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Via Electronic Filing

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Request for Comment on Market Data Infrastructure Proposed Rule (Release No. 34-88216; 34-84842; File No. S7-03-20)

Dear Ms. Countryman:

I am a law professor at Temple University Beasley School of Law. I research, teach, and write in the areas of corporate law and securities regulation. This comment letter is provided in response to the request by the Securities and Exchange Commission (the “Commission”) for comments on the Commission’s Proposed Rule on Market Data Infrastructure (the “Proposal”).

I applaud the Commission’s continuing efforts and attention, even during this pandemic, to upgrading the infrastructure of our capital markets to benefit both investors and issuers. In connection with the Proposal, I would like to highlight three important issues for the Commission’s consideration with citations to my relevant research, where appropriate, for more in-depth discussions:

1. *Financial Cybersecurity*. The Commission should place cybersecurity at the forefront of any efforts to upgrade the market data infrastructure. The modern financial marketplace is truly a high-tech marketplace where many of the key operations and transactions occur in electronic networks of cyberspace. This reliance on financial technology has made the marketplace particularly vulnerable to cyber threats from foreign states, cybercriminals, and other malicious actors.¹ As such, the

¹ See [Tom C.W. Lin, *Financial Weapons of War*, 100 MINN. L. REV. 1377, 1405-12 \(2016\)](#) (describing various cybersecurity threats to the financial system).

Commission should focus on how best to create a more secure marketplace in connection with its efforts to upgrade the market data infrastructure.

2. *Market Manipulation.* The Commission should give paramount consideration to the market manipulation implications of any proposed changes to the market data infrastructure. As our capital markets evolve from human-oriented operations to computer-oriented operations, the methods of market manipulation have evolved in kind, with old forms of market manipulation giving way to new forms of market manipulation. These new methods often use the electronic communications, information systems, and algorithmic platforms of the modern high-tech financial marketplace to unfairly distort market data.² These nefarious schemes cut at the heart of market confidence and market integrity. As such, the Commission should pay special attention to how best to guard against market manipulation in designing an upgraded market data infrastructure.
3. *Intermediary Independence.* The Commission should give serious consideration to ensuring that financial intermediaries in an upgraded market data infrastructure behave neutrally and independently with regards to all market participants to help facilitate robust, fair, and competitive capital markets.³ Our capital markets are fundamentally a market of intermediaries consisting of broker-dealers, clearinghouses, exchanges, electronic networks, SIP operators, and other financial institutions. Each intermediary plays an important role in facilitating the proper flow and growth of capital in the marketplace. Accordingly, each intermediary should not unfairly discriminate or privilege certain market participants to the detriment of others in terms of the data access, execution, and other market data operations. Instead, each intermediary should act independently and neutrally toward market participants to ensure the competitive integrity of the marketplace. As such, the Commission should prioritize intermediary independence as a core tenet in any new market data infrastructure upgrade.

I appreciate the opportunity to participate in this process, and I would be happy to discuss my comments or any questions the Commission may have with respect to this letter.

Sincerely,

/s/ Tom C.W. Lin

² See [Tom C.W. Lin, *The New Market Manipulation*, 66 EMORY L.J. 1253, 1287-93 \(2017\)](#) (discussing new forms of market manipulation in our capital markets).

³ See [Tom C.W. Lin, *Infinite Financial Intermediation*, 50 WAKE FOREST L. REV. 643, 666-68 \(2015\)](#) (explaining the importance of intermediary independence and neutrality in maintaining a fair and competitive marketplace).