



November 13, 2020

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-0609

Re: File No. 4-757; Notice of Filing of a National Market System Plan Regarding Consolidated Equity Market Data

Dear Ms. Countryman:

Investors Exchange LLC (“IEX”) is writing to recommend certain changes to the proposal collectively filed by the national securities exchanges and FINRA (“SROs”) to create a new single national market system plan (the “New Plan”) governing the dissemination of consolidated market data.¹ The New Plan was filed in accordance with the Commission’s order (“Governance Order”) directing the Participants to submit a national market system plan governing consolidated market data and prescribing that this plan include significant changes to the governance structure that exists under the present three consolidated data plans (“Existing Plans”).² IEX commented strongly in support of the Governance Order,³ and we believe the changes we are recommending will help to ensure that the New Plan as adopted will more fully realize the purposes expressed by the Commission in that order.

In brief, our comments are directed to two critical concerns. First, the New Plan should establish a reasonable target date for completion of the steps required to make it operational and provide for a detailed plan for doing so. Second, the New Plan should provide for early selection of industry and investor voting representatives for the new governing committee (“Non-SRO Representatives”) and provide that those representatives can participate in the implementation of the New Plan.

Establishing an End Date

A proposed, the New Plan would become operational at least 90 days after all of various organizational and operational steps have been completed. These include: (i) selecting SRO representatives and Non-SRO Representatives for the new governing committee; (ii) establishing new fees for consolidated market data disseminated under the New Plan; (iii) entering into new processor agreement(s); (iv) entering into a new administrator agreement and completing the transition from administrators under the Existing Plans, including the execution of new vendor agreements; and (v) the adoption of all necessary policies and procedures, including any necessary approvals by the Commission.

The New Plan does not provide any time limit on when these steps must be completed. At the same time, the SROs will have significant control and influence over how and when they are completed. Without a reasonable deadline or target date for completion, there is a significant risk that implementation of the New Plan will be deferred indefinitely, undermining the important public policy goals to which the

¹ Securities Exchange Act Release No. 90096 (October 6, 2020), 85 FR 64565 (October 13, 2020) (“New Plan Release”).

² See Securities Exchange Act Release No. 88827 (May 6, 2020), 85 FR 28702 (May 13, 2020).

³ Letter from John Ramsay, Chief Market Policy Officer, IEX, to Vanessa Countryman, Secretary, SEC, dated March 4, 2020.

Governance Order is directed. We agree with the suggestion of the Securities Industry and Financial Markets Association (“SIFMA”) that one year from the date of approval would be a reasonable deadline for completion of the necessary steps.⁴ If additional time proves necessary due to unanticipated obstacles, the New Plan can provide for a means to obtain an extension based on a showing of good cause.

We also agree with the comment of the Investment Company Institute that the SROs should be required to develop and provide to the Commission, within a reasonable time after approval, a detailed project plan for completion, including interim dates and regular progress reports.⁵ Implementation of the New Plan will be a complex undertaking, and it is important that both the Commission and outside stakeholders have reasonable visibility into progress as it occurs.

Undoubtedly, the establishment of new fees for market data disseminated under the New Plan will be one of the most difficult undertakings, requiring engagement with Non-SRO Representatives and other stakeholders, along with the opportunity for public comment. To make sure that completing this process does not unduly delay implementation, we recommend that the New Plan be amended to clarify that the existing fee schedules under the Existing Plans will continue to apply until fees are set by the new Operating Committee and filed with and approved by the Commission (which does not need to occur before the New Plan becomes operational).⁶

Involvement by Non-SRO Stakeholders

Our second main recommendation is that the New Plan be amended to provide that Non-SRO Representatives be selected as a first order of business and that they can participate in implementation decisions. The New Plan provides that the initial selection of Non-SRO Representatives would be made by members of the Advisory Committee for the Existing Plans.⁷ There is no reason that this selection could not occur within a short time following approval. We recommend a deadline of 60 days following SEC approval, which would align with the timelines set by the New Plan for selecting replacements of Non-SRO Representatives.⁸

The requirement for voting representation by a diverse set of stakeholders is a core element of the Governance Order, with the purpose of reducing conflicts of interest and providing “more meaningful inclusion of key stakeholders’ views in New Consolidated Data Plan decision making.”⁹ The purpose of the Governance Order could be substantially undermined if all the initial decisions critical to the functioning of the New Plan occur without this vital input.

⁴ See Letter from Ellen Greene, Managing Director, Equity and Options Market Structure, SIFMA, to Vanessa Countryman, Secretary, SEC, dated November 13, 2020, at 3 (“SIFMA Letter”).

⁵ See Letter from Dorothy Donohue, Deputy General Counsel, Securities Regulation, Investment Company Institute, to Vanessa Countryman, Secretary, SEC, dated November 12, 2020, at 7.

⁶ See SIFMA Letter, at 5-6.

⁷ Section 4.2(b)(i), New Plan Release, at A-17-18.

⁸ Section 4.2(b)(v).

⁹ Governance Order, 85 FR at 28707.

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IEX appreciates and commends the Commission's ongoing efforts to improve and modernize the system for disseminating consolidated market data, on which millions of investors and other market participants rely.

Sincerely,

A handwritten signature in black ink, appearing to read "John Ramsay". The signature is written in a cursive style with a large initial "J" and a long, sweeping tail.

John Ramsay

Chief Market Policy Officer, IEX