

# SEC Directs Equity Exchanges and FINRA to Improve Governance of Market Data Plans

### FOR IMMEDIATE RELEASE

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Washington D.C., Sept. 1, 2023 — The Securities and Exchange Commission today issued an order directing the equity exchanges and the Financial Industry Regulatory Authority (FINRA) (*the participants*) to file a new national market system plan (NMS plan) to replace the three existing national market system plans that govern the public dissemination of real-time, consolidated equity market data for national market system stocks.

The order follows a May 6, 2020, Commission order that was reviewed by the D.C. Circuit and, among other things, was upheld with respect to the Commission's requirements that the new plan allocate votes by exchange group and provide for an independent administrator.

The consolidated equity market data produced pursuant to NMS plans is a critical component of the national market system through which equity investments are priced and traded. Developments in technology and changes in the equity markets have heightened the inherent conflicts of interest between the equity exchanges' regulatory responsibilities in their oversight of existing NMS plans and their individual interests in maximizing the viability of the proprietary data products they sell. This has raised concerns about whether the existing NMS plans for equity market data continue to fulfill their regulatory purpose to ensure the availability of information with respect to quotations for and transactions in securities. Today's order addresses conflicts of interest inherent in the current governance structure of the existing equity data plans and is designed to improve the efficiency of NMS plan operations and the responsiveness of the plan to the concerns of market participants that are not self-regulatory organizations.

Under the order, the participants must submit a new NMS plan that will be published for public notice and comment. Until such a new NMS plan is effective, the current NMS plans will continue to govern the provision of consolidated equity market data.

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## Related Materials

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- [SEC Order](#)