of a number of registered Broker Dealers and investment related entities under common control including, without limitation, Susquehanna Securities, LLC, Susquehanna Financial Group, LLLP, Susquehanna Investment Group, Global Execution Brokers, LP, G1 Execution Services, LLC, SAL Equity Trading, GP, and SIG Brokerage, LP.

³ <https://www.sec.gov/comments/4-698/4698-20133896-303830.pdf>


rejected similar limitation of liability provisions including a nearly identical disclaimer of warranties clause.”⁴

It is disingenuous for the SROs to state that they will protect the CAT data while actively working to ensure that they have no liability for such data. SIG notes that the SROs that own and operate CAT became for-profit publicly traded holding companies over twenty years ago. This substantive organizational change has had the unintended, but not unforeseen, effect of shifting the SROs’ focus from their historic role as market regulators that were incentivized to oversee orderly markets to their current role as market owners incentivized to maximize profits. In the existing framework, the SROs have little financial incentive to increase their protection of the CAT data. If the SROs are additionally bolstered with the disclaimer of warranty provision set forth in the Proposed Amendment, the resulting limitation of liability would create a scenario in which the SROs would no longer have any incentive to increase their protection of the CAT data and would unquestionably place their commercial interests above their regulatory obligations. In order for the SROs to invest in the security and protection of this sensitive market data, the SROs must remain financially liable.

For the reasons laid out above, SIG echoes the sentiments of the numerous market participants who are deeply concerned with data security and who oppose the Proposed Amendment. SIG respectfully requests the SEC disapprove the Proposed Amendment in its current form and, as advocated by SIFMA, specifically to disapprove inclusion of both the proposed disclaimer of warranties and the waiver of jury trial provisions in the CAT agreements. SIG would welcome the opportunity to discuss in detail with the Commission any points for which the Commission would like further explanation.

Respectfully,

Susquehanna International Group, LLP


By: _____
Ted Bryce

⁴ Id.