SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-87907; File No. SR-CTA/CQ-2019-01)

January 8, 2020

Consolidated Tape Association; Notice of Filing of the Thirtieth Substantive Amendment to the Second Restatement of the CTA Plan and Twenty-Second Substantive Amendment to the Restated CQ Plan

I. Introduction

Pursuant to Section 11A of the Securities Exchange Act of 1934 ("Act"),[1] and Rule 608 of Regulation National Market System ("NMS") thereunder,[2] notice is hereby given that on July 5, 2019,[3] the Consolidated Tape Association Plan ("CTA Plan") participants ("Participants")[4] filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposal to amend the Second Restatement of the CTA Plan and the Restated Consolidated Quotation Plan ("CQ Plan") (each a "Plan" and together with the CTA Plan, the "Plans").[5] These amendments

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1 15 U.S.C. 78k-1.

2 17 CFR 242.608.

3 See Letter from Robert Books, Chair, CTA/CQ Operating Committee to Vanessa Countryman, Secretary, Commission, dated July 3, 2019 ("Transmittal Letter").

4 The Participants are the national securities association and national securities exchanges that submit trades and quotes to the Plans and include: Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe Exchange, Inc., NYSE Chicago, Inc., Financial Industry Regulatory Authority, Inc., The Investors' Exchange LLC, Long-Term Stock Exchange, Inc., Nasdaq BX, Inc., Nasdaq ISE, LLC, Nasdaq PHLX, Inc., The Nasdaq Stock Market LLC, New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., and NYSE National, Inc. (each a "Participant" and collectively, the "Participants"). Participants are also members of the Plans' Operating Committees.

5 See Securities Exchange Act Release Nos. 10787 (May 10, 1974), 39 FR 17799 (May 20, 1974) (declaring the CTA Plan effective); 15009 (July 28, 1978), 43 FR 34851 (August 7, 1978) (temporarily authorizing the CQ Plan); and 16518 (January 22, 1980), 45 FR 6521 (January 28, 1980) (permanently authorizing the CQ Plan). The most recent restatement of both Plans was in 1995. The CTA Plan, pursuant to which markets collect and disseminate last sale price information for non-NASDAQ listed securities, is a

represent the Thirtieth Substantive Amendment to the CTA Plan and the Twenty-Second Substantive Amendment to the CQ Plan ("Amendments"). As described in the Amendments, the Participants propose to make mandatory a conflicts of interest disclosure regime that currently is voluntary. Under the current practice, which the Amendments would make mandatory, the Participants,[6] the Processor,[7] the Administrator,[8] and the members of the Advisory Committee[9] (collectively, the "Disclosing Parties")[10] provide responses to a set of questions designed to provide transparency regarding potential conflicts of interest of such parties. Each of the Disclosing Parties' responses are then made publicly available on the Plans' website.[11] The Participants state that they believe that publicly providing these responses increases transparency and confidence in the governance of the Plans.[12]

"transaction reporting plan" under Rule 601 under the Act, 17 CFR 242.601, and a "national market system plan" under Rule 608 under the Act, 17 CFR 242.608. The CQ Plan, pursuant to which markets collect and disseminate bid/ask quotation information for listed securities, is a "national market system plan" under Rule 608 under the Act, 17 CFR 242.608.

6 See supra note 4.

7 The "Processor" is charged with collecting, processing and preparing for distribution or publication all Plan information. The Processor of the Plans is the Securities Industry Automation Corporation.

8 The "Administrator" is charged with administering the Plans to include data feed approval, customer communications, contract management, and related functions. The Administrator of the Plans is the New York Stock Exchange LLC.

9 "Advisory Committee members" are individuals who represent particular types of financial services firms or actors in the securities market, and who were selected by Plan participants to be on the Advisory Committee.

10 A list of the Processor, Administrator, and Advisory Committee members is available at https://www.ctaplan.com/governance.

11 See https://www.ctaplan.com/governance.

12 See Transmittal Letter at 1.

The proposed Amendments have been filed by the Participants pursuant to Rule 608(b)(2) under Regulation NMS.[13] The Commission is publishing this notice to solicit comments from interested persons on the proposed Amendments.

The Commission notes that, contemporaneously with the issuance of this notice, it has issued a notice of proposed order ("Governance Notice")[14] soliciting public comment on a proposed order that would direct the national securities exchanges and the Financial Industry Regulatory Authority, Inc. (collectively, "SROs") to act jointly in developing and filing with the Commission a proposed new single national market system plan, which will replace the existing national market system plans that govern the public dissemination of real-time, consolidated equity market data for national market system stocks ("Equity Data Plans"). The Commission stated in the Governance Notice its view that, among other concerns,

> conflicts of interest are inherent to the Equity Data Plans' current governance structure because some exchange Participants have a dual role as both an SRO jointly responsible for the operation of the Equity Data Plans and part of a publicly held company that offers proprietary data products. Moreover, an SRO representative on the operating committee may have direct responsibility for some or all of an exchange's proprietary data business.[15]

The Governance Notice solicits public comment on a proposed order that would direct the SROs to include provisions in the New Data Plan (as defined in the Governance Notice) addressing several issues arising from the current governance structure of the Plans, and the

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13 17 CFR 242.608(b)(2).

14 See Securities Exchange Act Release No. 87906 (January 8, 2020).

15 Id. at A-66 to A-67 (footnotes omitted).

proposed order discusses the Commission's view that the new data plan should include a comprehensive conflicts of interest policy.

In addition, contemporaneously with the publication of notice of the Amendments set forth below, the Commission also is publishing a separate proposed amendment from the Plans concerning a confidentiality policy.

II. Text of the Amendment

Set forth below is the entirety of the Amendment submission that the Participants prepared and filed with the Commission, which includes a statement of the purpose and summary of the Amendments, along with the information required by Rules 608(a) and 601(a) under the Act.[16]

A. Statement of the Purpose of the Amendment

1. Background

With Exchanges permitted to offer both proprietary market data products and also acting as Participants in running the public market data stream, potential conflicts of interest are inherent in the structure developed under Regulation NMS. There may be instances in which representatives from the Participants and Advisory Committee members have responsibilities with respect to both proprietary data and Securities Information Processor ("SIP") data. Drawing on the expertise of persons with such overlapping responsibilities may give rise to potential conflicts of interest, and to address such potential conflicts of interest, the Participants adopted a voluntary conflicts disclosure regime.

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16 See 17 CFR 242.608(a)(4) and (a)(5).

After discussion among the Participants and the Advisory Committee at several meetings of the Plans' Operating Committee, the Participants believe that a disclosure regime is a pragmatic step to address potential conflicts of interest.

As noted below, the Disclosing Parties have voluntarily provided responses to the disclosure regime questions. The responses are available on the Plans' website. The purpose of the Amendments is to make the disclosures a requirement on a prospective basis instead of relying on voluntary disclosures.

Required Disclosures

As part of the disclosure regime, the Participants propose that the Participants, the Processors, the Administrators, and members of the Advisory Committee respond to questions that are tailored to elicit responses that disclose the potential conflicts of interest.

The Participants propose that the Participants respond to the following questions and instructions:

- Is the Participant's firm for profit or not-for-profit? If the Participant's firm is for profit, is it publicly or privately owned? If privately owned, list any owner with an interest of 5% or more of the Participant, where to the Participant's knowledge, such owner, or any affiliate controlling, controlled by, or under common control with the owner, subscribes, directly or through a third-party vendor, to SIP and/or exchange Proprietary Market Data products.
- Does the Participant firm offer real-time proprietary equity market data that is filed with the SEC ("Proprietary Market Data")? If yes, does the firm charge a fee for such offerings?

- Provide the names of the representative and any alternative representatives designated by the Participant who are authorized under the Plans to vote on behalf of the Participant. Also provide a narrative description of the representatives' roles within the Participant organization, including the title of each individual as well as any direct responsibilities related to the development, dissemination, sales, or marketing of the Participant's Proprietary Market Data, and the nature of those responsibilities.

The Participants propose that the Processors respond to the following questions and instructions:

- Is the Processor an affiliate of or affiliated with any Participant? If yes, disclose the Participant(s)?
- Provide a narrative description of the functions directly performed by the manager employed by the Processor to provide Processor services to the Plans and the staff that reports to that manager (collectively, the "Plan Processor").
- Does the Plan Processor provide any services for any Participant's Proprietary Market Data products or other Plans? If yes, disclose the services the Processor performs and identify which Plans. Does the Plan Processor have any profit or loss responsibility for a Participant's Proprietary Market Data products?
- List the policies and procedures established to safeguard confidential Plan information that is applicable to the Plan Processor.

The Participants propose that the Administrators respond to the following questions and instructions:

- Is the Administrator an affiliate of or affiliated with any Participant? If yes, which Participant?

- Provide a narrative description of the functions directly performed by administrative services manager and the staff that reports to that manager (collectively, the "Plan Administrator").
- Does the Plan Administrator provide any services for any Participant's Proprietary Market Data products? If yes, what services? Does the Plan Administrator have any profit or loss responsibility for a Participant's Proprietary Market Data products?
- List the policies and procedures established to safeguard confidential Plan information that is applicable to the Plan Administrator.

The Participants propose that the Members of the Advisory Committee respond to the following questions and instructions:

- Provide the Advisor's title and a brief description of the Advisor's role within the firm.
- Does the Advisor have responsibilities related to the firm's use or procurement of market data?
- Does the Advisor have responsibilities related to the firm's trading or brokerage services?
- Does the Advisor's firm use the SIP? Does the Advisor's firm use exchange Proprietary Market Data products?
- Does the Advisor's firm have an ownership interest of 5% or more in one or more Participants? If yes, list the Participant(s).
- Does the Advisor actively participate in any litigation against the Plans?

The Participants will post the responses to these questions on the Plans' website. If a Disclosing Party has any material changes in its responses, the Disclosing Party must promptly

update its disclosures. Additionally, the Disclosing Parties will update the disclosures on an annual basis to reflect any changes. This annual update must be made before the first quarterly session meeting of each calendar year, which is generally held in mid-February.

B. Governing or Constituent Documents

Not applicable.

C. Implementation of Amendment

Each of the Participants has approved the amendments in accordance with Section IV(b) of the CTA Plan and Section IV(c) of the CQ Plan, as applicable. The Participants also received and incorporated feedback from the Advisory Committee in preparing the disclosure requirements.

D. Development and Implementation Phases

The Disclosing Parties have voluntarily completed, and the Participants have posted, responses to the questions outlined above on the Plans' website. The purpose of the amendment, going forward, is to make the disclosures a requirement rather than relying on voluntary disclosures.

E. Analysis of Impact on Competition

The Participants believe that the proposed amendments do not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Participants, together with the other Disclosing Parties, have determined to implement the disclosure regime described herein. The Participants believe that adopting this disclosure regime is an important step in addressing potential conflicts of interest.

The disclosure regime should increase transparency in the governance of the public market data stream, and consequently, increase confidence in the proper functioning of the Operating Committee.

F. Written Understanding or Agreements relating to Interpretation of, or Participation in, Plan

Not applicable.

G. Approval by Sponsors in Accordance with Plan

Section IV(c)(i) of the CQ Plan and Section IV(b)(i) of the CTA Plan require the Participants to unanimously approve the amendments proposed herein. They so approved it.

H. Description of Operation of Facility Contemplated by the Proposed Amendment

Not applicable.

I. Terms and Conditions of Access

Not applicable.

J. Method of Determination and Imposition, and Amount of, Fees and Charges

Not applicable.

K. Method and Frequency of Processor Evaluation

Not applicable.

L. Dispute Resolution

Not applicable.

III. Regulation NMS Rule 601(a) (solely in its application to the amendments to the CTA Plan)

A. Equity Securities for which Transaction Reports Shall be Required by the Plan

Not applicable.

B. Reporting Requirements

Not applicable.

C. Manner of Collecting, Processing, Sequencing, Making Available and Disseminating Last Sale Information

Not applicable.

D. Manner of Consolidation

Not applicable.

E. Standards and Methods Ensuring Promptness, Accuracy and Completeness of Transaction Reports

Not applicable.

F. Rules and Procedures Addressed to Fraudulent or Manipulative Dissemination

Not applicable.

G. Terms of Access to Transaction Reports

Not applicable.

H. Identification of Marketplace of Execution

Not applicable.

IV. Solicitation of Comments

The Commission seeks comments on the Amendments. Interested persons are invited to submit written data, views, and comments concerning the foregoing, including whether the Amendments are consistent with the Act and the rules thereunder. Among other things, the Commission asks commenters to consider whether the Amendments to the current Plans address the concerns outlined in the Governance Notice or whether they should be further enhanced regarding conflicts of interest in national market system plan governance. Accordingly, the Commission requests comments on matters including, but not limited to, the following:

Proposed Disclosure

1. The text of the Amendments, set forth above, state that: "With Exchanges permitted to offer both proprietary market data products and also acting as Participants in running the public market data stream, potential conflicts of interest are inherent in the structure developed under Regulation NMS." The Amendments further note that "[t]here may be instances in which representatives from the Participants and Advisory Committee members have responsibilities with respect to both proprietary data and [SIP] data" and that "such overlapping responsibilities may give rise to potential conflicts of interest." Do commenters believe the proposed Amendments adequately address those potential conflicts? Please provide sufficient detail to support your views, including, to the extent available, actual or possible examples.

2. If commenters do not believe that the proposed Amendments adequately address the potential conflicts of interest arising from the Plans' current governance structure, is that because commenters believe the Amendments are inadequate in any particular way? Or is it because commenters believe that the potential conflicts of interest have not been characterized accurately? If so, in what ways do commenters believe the Amendments fail to describe the current environment and potential conflicts of interest?

3. In their filing, the Participants state that the proposed questions in the disclosure document are tailored to elicit information relevant to assess the extent of an individual's potential conflict of interests with the Plans. Do commenters believe that the questions for Participants, Processors, Administrators, and members of the

Advisory Committee are sufficient to elicit information to provide insight into all potential conflicts? Will public availability of the responses increase transparency and confidence in the governance of the Plans? Do commenters believe the proposed disclosures are sufficient or should enhanced disclosures be required? If so, what additional items of disclosure should be required and why? Do commenters believe that additional disclosures should be required for the representatives and alternative representatives of a Participant, Processor, Administrator, or member of the Advisory Committee?

4. In their filing, the Participants state that a disclosure-based regime is a pragmatic step to address potential conflicts of interests. Do commenters agree or disagree with that statement? Do commenters believe that a disclosure-based regime is sufficient to address the potential conflicts that Participants, Processors, Administrators, and members of the Advisory Committee may face in their roles within the Plans?

5. Do commenters think any other types of persons should be required to provide disclosures, such as services providers to the Administrator that provide audit, accounting, or other professional services? As an example, if auditing services are outsourced to a Participant's employer or an affiliate that also is offering proprietary data products to SIP customers and/or conducting audits for those products, should that entity also be required to disclose its conflicts and otherwise be subject to the terms of the conflicts of interest policy, even if it is neither the Administrator nor Processor?

6. Do commenters believe that an alternative approach could better identify and address conflicts of interests among Participants, Processors, Administrators, and the

Advisory Committee, as well as auditors? For example, should a disclosure regime be supplemented with certain prohibited conduct or procedural requirements, such as a prohibition on a Participant voting when that Participant has direct business responsibilities related to producing, selling, or managing competing data products? If you believe an alternative approach is appropriate, please provide details on any such alternative approach. Do commenters regard the Plans' ability to identify and protect the confidentiality of competitive information as an important component to the Plans' ability to manage conflicts of interest? If so, how do commenters regard the interaction between these proposed Amendments and the separate proposed Plan amendments to govern treatment of confidential information noted above?

7. Do commenters believe that the proposed disclosure questions for each party are sufficient to identify the specific relationships that may give rise to a conflict under the Plans and related information? Separately, do commenters believe that the proposed questions effectively require all material facts necessary to not only identify the nature of the conflict, but also the effect it may have on the Plans? Should the Amendments require more disclosure of such potential effects or greater details with respect to the disclosures that are made?

8. Do commenters believe that the Plans should require additional public disclosures of any personal, business, or financial interests, and any employment or other commercial relationships that could materially affect the ability of a party to be impartial regarding actions of the Plans?

9. The Participants propose to continue to post the conflicts of interest disclosures for each party on the Plans' website. Do commenters believe that doing so provides

sufficient public notice of potential conflicts? If not, in what other manner should the disclosures be made public? For example, should Participants be required to acknowledge potential conflicts when discussing specific matters at Operating Committee meetings or subcommittee meetings that present a conflict? Should a complete set of the disclosures be included in the materials for each Plan meeting? Is the timing clear with respect to the requirement that a Disclosing Party "promptly" update its disclosures, or should the Amendments be more specific? What do commenters consider sufficiently prompt? Within one week? Within 30 days? Some other timeframe?

10. As proposed, the Amendments state that disclosures will be made and updated annually or upon any material change. Do commenters believe that these intervals are sufficient, or should updates be required more frequently such as in advance of scheduled Plan meetings? What constitutes a "material" change that should require the filing of an amended disclosure? Please explain.

Proposed Disclosure for Participants

1. Do commenters believe that any individual representing a Participant that is directly involved in the management, development, pricing, or sale of proprietary data products offered to SIP customers should participate in discussions and related Plan votes regarding the pricing of SIP data products? If so, how do commenters believe Participants should address the conflicts their representatives may face in their dual role of pricing and developing SIP data products as well as their own proprietary data products?

2. Do commenters believe that a Participant should be recused from voting when it or an affiliate is competing for a contract to serve as a Processor for the Plans? Why or why not? Are there any other scenarios that present conflicts that should result in a Participant being recused from voting?

3. Do commenters believe recusal on certain Plan action when a potential conflict is present is an appropriate mechanism to address conflicts? If so, under what circumstances? If applicable, do commenters believe that recusal should be mandatory or should it be voluntary? Why or why not?

4. Do commenters believe that Operating Committee members should be permitted to raise the issue of a potential conflict of interest of another Participant for discussion before the Operating Committee, even if the Participant did not itself disclose the potential conflict? Do commenters believe that the Operating Committee should have the ability to take action in response to disclosed or undisclosed conflicts, such as requiring the Participant to recuse itself from a certain discussion or vote on a particular matter? If so, how should the Operating Committee take such action? Should the Participants vote on recusal or should the Participants seek input from the Advisory Committee? Why or why not?

Proposed Disclosures for Processors

1. Do commenters believe that the proposed disclosure questions for Processors are sufficient to identify the specific circumstances in which a Participant is both voting on an Operating Committee and competing to act as Processor for one of the Plans? Do commenters believe that the disclosure questions are tailored to the role that Processors perform and the fact that they are present at Plan meetings but do not vote

on Plan matters, or should different or additional disclosure be required for Processors? Separately, do commenters believe that the proposed Processor questions effectively require all material facts necessary to not only identify the nature of the potential conflict, but also the effect it may have on the Plans? Should the Amendments require more disclosure of such potential effects? Should the Amendments elaborate on what "profit or loss responsibility for a Participant's Proprietary Market Data products" means in the context of the required disclosures? Alternatively, do commenters believe that the Plans' separately-proposed confidentiality proposal would address some of the potential effects of conflicts of interests if approved?

2. Do commenters have concerns about affiliations between a Plan's Processor and a Participant? If so, do commenters believe the conflicts of interest disclosure is sufficient to address those concerns? Should the Amendments require a description of the nature of the affiliation?

3. Do commenters believe that a Participant or its affiliate that is competing for a contract to serve as a Processor for the Plans should participate in discussions and related Plan votes regarding the selection of the Processor for the Plans? If so, how do commenters believe Participants should address the conflicts they face in their dual role of competing to serve as a Processor while serving as a Participant that participates in the discussion of, and ultimately votes on, selection of the Processor?

Proposed Disclosures for Administrators

1. Do commenters believe that the proposed disclosure questions for Administrators are sufficient to identify the specific interests and employment, commercial or other

relationships that may give rise to a conflict under the Plans? Separately, do commenters believe that the proposed Administrator questions effectively require all material facts necessary to not only identify the nature of the conflict, but also the effect it may have on the Plans? Should the Amendments require more disclosure of such potential effects or greater details with respect to the disclosures that are made?

2. To the extent that the Administrator enlists assistance from an auditor or any other professional services subcontractor for any of the Plan(s), and the subcontractor is affiliated with an entity that is involved in the development, pricing, or sale of proprietary data products offered to SIP customers, or is subject to any other conflict, should all of the disclosures and conflicts policies referenced above also be applicable to them? Or do commenters believe that concerns arising from potential conflicts of interest would be more appropriately addressed for a subcontractor if the subcontractor could attest that it is sufficiently walled-off from the proprietary data business of its affiliate?

Proposed Disclosures for Members of the Advisory Committee

1. Do commenters believe that the proposed disclosure questions for Advisory Committee members are sufficient to identify the specific interests and employment, commercial, or other relationships that may give rise to a conflict under the Plans? Separately, do commenters believe that the proposed Advisory Committee members' questions effectively require all material facts necessary to not only identify the nature of the conflict, but also the effect it may have on the Plans? Should the Amendments require more disclosure of such potential effects or greater details with respect to the disclosures that are made? Should the Amendments require Members

of the Advisory Committee to identify affiliations with any Disclosing Party, and clarify that both direct and indirect ownership interests in a Participant are subject to disclosure? Is it clear what "actively participate in any litigation against the Plans" means, or should the Amendments require additional detail?

2. Do commenters believe that the Plans should require additional public disclosures of any personal, business, commercial, or financial interests, and any employment relationships that could materially affect the ability of the Advisory Committee Member to participate impartially in discussing actions of the Plans? Please explain.

3. Do commenters believe that Advisory Committee members that purchase SIP data products should participate in discussions regarding the pricing of SIP data products? If so, how do commenters believe Advisory Committee members should address that potential conflict?

Participant Statement Regarding Competition

1. The Participants state in their filing that the Amendments do not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Do commenters believe that the Amendments to the Plans impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act?

2. What effect might the Amendments have on competition, if any? Please explain. How would any effect on competition from the proposal benefit or harm the national market system and/or various market participants? Please describe and explain how, if at all, aspects of the national market system or different market participants would be affected. Please support any response with data, if possible.

Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CTA/CQ-2019-01 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F. Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CTA/CQ-2019-01. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all written statements with respect to the proposed Amendments that are filed with the Commission, and all written communications relating to the proposed Amendments between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00p.m. Copies of the filing also will be available for website viewing and printing at the principal office of the Plans. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You

should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CTA/CQ-2019-01 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

By the Commission.

Vanessa A. Countryman
Secretary