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September 17, 2018

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-0609

Re: MFA-AIMA Petition for Rulemaking Regarding Market Data Fees and Request for Guidance on Market Data Licensing Practices; Investor Access to Market Data

Dear Mr. Fields:

The FIA Principal Traders Group (“FIA PTG”)¹ appreciates the opportunity to comment in support of the above-captioned petition (“Petition”).² Our members share many of the concerns raised by Managed Funds Association (“MFA”) and the Alternative Investment Management Association (“AIMA”) (together, the “Associations”). We echo the Associations’ concern “that the way in which the current regulatory framework for proprietary exchange market data and consolidated market data is implemented fails to protect investors from unreasonable fees, unreasonably discriminatory pricing, and in some cases, fees that may be imposing an unnecessary and inappropriate burden on competition.”

As market makers, access to timely and accurate market data is critical—without it our members are unable to effectively manage risk which in turn makes it impossible to provide the best possible prices to the marketplace. Yet, consolidated market data (*i.e.*, SIP data feeds) do not provide our members with the information needed in the timeframe required. Accordingly, our members must purchase proprietary market data from exchanges to operate in today’s marketplace. Further, the current market structure and related proliferation of exchanges necessitate the purchase of this

¹ FIA PTG is an association of firms, many of whom are broker-dealers, who trade their own capital on exchanges in futures, options and equities markets worldwide. FIA PTG members engage in manual, automated and hybrid methods of trading, and they are active in a wide variety of asset classes, including equities, fixed income, foreign exchange and commodities. FIA PTG member firms serve as a critical source of liquidity, allowing those who use the markets, including individual investors, to manage their risks and invest effectively. The presence of competitive professional traders contributing to price discovery and the provision of liquidity is a hallmark of well-functioning markets. FIA PTG advocates for open access to markets, transparency and data-driven policy and has previously made recommendations about a variety of equity market structure issues, including Regulation NMS (See <https://ptg.fia.org/keywords/equity-market-structure>).

² [MFA-AIMA Market Data Petition – 082218](#).

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proprietary market data from not just one exchange, but many. We share the concern expressed by the Associations “that exchanges as exclusive processors are charging unreasonable fees for market data products, and as a consequence, restricting trade and harming competition.”

FIA PTG joins the Associations in requesting that the Commission conduct more rigorous reviews of exchange rule filings concerning proprietary market data fees, including cost assessments. While we acknowledge that exchanges have made various technology upgrades to their market data processing systems over the past few years, the exchanges have not provided market participants with the transparency they need to determine if the fee increases are commensurate with the cost of the upgrades. At a minimum, the Commission should conduct the requested cost assessments to illuminate what is currently a very opaque process.

FIA PTG appreciates the Commission’s consideration of the issues raised in the Associations’ letter as well as our support. If you have any questions, please contact Joanna Mallers (jmallers@fia.org).

Respectfully,

FIA Principal Traders Group

A handwritten signature in blue ink that reads "Joanna Mallers". The signature is written in a cursive style and is placed on a light yellow rectangular background.

Joanna Mallers
Secretary

cc: Walter J. Clayton, Chairman
Kara M. Stein, Commissioner
Robert J. Jackson, Jr., Commissioner
Hester M. Peirce, Commissioner
Elad L. Roisman, Commissioner
Brett W. Redfearn, Director of the Division of Trading and Markets