



January 29, 2024

VIA ELECTRONIC DELIVERY

Ms. Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Enhancements to Its Designated Market Maker Program; Release No. 34-98869; File No. SR-NYSE-2023-36 (Nov. 6, 2023)

Dear Ms. Countryman:

Virtu Financial, Inc. (“Virtu”)¹ respectfully submits this letter in support of the above-referenced proposed rule changes filed with the Securities and Exchange Commission (the “SEC” or “Commission”) by the New York Stock Exchange LLC (the “Exchange”) seeking to introduce enhancements to the Exchange’s Designated Market Maker (“DMM”) program (the “Proposal”).

As stated, the core objective of the Proposal is to modernize the Exchange’s rule set by removing DMM access to certain non-public information on the trading floor during trading hours. Historically, DMMs have had access to certain non-public information essential to their role in facilitating openings, re-openings, and the close of trading. For example, at the point of sale, DMMs have display-only access to aggregate buying and buying/selling interest eligible to participate in opening and closing auctions. Some of this information is also accessible by floor brokers, who may request that DMMs relay such information at the post, including, for example, aggregate buying and selling interest in the closing auction.

However, since the Exchange’s DMM rules were last updated in 2008, advances in technology have vastly reshaped the markets. In today’s electronic marketplace where almost all trading and execution activities are automated, the market-making activities of DMMs are virtually identical to market-making activities on other exchanges. As a consequence of today’s automated marketplace and the transparency it has fostered, the nature and scope of non-public information available to DMMs has been substantially diminished, and DMMs are essentially performing the same role as traditional market makers.

¹ Virtu is a leading financial firm that leverages cutting edge technology to deliver liquidity to the global markets and innovative, transparent trading solutions to its clients. Virtu operates as a market maker across numerous exchanges in the U.S. and is a member of all U.S. registered stock exchanges. Virtu’s market structure expertise, broad diversification, and execution technology enables it to provide competitive bids and offers in over 25,000 securities, at over 235 venues, in 36 countries worldwide.

The Proposal would modernize the Exchange’s DMM rule set to level the playing field regarding information that various market participants are allowed to possess. Virtu strongly supports this change, which will further enhance the transparency of our markets while at the same time promoting competition.

Importantly, the Proposal will also benefit DMMs by eliminating certain restrictions applicable to them because of their access to non-public information. For example, DMMs will no longer be restricted from cell phone communication on the floor, and will no longer be prohibited from engaging in “aggressing transactions” at the close. The elimination of these restrictions is appropriate in light of the Proposal’s goal of harmonizing the activities of DMMs with those of other market makers. Virtu supports these changes, which are equitable and designed to ensure that all participants performing market-making activities are on the same footing.

Virtu also applauds the Exchange for seeking to introduce an introductory program that would allow non-DMM units and supplemental liquidity providers to engage in market-making activities remotely for a 12-month ramp-up period before transitioning to fully functioning, floor-based DMM units. We firmly believe that investors in our markets benefit substantially from intense competition among market participants, and the Exchange is to be commended for its efforts to attract new participants to the DMM program to enhance competition.

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Virtu has long been a vocal proponent of smart, data-driven regulation that supports the goals of enhancing transparency, fostering robust competition among market participants, and ensuring the high quality of the retail investor experience. We believe that the Proposal represents a well-crafted and well-intentioned effort to advance these objectives and we encourage the Commission to approve it.

Respectfully submitted,



Thomas M. Merritt
Deputy General Counsel

cc: The Honorable Gary Gensler, Chair
The Honorable Hester M. Peirce, Commissioner
The Honorable Caroline A. Crenshaw, Commissioner
The Honorable Mark T. Uyeda, Commissioner
The Honorable Jaime E. Lizarraga, Commissioner
Dr. Haoxiang Zhu, Director, Division of Trading and Markets