

## SUMMARY OF CQ/CTA/UTP GENERAL SESSION OF FEBRUARY 27, 2020\*

**Operating Committee Participants:** Present: Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe Exchange, Inc., Financial Industry Regulatory Authority, Inc., 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., NYSE Chicago, Inc., and NYSE National, Inc.

**Advisory Committee Members:** Present: Retail Representative (Chris Nielsen, Charles Schwab); Investor Representative (Thomas Jordan, Jordan & Jordan); Vendor Representative (Kerry Baker Relf, Refinitiv); Institutional Representative (Bill Conti, Goldman Sachs); Participant Representatives (Ed Flynn (TD Ameritrade), Wesley Todd Watkins (E\*Trade), Patti Sachs (Citigroup), Paul O'Donnell (Morgan Stanley)). Via Telephone: Participant Representatives (Melissa Hinmon (Glenmede)), (Hubert De Jesus (Blackrock)).

**Security Information Processors (SIPs):** Present: Brian Faughnan, Mike Collazo (SIAC); Mike O'Rourke, Joel Kazis, Ani Sathe (UTP); Via Telephone: Joe Gostomski (SIAC); Rob Vilaro, George Friend, Emma Gallup, Claudia Castedo (UTP)

**Securities & Exchange Commission (SEC):** Present: Michael Coe; Via Telephone: Meg Olsen, Debbie Flynn, Leigh Duffy, Yvonne Fraticelli, Eugene Hsia, Arisa Tinaves Kettig, Ted Uliassi, Mia Zur, Nick Shwayri

**Murphy & McGonigle, P.C.:** Present: James Dombach and Meghan Carey; Via Telephone: Howard Kramer

**Observer:** Present: MIAX; Via Telephone: MEMX

1. **Network Administrator Reports.** The network administrators reviewed changes in professional devices, nonprofessional subscriber populations and cable television households, and the number of per-query inquiries provided during the quarter. These trends are available in the quarterly metrics reports, which are publicly available on the UTP Plan and CTA Plan websites.
2. **Plan Amendments.** Mr. Kramer asked the SEC staff for an update on the following three amendments that had been filed by the Operating Committee with the SEC: Prints During Halts Amendment; Confidentiality Amendment; and Conflicts of Interest Amendment. All three amendments have been published for public comment and their respective comment periods have closed. Mr. Coe noted that the Confidentiality and Conflicts of Interest Amendments have received a number of comments that currently are being considered by the staff. He said that another staff attorney was handling the Prints During Halts Amendment.
3. **Update on Trading Halt Amendments.** The Participants and the SEC discussed the trading halt amendments submitted to the SEC by the individual Exchanges and the Operating Committee. Mr. Kramer reported that the SEC and the Exchanges held a joint call to discuss the trading halt amendment language. Mr. Kramer stated that the Operating

Committee will send draft revisions to the trading halt amendment language to SEC staff for their review.

4. NMS Network Filings. The meeting participants discussed a proposed rule amendment that NYSE submitted to the SEC regarding a separate low-latency connection to CTA/CQ that would not require any connection to the Secure Financial Transaction Infrastructure (“SFTI”). Ms. Saperstein stated that the NYSE is continuing preparation to implement the low-latency network. She discussed a third comment letter submitted by Nasdaq objecting to the filing and noted that the next date for SEC action is March 8, 2020.
5. Market Wide Circuit Breaker (“MWCB”). The meeting participants discussed MWCB, including the resumption of trading following a Level 3 event. Nasdaq has drafted revised language to Exchange rules regarding Day 2 reopening procedures and submitted a filing with the SEC. Once the SEC approves Nasdaq’s filing, that language will be used by the various Exchanges as a template for their own filings. The meeting participants also discussed a standalone MWCB working group which has been formed to consider whether additional changes should be made to the MWCB rules. The working group includes representatives from equities and futures markets, including from the LULD Plan and the SIP Plan operating committees, and SEC staff.
6. Subcommittee and Task Force Updates
  - Distributed SIP Committee: The subcommittee chair led the meeting participants in a discussion of the subcommittee’s activities. Since the last quarterly meeting, the subcommittee discussed estimating processor costs and considered what scope and type of information can be shared among the processors.
  - SIP Systems Subcommittee: The subcommittee chair stated that all active items in the SIP Systems Subcommittee have moved to the Technical Subcommittee.
  - Market Data Administration Subcommittee: The subcommittee chair stated that the subcommittee held several meetings during the last quarter and principally focused on the professional versus non-professional definitions. Mr. Nielsen also provided an update on research being conducted regarding simultaneous log-on. The subcommittee is considering a proposal to permit natural persons to have up to five simultaneous log-ons, provided that vendors can demonstrate their corresponding ability to limit the number of log-ons.
  - LULD Update: The Operating Committee Chair provided an update on the implementation of Amendment No. 18 to the LULD Plan. As part of the implementation process, double-wide price bands have been eliminated from 9:30 to 9:45 am and for Tier 2 securities above three dollars during the closing period. The Operating Committee Chair noted that the SIPs completed the requisite testing and went live on Monday, February 24, 2020, well in advance of the April 2020 deadline.

- Communications Subcommittee: Forefront led the meeting participants in a discussion regarding the recent publication of the Operating Committee Chair’s annual letter on January 6, 2020, which discussed transaction and quotation tape enhancements and policy initiatives.
  - Governance Subcommittee: The subcommittee chair led the meeting participants in a discussion of an advisor selection and participation policy. The policy sets forth information regarding the role of the advisors in the governance of the plans, and provides procedures for selecting advisors. The meeting participants voted unanimously to approve the advisor selection and participation policy.
  - CTA Processor Agreement Review Subcommittee: The subcommittee chair reported that the subcommittee has continued to work to revise the CTA Service Level Agreements (“SLAs”) to make them similar to the current UTP SLAs. The SLAs include details regarding availability, penalties and staffing, and will include provisions for the evaluation of the processors.
  - Odd Lot Task Force: The Operating Committee chair presented an update of the Task Force’s work. During the Task Force’s last meeting on February 19th, the Task Force’s participants decided to dissolve the Task Force in light of the SEC’s rule proposal on an overhaul of the market data system.
  - Technical Subcommittee: The subcommittee chair reported on recent meetings of the subcommittee, including discussions regarding the distributed SIP and multicast input.
7. Advisory Committee Items. The meeting participants discussed conducting an external review of the SIP processors, including the hiring of a third-party organization to conduct a review of the UTP Processor and CQ/CTA Processor. The meeting participants discussed the timing of any such review in light of the CQ/CTA Processor’s plan to move CTA/CQ to lower-latency Pillar technology in July 2020.
  8. SIP Reports. The SIPs reported on their performance and activities since the November 2019 meeting. They addressed capacity, peak usage, system availability and latency statistics, operational activities, production issues, SIP performance activities, and recent development activities. Metrics on SIP performance are publicly available in a quarterly report on the UTP Plan and CTA Plan websites. The UTP SIP also discussed a technology refresh to occur this year that would upgrade servers and primary and disaster recovery environments. The meeting participants also discussed LTSE’s preparations to begin operations in April 2020.
  9. Chair Election. The meeting participants voted unanimously to select Bob Books as Chair of the CTA and UTP Operating Committees for another year.
  10. Upcoming Meeting Dates and Locations. The meeting participants discussed the upcoming meeting schedule. The next meeting will be held on May 21, 2020 in New York.

11. Agenda Items for Executive Session. The meeting participants determined that an executive session was not necessary for this quarterly meeting.

\* This summary is intended as an informal summary of discussions that occurred at the general session and is subject to revision and to the approval of the Participants.