FINANCIAL INFORMATION FORUM
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April 24, 2009

Office of the Corporate Secretary
NYSE Euronext
20 Broad Street, 12th Floor
New York, NY 10005

Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

Re: NYSE Regulation Information Memo 09-13 and FINRA Regulatory Notice 09-15

Dear Sir or Madam,

The Financial Information Forum (FIF)[1] would like to take this opportunity to provide feedback on NYSE Regulation Information Memo 09-13 and FINRA Regulatory Notice 09-15. We applaud NYSE Regulation and FINRA for seeking to harmonize NYSE Rule 92 and FINRA IM-2110-2/Rule 2111. Simplifying the implementation of order handling rules represents a significant opportunity to reduce the complexity and cost of compliance.

Based on feedback from FIF members, we would like to recommend the following:

Extension of Manning Rule standards to Rule 92

The NYSE Regulation notice asks several questions relating to differences between the current Manning Rule and Rule 92. For each of the following issues, FIF members recommend adopting the Manning standard:

- Timing of customer protection obligation: For both FINRA and NYSE Reg, a customer's order protection should be timed from the execution of the proprietary order
- Definition of Institutional Account: For both FINRA and NYSE Reg, the definition of an institutional account should include a natural person with total assets of at least $50 million
- Proposed Rule 5320.06 and 5320.07: NYSE Regulation should adopt the FINRA requirements for minimum improvement standards and order handling procedures.

[1] FIF (www.fif.com) was formed in 1996 to provide a centralized source of information on the implementation issues that impact the financial technology industry across the order lifecycle. Our participants include trading and back office service bureaus, broker-dealers, market data vendors and exchanges. Through topic-oriented working groups, FIF participants focus on critical issues and productive solutions to technology developments, regulatory initiatives, and other industry changes.

Adoption of a Negative Consent Disclosure Regime

Obtaining consent on an order by order basis would be a time consuming, costly and disruptive process. Since clients typically give consent, FIF recommends adopting a negative consent regime to minimize operational overhead. Administrative overhead and tracking would be minimized by adopting this approach.

Optional Use of Separate MPID for Walled-Off Desk

The FINRA notice asks about the use of separate MPIDs for walled-off desks. FIF recommends allowing firms to use separate IDs for walled off desks but not requiring it. Some firms believe separate MPIDs for walled-off desks would be useful; however, others are concerned about the extra overhead that may be required to maintain more MPIDs.

Extension of OATS and ACT to meet NYSE Regulation's Riskless Principal Reporting Requirements

In order to promote efficiency and reduce costs, FIF recommends that NYSE Regulation use the Nasdaq ACT Reporting platform for Rule 92 reporting for the following reasons:

- Reduced implementation costs: Most broker dealers already use ACT for FINRA reporting and have established connectivity and support for ACT reporting.
- Lower ongoing costs: Development and support in place for FINRA reporting via ACT can be leveraged to support NYSE requirements.

It is our understanding that Nasdaq designed ACT to be SRO-neutral and is willing to extend the ACT platform for regulatory reporting of NYSE securities.

Additionally, we strongly recommend that NYSE Regulation take this opportunity to retire OTS and conform to FINRA's OATS specifications for orders in exchange securities. Extending OATS to NYSE securities would provide NYSE Regulation with detailed audit trail information which could be used for surveillance purposes without requiring a duplicative order handling infrastructure to be maintained.

The combination of OATS and ACT reporting on NYSE securities should satisfy the reporting requirements of NYSE Regulation.

Allow Sufficient Implementation Time

Extending FINRA/Nasdaq systems to support NYSE securities requires a significant development effort and careful testing. Consistent with the implementation time given to move to an executing broker model for trade reporting, FIF recommends a nine month implementation time period.

Summary

The ultimate goal of harmonization is to create a consistent rule book for NMS securities that minimizes the costs of compliance. We urge NYSE Regulation and FINRA to expand the use of FINRA Manning rules and order and trade reporting systems to NYSE securities.

Sincerely,

Manisha Kimmel

Manisha Kimmel
Executive Director
Financial Information Forum