

## Statement from the SIP Operating Committees Adding to SEC Commissioner Jackson's Recent Comments

NEW YORK – September 24, 2018 – The following statement\* is attributable to Emily Kasparov, Chair of the SIP Operating Committees:

*“At a recent market structure event, SEC Commissioner Jackson made several comments regarding the SIPs. We appreciate the debate and dialogue encouraged by Commissioner Jackson and, in the same vein, want to provide a few relevant facts about these feeds, which are an asset unique to U.S. market structure and help to make U.S. equities markets transparent and accessible to investors worldwide.*

*“The operating structure and oversight of the SIPs were set up by SEC mandate in 1975, and the structure was reconfirmed with the passage of Reg. NMS in 2007.*

*“In the last three years, the SIP Operating Committees have invested in the technology that powers them, increasing resiliency and redundancy while reducing latency. System availability has been 100% for both SIPs for each of the last four quarters and median latency is now well below a millisecond for both the UTP and CTA/CQ feeds. Detailed metrics on latency and uptime for both are available on their respective websites (<https://www.ctaplan.com/index> and <http://www.utpplan.com/>).*

*“While it is true that the latencies of the SIPs are slightly greater than those of direct exchange feeds, it is important to remember that the SIPs are a consolidation of all market data feeds, not a single feed. Therefore, the SIPs must first aggregate data from multiple exchanges located in geographically disparate data centers before processing and transmitting it to the market, which means their feeds will always be, by definition, slightly slower than the data a user can receive directly from an exchange. In addition, the exchanges are prohibited by Reg. NMS Rule 603(a) from transmitting their market data to a vendor or other user sooner than they transmit it to the SIPs. Compliance with this rule is something that is regularly checked during SEC audits.*

*“Finally, it is worth noting that for non-professional users – “Mom and Pop investors” – subscriptions to the SIPs remain \$1/month, notwithstanding improvements made. Information on total revenues generated for Tape A, B and C is provided on a quarterly basis on the respective Plan websites.*

\* Ms. Kasparov's statement is endorsed by all Plan Participants except Investors Exchange LLC.

### About the SIPs

The “SIPs” (Securities Information Processors) link the U.S. markets by processing and consolidating all protected equities bid/ask quotes and trades from every registered exchange and FINRA's Alternative Display Facility (ADF) into a single, easily consumable data feed. The SIPs are an asset unique to U.S. market structure and play a critical role in making the U.S. equities markets transparent and accessible to investors worldwide.

Although often referred to in the singular, there are actually two SIPs: the combined CTA (Consolidated Tape Association) and CQ (Consolidated Quotation System) SIP, and the UTP (Unlisted Trading Privileges) SIP. The CTA/CQ SIP is responsible for the dissemination of real-time quote and trade information in New York Stock Exchange listed securities (sometimes called “Network A” or “Tape A”

securities) and Cboe, NYSE Arca, NYSE American and other regional exchange listed securities (sometimes called “Network B” or “Tape B” securities). The UTP SIP handles Nasdaq listed securities (sometimes called “Network C” or “Tape C” securities). This structure has been in place since the late 1970s, when the Securities and Exchange Commission (“SEC”) mandated that all registered exchanges that trade Network A, B, or C securities send their trades and quotes to the SIPs for consolidated worldwide distribution.

Per the SEC, each SIP is governed by a Plan and run by an Operating Committee (“OC”) comprised of its Plan Participants. The OCs are counseled by an Advisory Committee made up of individuals representing firms from across the industry and representing the diverse viewpoints of the market. Among other duties, the OCs set their individual Plan policies, select a Processor that is responsible for providing the technology to power it, and review the performance of both the Processor and the network administrators, which are responsible for the administrative functions for each SIP, such as contracting, billing, auditing, policy development and vendor relations. New York Stock Exchange serves as the Administrator for the CTA/CQ SIP Plans and the Securities Industry Automation Corporation is the Processor. Nasdaq business units serve as the Administrator and Processor for the UTP SIP.

One of the primary objectives of both SIPs is transparency. Both the CTA/CQ Operating Committee and UTP Operating Committee meet quarterly, and the summary of the General Sessions of those meetings are posted to their respective websites: [www.ctaplan.com](http://www.ctaplan.com) and [www.utpplan.com](http://www.utpplan.com). Also provided on those websites are their Plans’ announcements, policies, revenues, quarterly and monthly performance metrics, the pricing schedules, technical specifications and more.

## **Media Contact**

Rafi Reguer  
Forefront Communications for the SIP Operating Committees  
Phone: 318.734.8377  
Email: [rafi@forefrontcomms.com](mailto:rafi@forefrontcomms.com)