

TAURIPAY, A PUBLIC BENEFIT CORPORATION

July 29, 2026

Vanessa A. Countryman

Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File No. S7-2026-20, Release No. 34-105655, The Trade-Through Rule and Locked and Crossed Markets Provisions of Regulation NMS

RIN 3235-AN50

Dear Secretary Countryman:

TauriPay, a public benefit corporation, appreciates the opportunity to comment on the Commission's proposal to rescind Rule 611 of Regulation NMS, the trade-through rule, Rule 610(e), the locked and crossed markets provisions, and related conforming amendments.

Executive Summary

We support the Commission's decision to revisit whether market-structure rules adopted in 2005 continue to serve the objectives of Section 11A of the Securities Exchange Act in today's market. U.S. equity markets are now highly automated, fragmented across exchange and off-exchange venues, increasingly dependent on sophisticated routing technology, and moving toward extended-hours, tokenized, and distributed-ledger-adjacent trading models.

However, rescission of Rule 611 and Rule 610(e) should not be treated as a simple deregulatory endpoint. Rule 611 may be outdated or overly rigid, but it provides a clear mechanical protection against trade-throughs. If that protection is removed, the Commission should define what replaces it as a practical supervisory framework.

The proposal appears to rely on broker best-execution obligations, smart-order-routing technology, venue competition, execution-quality analytics, and market forces to replace the need for mechanical intermarket price protection. That may be a reasonable direction for mature NMS equity markets if paired with updated guidance, measurable obligations, and post-implementation monitoring. The proposal, however, does not yet fully specify the replacement framework for execution quality, routing accountability, market-data integrity, oracle/reference-data integrity, locked and crossed markets, liquidity-provider concentration, routing economics, reference-price architecture, market-stability dependencies, or tokenized-securities infrastructure.

The proposal also raises a broader market-structure planning issue. Rule 611 has become embedded in the operating assumptions of the national market system, including the NBBO, displayed quotations, broker-dealer routing logic, execution-quality review, stop and conditional order triggers, options-market dependencies, volatility controls, and market-stability mechanisms. If Rule 611 is rescinded, the Commission should explain how those related functions will be preserved, replaced, measured, and supervised, particularly if the same reference-price architecture is later used to support tokenized securities, extended-hours trading, AMMs, DEX routing, oracle-dependent systems, or blockchain-settled markets.

This gap is especially important because tokenized securities, wrapped securities, AMM-based markets, DLT settlement systems, sequencers, validators, bridges, custodians, oracle/reference-data inputs, and closed digital-asset matching engines create new infrastructure risks that are not addressed by merely removing legacy NMS protections. Where an instrument is a security, represents a security, references a security, or provides economic exposure to a security, the Commission should apply a classification-appropriate functional

analysis and evaluate the relevant execution, routing, custody, redemption, market-data, and settlement functions performed by the supporting infrastructure.

We therefore recommend that any rescission of Rule 611 and Rule 610(e) be accompanied by:

1. updated best-execution guidance for a post-611 market;
2. enhanced execution-quality analytics across venue types;
3. market-data and quote-economics review;
4. surveillance of persistent locked and crossed markets;
5. review of liquidity-provider concentration, routing economics, and unintended concentration effects;
6. a reference-price and market-stability transition plan addressing NBBO reliability, price-discovery quality, stop and conditional order triggers, options-market dependencies, LULD and circuit-breaker reference prices, locked and crossed markets, and tokenized-market reference-price dependencies;
7. a tokenized-securities infrastructure framework;
8. venue and network qualification standards;
9. specific treatment of capacity limits, queuing, failed transactions, reattempt rates, route reversions, chain congestion, and settlement finality as execution-quality inputs;
10. specific treatment of oracle dependence, reference-data inputs, fixed penalty structures, and whether oracle incentives are economically proportionate to the transaction value they can affect;
11. phased implementation and post-implementation reporting.

Modernization should replace outdated mechanical protection with measurable execution-quality obligations, operational transparency, and infrastructure accountability. It should not create an exemption gap for tokenized securities or allow functionally equivalent securities-market activity to migrate into parallel infrastructure without equivalent standards for investor protection, market integrity, execution quality, market-data reliability, and settlement finality.

Some of these issues may require separate Commission, staff, SRO, NMS Plan, or tokenization-specific action, but they should be identified in this rulemaking record because rescission of Rule 611 may affect the reference-price and execution-quality architecture into which tokenized securities would be introduced.

I. General Support for Modernization

We agree that the Commission should reassess rules that may contribute to unnecessary complexity, venue proliferation, routing rigidity, and compliance costs. Rule 611 was intended to promote displayed liquidity, protect accessible quotations, and help assure investors that their orders would not be executed at inferior prices. Over time, however, the market has developed in ways that call into question whether the specific mechanics of Rule 611 continue to advance those objectives efficiently.

The Commission's proposal identifies several concerns with the current framework, including increased market complexity, exchange proliferation, fragmentation, compliance costs, routing constraints, and the potential for Rule 611 to shape market structure in ways that may no longer benefit investors. We recognize the importance of evaluating those concerns.

At the same time, the original policy concerns underlying Rule 611 remain valid. Fragmented markets can produce inferior executions, inaccessible quotations, routing conflicts, stale or unreliable market data, information leakage, and reduced investor confidence. The Commission may conclude that the 2005 mechanism is no longer the right tool. But rescission should not mean that the underlying investor-protection objectives disappear.

The question is not merely whether Rule 611 should remain in its current form. The question is what clear obligations, metrics, systems, and supervisory expectations will replace it.

II. Rule 611 Provided Clarity, Even if the Mechanism Is Now Outdated

Rule 611 may be costly and imperfect, but it is clear. It generally prohibits a trading center from executing through a protected quotation, absent an applicable exception. That clarity matters because it creates an objective baseline for routing, execution, and compliance.

If Rule 611 is rescinded, the Commission should avoid replacing a clear rule with an undefined combination of generalized best-execution principles, market forces, broker discretion, and after-the-fact analytics. Best execution is a critical obligation, but it is not identical to Rule 611. Rule 611 operates mechanically at the point of execution. Best execution is broader, facts-and-circumstances-based, and often evaluated through supervisory review, policies and procedures, routing analysis, and execution-quality data.

Accordingly, the Commission should specify how broker-dealers, exchanges, ATSs, wholesalers, internalizers, and other trading centers should evaluate routing and execution quality in a post-611 environment. The Commission should also consider whether FINRA and the SROs should update best-execution guidance to reflect the removal of mechanical trade-through protection.

At a minimum, updated guidance should address:

1. how broker-dealers should evaluate venues when the best displayed price is no longer mechanically protected;
2. how firms should measure execution quality across price, speed, fill rate, adverse selection, market impact, opportunity cost, price improvement, and missed liquidity;
3. how routing conflicts, rebates, payment arrangements, internalization economics, and affiliated venue relationships should be reviewed;
4. how execution quality should be evaluated separately for regular trading hours, extended-hours trading, and thin-liquidity periods;
5. how firms should document the decision to connect to, disconnect from, or exclude a venue from routing logic;
6. how customers and regulators should be able to understand whether routing decisions were consistent with best execution.

Without this clarity, rescission could reduce formal compliance costs while increasing ambiguity about responsibility for execution quality.

III. Market Forces Alone Are Not a Complete Market-Structure Plan

The proposal appears to rely heavily on the idea that market forces, venue competition, broker routing technology, and best-execution obligations can replace the need for Rule 611 and Rule 610(e). We do not object to the Commission considering that thesis. Market structure should evolve, and competitive forces can discipline venues that provide poor execution quality, excessive fees, weak liquidity, or inadequate services.

However, market forces alone are not a complete regulatory framework. Markets do not automatically produce transparent execution quality, reliable market data, resilient infrastructure, or fair treatment of investors. This is particularly true in fragmented markets where execution quality depends on routing logic, speed, access, market data, venue economics, and non-public order-handling practices.

If the Commission proceeds with rescission, it should clearly identify the replacement architecture. That architecture should include measurable best-execution expectations, enhanced execution-quality analytics, market-data reforms, locked and crossed market surveillance, and standards for venue qualification.

The Commission should also consider whether the removal of Rule 611 may cause brokers to disconnect from smaller venues. That may reduce unnecessary fragmentation if order flow consolidates on venues with stronger execution quality. But it could also reduce displayed liquidity, increase concentration, strengthen off-exchange internalization, or make public price discovery more dependent on a smaller number of venues. The Commission should require empirical monitoring of these effects after implementation.

Market forces should also be evaluated against the price-discovery and reference-price functions that Rule 611 has helped stabilize. If the economic importance of displayed quotations declines after rescission, the

Commission should assess whether competition is improving execution quality or merely shifting liquidity, routing power, and reference-price formation toward less transparent mechanisms.

IV. Liquidity-Provider Concentration and Routing Economics Could Produce Unintended Consequences

If the Commission rescinds Rule 611 and Rule 610(e), it should also evaluate whether the resulting market structure will be shaped by broad competition or by a relatively concentrated set of liquidity providers, wholesalers, internalizers, and market-making firms with significant scale advantages.

The proposal appears to assume that market forces, routing technology, venue competition, and best-execution obligations can discipline market structure after rescission. We do not disagree that competitive forces can improve market design. However, market forces do not operate in the abstract. They operate through actual routing arrangements, liquidity-provider commitments, bilateral economics, rebate structures, payment arrangements, market-data costs, connectivity costs, and venue-specific incentives.

The Commission should also consider whether post-rescission routing discretion interacts with payment arrangements, spread economics, internalization, and wholesaler incentives in ways that may not be visible from displayed price alone. If displayed spreads widen, or if certain quotations become less central to routing decisions, the economics of retail order flow, payment arrangements, and internalized executions may change.

Rescission may also shift competitive advantage toward firms with the largest routing-analytics, compliance, surveillance, and governance infrastructures. If demonstrating best execution becomes more subjective and resource-intensive, smaller and mid-sized broker-dealers may become more dependent on a smaller number of execution providers, routing counterparties, or outsourced technology providers. That would be a market-structure consequence, not merely a compliance-cost consequence.

Based on practical exchange-operating experience, the economics of market quality often depend not only on formal venue rules, but on the behavior and commitments of a relatively concentrated set of liquidity providers and routing counterparties.

In practice, a relatively small number of large liquidity providers and market-making firms may have substantial influence over where liquidity forms, which venues receive meaningful order flow, and which venues remain economically viable. These firms may have advantages in speed, connectivity, data, capital, inventory management, technology, and the ability to internalize or interact with order flow across multiple venues. If Rule 611 is removed, the Commission should evaluate whether those scale advantages could increase concentration, reduce venue diversity, or shift price discovery away from transparent displayed markets.

This is not an argument for preserving Rule 611 unchanged. It is a request that the Commission model the second-order consequences of removing a mechanical intermarket protection in a market where routing economics and liquidity provision may already be highly concentrated.

Relevant questions include:

1. whether rescission would increase the bargaining power of large liquidity providers, wholesalers, internalizers, or market makers;
2. whether smaller exchanges or ATSs would lose meaningful order flow if brokers are no longer required to access their quotations;
3. whether displayed liquidity would migrate to fewer venues or become more dependent on private liquidity arrangements;
4. whether off-exchange internalization would increase;
5. whether venue competition would improve market quality or instead consolidate around firms with the greatest connectivity, data, and routing advantages;
6. whether payment arrangements, rebates, fee structures, or bilateral liquidity agreements would affect routing decisions after Rule 611;
7. whether execution-quality analytics are sufficient to detect when routing concentration harms investors.

The Commission should therefore include liquidity-provider concentration and routing economics in any post-implementation review. If rescission produces lower costs and better execution quality, that will support the Commission's thesis. But if rescission increases concentration, reduces displayed liquidity, weakens price discovery, or makes market quality more dependent on a small number of dominant liquidity providers, the Commission should be prepared to take corrective action.

V. Best Execution Must Become More Operationally Explicit

If Rule 611 is rescinded, best execution becomes more important, not less. The Commission should therefore update best-execution expectations to make them more operationally explicit.

The Commission should also recognize that rescission may shift the best-execution framework from a more objective protected-quote baseline toward a more subjective and resource-intensive supervisory model. That transition may be manageable for large broker-dealers with extensive routing analytics, surveillance systems, best-execution committees, and compliance infrastructure. It may be more burdensome for smaller and mid-sized broker-dealers if regulatory expectations are not clear, objective, and exam-ready.

A post-611 best-execution framework should not be limited to whether a broker's routing system produced an acceptable average outcome after the fact. It should require firms to maintain and review documented logic for venue selection, routing, execution-quality measurement, exception handling, conflict management, and customer-impact analysis.

Broker-dealers should be expected to evaluate, at a minimum:

1. whether routing logic considers all reasonably available sources of liquidity relevant to the customer order;
2. whether routing decisions are influenced by rebates, fees, payment for order flow, internalization economics, or affiliated venue relationships;
3. whether routing systems detect when a venue is stale, slow, unreliable, inaccessible, or producing poor execution quality;
4. whether execution quality is reviewed by order type, security, venue, time of day, liquidity condition, and customer class;
5. whether firms can reconstruct why an order was routed to a particular venue and whether better reasonably available alternatives existed;
6. whether smart-order-routing systems are tested under stress, including high-volume periods, outages, locked or crossed markets, and fragmented liquidity conditions.

The Commission should also consider whether updated Rule 605 and Rule 606 disclosures are sufficient in a post-611 environment. If the market is moving from mechanical protection toward execution-quality analytics, those analytics must be robust enough to support regulatory review, customer transparency, and meaningful comparison among venues.

VI. Locked and Crossed Markets Should Remain a Supervisory Concern

We understand the Commission's view that Rule 610(e) may no longer be necessary in a highly automated and interconnected market. We also recognize that some locked or crossed markets may be transient, technical, or economically benign.

However, persistent locked or crossed markets can impair market data quality, execution-quality measurement, NBBO reliability, and investor confidence. The Commission should distinguish between brief latency-driven locked or crossed conditions and recurring, persistent, or strategically induced locked or crossed markets.

The Commission should pay particular attention to locked and crossed markets around openings, reopenings, new listings, IPO-related trading, thinly traded securities, volatility events, and other sensitive market conditions. In those settings, locked or crossed markets may be more than transient latency artifacts; they may affect price formation, investor perception, order-trigger logic, and the reliability of public market data.

If Rule 610(e) is rescinded, the Commission should consider enhanced monitoring and reporting for locked and crossed markets. Such monitoring should address:

1. frequency and duration of locked and crossed markets;
2. whether locked or crossed markets are concentrated in particular symbols, venues, time periods, or liquidity conditions;
3. whether locked or crossed markets affect Rule 605 execution-quality statistics;
4. whether locked or crossed markets impair midpoint, pegged, or reference-price order types;
5. whether particular venues repeatedly contribute to locked or crossed conditions;
6. whether investors can reasonably understand execution quality when public market data is locked, crossed, stale, or unreliable.

Rescinding Rule 610(e) should not mean that locked and crossed markets become irrelevant. It should mean that the Commission shifts from a categorical prohibition to a more empirical and risk-based supervisory framework.

VII. Market Data and Quote Economics Require Parallel Review

The Commission should review market-data incentives in parallel with any rescission of Rule 611 and Rule 610(e). These rules are deeply connected to quote protection, venue economics, order routing, market data revenue allocation, and exchange incentives.

If protected quote status is removed or substantially changed, the Commission should ensure that market data revenue allocation formulas do not continue to reward activity that no longer serves meaningful price discovery. Quote credits and revenue allocation should not subsidize low-value quoting activity that increases market complexity without improving execution quality, liquidity, or investor outcomes.

The policy objective should be straightforward: market data economics should reward genuine price discovery, executable liquidity, operational reliability, and useful market quality. They should not reward activity that merely satisfies legacy definitional requirements or creates artificial fragmentation.

The Commission should also ensure that consolidated market data remains reliable in a post-611 environment. If broker-dealers are no longer required to connect to every venue displaying a protected quotation, market participants and regulators will need a clear framework for determining which venues contribute meaningful data, liquidity, and execution quality.

Market-data review should include not only the economics of quote credits and data revenue, but also the governance of reference prices used by downstream systems. The Commission should identify which quotations are expected to remain central to the NBBO, how quote reliability will be measured, and whether venues that contribute to public price discovery remain economically viable after rescission. This review should also address how NBBO, exchange prices, proprietary feeds, consolidated feeds, and oracle/reference-data inputs may be used by tokenized-security systems.

VIII. Rule 611 Rescission Requires a Reference-Price and Market-Stability Transition Plan

The Commission should evaluate rescission not only as the removal of a trade-through prohibition, but as a market-structure transition affecting price discovery, reference-price formation, order-trigger logic, routing review, market-data governance, and market-stability controls.

Rule 611 may be appropriate to revisit. The issue is not whether a rule adopted in 2005 should remain unchanged indefinitely. The issue is that Rule 611 has become embedded in the operating assumptions of the national market system. The NBBO, protected quotations, displayed liquidity, broker-dealer routing logic, execution-quality review, stop and conditional order triggers, options-market dependencies, Limit Up-Limit Down mechanisms, trading pauses, circuit breakers, and surveillance systems all rely, directly or indirectly, on a common and reliable framework for public price discovery.

If Rule 611 is rescinded, the NBBO may continue to exist as a consolidated market-data benchmark, but its practical role may change. A quote that is displayed but no longer protected may become less central to routing decisions, venue connectivity, liquidity-provider commitments, broker-dealer order-handling logic, and public price discovery. The Commission should therefore explain what the NBBO is expected to represent

after rescission and how market participants should evaluate whether it remains representative of reasonably available liquidity.

This is a planning issue. If the Commission removes the mechanical protection but does not define how the related market functions will be preserved, replaced, measured, and supervised, the transition could create consequences beyond trade-through analysis. NBBO reliability and public price discovery affect stop-order triggers, conditional order logic, midpoint and pegged order types, options pricing, options quoting, hedging systems, automated risk controls, market-data analytics, customer-facing execution-quality statistics, volatility controls, and market-wide stability mechanisms.

The issue becomes more important as securities markets move toward tokenized instruments, extended-hours trading, crypto-native execution models, AMMs, DEX aggregators, oracle-dependent reference prices, and blockchain-based settlement. A tokenized-security market may rely on the NBBO, an exchange price, a proprietary feed, an oracle, a consolidator feed, or a hybrid reference-price model. If the Commission does not define the reliability, governance, and auditability standards for those inputs, the market could develop parallel execution systems without equivalent price-discovery and market-stability controls.

The Commission should also review the relationship between rescission and market-stability mechanisms, including Limit Up-Limit Down, trading pauses, and market-wide circuit breakers. These mechanisms are separate from Rule 611, but they may be affected indirectly if rescission changes the quality, representativeness, or practical significance of displayed quotations, NBBO-based reference points, or public price discovery. The Commission should confirm whether rescission will affect the quality, representativeness, or governance of the reference prices used by these systems, particularly if those reference prices later become inputs into tokenized or extended-hours trading models.

Historically, locked and crossed markets were not treated as merely cosmetic quote conditions. They can impair price discovery, confuse the meaning of executable prices, and create opportunities for strategic behavior around openings, new listings, thin liquidity, volatility events, and other sensitive market conditions. If Rule 610(e) is rescinded, the Commission should monitor whether locked and crossed markets remain transient and benign, or whether they become persistent, concentrated, or strategically induced.

Accordingly, the Commission should include NBBO reliability, public price-discovery quality, reference-price integrity, stop and conditional order triggers, options-market dependencies, LULD and circuit-breaker reference prices, locked and crossed markets, and tokenized-market reference-price dependencies in any transition plan and post-implementation review.

IX. Tokenized Securities and the Infrastructure Gap

The Commission should not evaluate the proposed rescission of Rule 611 solely as a question of whether today's equity markets are more automated than they were in 2005. The more important question is whether securities-market protections remain effective as execution moves into new infrastructure.

This issue becomes urgent as securities markets move toward tokenized, distributed-ledger, automated-market-maker, and hybrid execution models. A tokenized security, wrapped security, or security-linked token does not merely represent economic exposure to an underlying asset. It also imports the operational risk of the infrastructure on which it is issued, traded, routed, sequenced, custodied, bridged, redeemed, or settled.

In that environment, the Commission should not assume that general market forces will produce adequate investor protection. The relevant infrastructure may include closed matching engines, AMMs, sequencers, validators, bridges, custodians, oracle/reference-data inputs, smart contracts, or public blockchain networks. Each layer may affect execution quality, price discovery, access, latency, ordering, market data, settlement finality, and recovery from failure.

The Commission should therefore make clear that tokenization does not reduce market-structure obligations. Where an instrument is a security, represents a security, references a security, or provides economic exposure to a security, the Commission should apply a classification-appropriate functional analysis and evaluate the relevant systems used to trade, route, custody, redeem, and settle that instrument as part of the securities-market infrastructure.

Tokenized-security systems should not be permitted simply to import the NBBO, an exchange price, a proprietary feed, a consolidator feed, or an oracle input without demonstrating that the referenced price is reliable, executable, governable, and auditable. Reference-price integrity should be treated as part of the infrastructure analysis, not as a separate data issue.

X. Closed Matching Engines, AMMs, and Functional Regulation

The regulatory analysis should not turn on whether a system describes itself as centralized, decentralized, on-chain, off-chain, hybrid, tokenized, or crypto-native. It should turn on the actual market function the system performs.

If a system receives orders, routes orders, sequences transactions, matches buyers and sellers, determines execution priority, calculates price, controls custody, controls settlement, publishes market data, or operates redemption mechanics for a tokenized representation of a security, then that system is performing a securities-market function.

That principle should apply equally to:

1. national securities exchanges;
2. ATSS;
3. broker-dealer internalizers;
4. wholesalers;
5. single-dealer platforms;
6. centralized digital-asset platforms operating closed matching engines;
7. hybrid platforms combining off-chain matching with on-chain settlement;
8. AMMs that execute tokenized securities or security-linked instruments;
9. sequencers or validators that determine ordering;
10. bridges, wrappers, custodians, or smart contracts that determine whether the tokenized instrument can be transferred, redeemed, or reconciled with the underlying security.

Major digital-asset platforms often operate closed matching engines that are functionally analogous to the proprietary matching engines used by traditional exchanges. The fact that a matching engine is proprietary or closed does not eliminate market-structure obligations in the traditional equity market. It should not eliminate them in tokenized securities markets either.

Similarly, AMMs differ from central limit order books, but they still determine execution price, expose users to slippage, allocate liquidity, and create execution outcomes. A decentralized label should not substitute for analysis of liquidity, pricing, governance, ordering, market data, and operational reliability.

The Commission should therefore adopt a functional approach. A system should be regulated according to what it does, not how it markets itself.

XI. Capacity, Queuing, Reattempts, and Finality Are Execution-Quality Inputs

The Commission should also recognize that tokenized and on-chain execution environments introduce execution-quality variables that are not captured by traditional price-only or quote-access analysis.

In traditional NMS equity markets, best execution analysis already considers more than displayed price. It may include speed of execution, order size, trading characteristics, clearing costs, the availability of accurate market information, the availability of technological aids to process that information, and the cost and difficulty of achieving execution in a particular market center. These factors become even more important when execution occurs through tokenized, AMM-based, DEX-based, or blockchain-settled infrastructure.

In an on-chain environment, a displayed or calculated execution price may not be meaningfully available if the route is subject to material failure risk. A route through an AMM, DEX aggregator, bridge, sequencer, validator network, or public blockchain may fail, revert, queue, reprice, become stale, require repeated submissions, incur variable transaction fees, or settle with delayed or uncertain finality. These are not merely

technology issues. They directly affect whether the customer receives the most favorable terms reasonably available under the circumstances.

Accordingly, the Commission should clarify that best execution for tokenized securities and security-linked instruments must consider operational execution probability, not merely displayed or estimated price. Relevant factors should include route-completion rates, failed transaction rates, reattempt rates, latency to inclusion, queue behavior, chain congestion, gas or transaction-fee volatility, slippage, MEV exposure, sequencing risk, bridge availability, settlement finality, and recovery procedures after failed or delayed execution.

The Commission should also consider oracle and reference-data risk as an execution-quality input. In tokenized-security, AMM, DEX, lending, collateral, or smart-contract environments, an oracle print or reference-data input may trigger routing decisions, liquidations, collateral movements, AMM repricing, settlement events, or other automated transactions. If the economic penalty for submitting, validating, or failing to prevent a bad oracle print is small relative to the transaction value that the print can trigger, then the incentive structure may be misaligned. A fixed penalty measured in thousands or tens of thousands of dollars may be insufficient if the erroneous or manipulated input can affect transactions valued in millions or tens of millions of dollars. Best-execution and market-integrity analysis should therefore consider whether oracle incentives, dispute mechanisms, latency, governance controls, and error-correction procedures are economically proportionate to the market consequences of the data they produce.

This concern is part of the broader reference-price architecture issue. In traditional markets, unreliable market data can impair routing and execution quality. In tokenized markets, unreliable oracle or reference-data inputs may directly trigger automated execution, repricing, collateral movement, liquidation, redemption, or settlement. The Commission should therefore evaluate not only whether an oracle or data source is available, but whether its incentive structure and error-correction process are proportionate to the market consequences it can trigger.

This distinction is particularly important for AMM and DEX-based execution. A closed matching engine may be able to implement routing, cancellation, repricing, and exception logic in a manner analogous to traditional exchange infrastructure. Fully on-chain execution can be more complex because the order or transaction may enter a public or semi-public sequencing environment before execution is final. During that interval, the transaction may be reordered, delayed, fail, or execute at materially different economic terms. A best-execution framework that does not account for those risks would be incomplete.

The Commission should therefore make clear that a tokenized-security route, AMM pool, DEX aggregator path, blockchain network, or hybrid venue should not be treated as an eligible execution venue for best-execution purposes unless it can demonstrate sufficient operational reliability, market-data integrity, execution certainty, settlement finality, and failure-recovery procedures.

This approach is consistent with the purpose of modernizing Regulation NMS. The objective should not be to preserve outdated mechanical protections where they no longer serve investors. The objective should be to ensure that the next generation of market infrastructure is evaluated according to measurable execution quality, not merely technological novelty or displayed theoretical price.

XII. The Commission Should Avoid an Exemption Gap

The Commission should also consider the risk of an exemption gap. If Rule 611 and Rule 610(e) are rescinded for traditional NMS equities, and tokenized securities are permitted to develop under separate exemptions, no-action positions, limited-purpose frameworks, or informal guidance, then the market may be left with neither the old mechanical protections nor a clear new infrastructure standard.

That outcome would be inconsistent with the objectives of the national market system. Investors should not receive fewer execution-quality protections because a security is represented in tokenized form. Brokers should not have weaker routing obligations because the instrument trades on a blockchain-based system. Venues should not have weaker market-data responsibilities because execution occurs through an AMM or closed crypto matching engine. Issuers and intermediaries should not avoid operational-resilience scrutiny because the asset is wrapped, mirrored, or settled through distributed ledger technology.

The Commission should therefore state clearly that any exemption or tailored framework for tokenized securities must preserve functional equivalence with the core protections of securities-market regulation.

Functional equivalence does not require copying every legacy rule. But it does require measurable standards for:

1. execution quality;
2. routing accountability;
3. market data;
4. order handling;
5. sequencing integrity;
6. operational resilience;
7. settlement finality;
8. oracle and reference-data dependence;
9. economic proportionality of oracle penalties, bonds, or slashing mechanisms;
10. procedures for excluding oracle-dependent routes where the input source is stale, disputed, or unreliable;
11. custody and redemption;
12. surveillance;
13. regulatory reconstruction.

XIII. Recommended Parallel Actions

If the Commission proceeds with rescission of Rule 611 and Rule 610(e), we recommend that it take the following parallel actions.

TauriPay does not submit an econometric study in this comment. Rather, it identifies the operational, market-data, execution-quality, and infrastructure questions that should be measured before, during, and after any transition away from mechanical order protection.

First, the Commission should issue updated best-execution guidance addressing routing after Rule 611. That guidance should explain how broker-dealers should evaluate venues when mechanical trade-through protection no longer applies.

Second, the Commission should require enhanced execution-quality analysis across venue types, including exchanges, ATSs, wholesalers, internalizers, single-dealer platforms, extended-hours venues, and any tokenized-security venues that may emerge.

Third, the Commission should review market-data revenue allocation and quote economics to ensure that incentives reward meaningful liquidity, price discovery, execution quality, and operational reliability.

Fourth, the Commission should require a reference-price and market-stability transition plan addressing NBBO reliability, public price-discovery quality, displayed-liquidity contribution, stop and conditional order triggers, options-market dependencies, LULD and circuit-breaker reference prices, locked and crossed markets, and tokenized-market reference-price dependencies.

Fifth, the Commission should monitor persistent locked and crossed markets even if Rule 610(e) is rescinded. The absence of a categorical prohibition should not mean the absence of surveillance.

Sixth, the Commission should review liquidity-provider concentration, routing economics, bilateral liquidity arrangements, rebate structures, payment arrangements, and the role of dominant market-making firms in shaping venue viability and execution quality after rescission.

Seventh, the Commission should establish a tokenized-securities infrastructure framework addressing networks, matching engines, AMMs, sequencers, validators, bridges, custodians, oracle/reference-data inputs, wrappers, smart contracts, market data, settlement finality, and failure recovery.

Eighth, the Commission should require that capacity limits, queuing, failed transaction rates, reattempt rates, route reversions, congestion behavior, variable transaction fees, delayed inclusion, and uncertain finality be treated as execution-quality and venue-eligibility considerations for tokenized-security routes.

Ninth, the Commission should require SRO rulebook and NMS Plan conforming changes to be reviewed holistically rather than as merely technical amendments.

Tenth, the Commission should consider phased implementation. A phased approach would allow the Commission to observe the effects of rescission on routing, displayed liquidity, market concentration, locked and crossed markets, execution quality, reference-price integrity, and off-exchange trading before the market fully transitions.

Eleventh, the Commission should require post-implementation reporting. The market should not be asked to rely on theory alone. The Commission should collect and publish data on execution quality, venue concentration, off-exchange share, displayed liquidity, spreads, locked and crossed markets, market data quality, routing behavior, liquidity-provider concentration, NBBO reliability, price-discovery quality, reference-price integrity, downstream effects on order-trigger logic and related markets, tokenized-market reference-price dependencies, and off-exchange internalization after rescission.

XIV. Conclusion

We support the Commission's effort to modernize Regulation NMS and reconsider whether Rules 611 and 610(e) remain appropriate for today's market. The U.S. equity market has moved far beyond the environment that existed in 2005. A highly automated, fragmented, extended-hours, and increasingly tokenization-adjacent market requires a regulatory framework built around measurable execution quality, operational integrity, resilient infrastructure, reliable market data, and transparent accountability.

Rescinding Rule 611 and Rule 610(e) may reduce complexity and allow market forces to play a greater role in shaping equity market structure. But market forces alone are not a complete investor-protection framework. The Commission should not remove a clear mechanical protection without defining what replaces it.

This issue is especially important for tokenized securities and security-linked instruments. Tokenization does not eliminate market-structure obligations. It changes where those obligations must be measured. If securities trade through closed matching engines, AMMs, sequencers, validators, bridges, custodians, oracle/reference-data inputs, wrappers, smart contracts, or public blockchain networks, the Commission should evaluate the full execution and settlement stack.

The Commission should also evaluate whether rescission produces unintended concentration effects. If routing, liquidity formation, and venue viability become more dependent on a small number of large liquidity providers, wholesalers, internalizers, or market-making firms, then the expected benefits of market competition may not materialize as anticipated.

The Commission should also ensure that rescission does not unintentionally weaken the common price-discovery framework that supports retail transparency, displayed markets, execution-quality review, options-market dependencies, stop and conditional order logic, and market-stability mechanisms. If the NBBO continues to exist but no longer functions as a protected and operationally meaningful benchmark, the Commission should define what replaces that function and how investors, brokers, venues, and regulators will evaluate market quality consistently.

This same planning discipline is essential for tokenized securities. A parallel market should not develop around tokenized instruments, AMMs, DEX routers, oracle-dependent pricing, or blockchain settlement without equivalent standards for reference-price integrity, execution quality, operational resilience, market-stability controls, surveillance, and regulatory reconstruction.

Modernization should not create a parallel securities market without equivalent protections. Where an instrument is a security, represents a security, or provides economic exposure to a security, classification-appropriate standards for execution quality, routing integrity, market-data reliability, settlement finality,

operational resilience, custody, redemption, surveillance, and regulatory auditability must remain central regulatory requirements.

We appreciate the opportunity to provide these observations and would be pleased to respond to any specific questions the Commission may have regarding the technical, operational, or market-structure issues raised in this comment, particularly as they relate to tokenized securities, reference-price integrity, execution quality, and settlement infrastructure.

Respectfully submitted,

Mark Sulavka

TauriPay, a public benefit corporation

EXHIBIT A

Tokenized Securities Infrastructure Qualification Framework

If securities or security-linked instruments are permitted to trade through tokenized infrastructure, the Commission should develop qualification standards for the networks, venues, and protocols that support those instruments.

The purpose of this framework is not to prevent innovation. It is to ensure that tokenized securities are evaluated according to the same functional investor-protection and market-integrity objectives that apply to the national market system.

A tokenized-security infrastructure framework should address at least the following categories.

1. Execution Architecture

The Commission should require clear identification of how execution occurs.

Relevant questions include:

1. Does trading occur through a central limit order book, closed matching engine, AMM, request-for-quote system, intent-based router, batch auction, internalizer, or hybrid model?
2. Is matching performed on-chain, off-chain, or through a combination of both?
3. Who controls the matching logic?
4. Can the matching logic be changed, and if so, by whom?
5. Are order types, priority rules, cancellation rules, and queue-position rules publicly documented?
6. Does the venue provide deterministic and auditable order handling?

2. Routing and Best Execution

The Commission should require a clear framework for how best execution applies when tokenized securities trade across traditional venues, digital-asset platforms, AMMs, and DLT-based settlement environments.

Relevant questions include:

1. Can the system route to better-priced or more reliable liquidity?
2. Does the routing logic compare execution quality across available venues?
3. Can a broker demonstrate why a tokenized-security order was routed to a particular venue?
4. Are routing decisions influenced by rebates, fees, payment arrangements, internalization economics, token incentives, affiliated liquidity providers, or platform-owned market makers?
5. Can the system detect unavailable, stale, congested, or unreliable venues?
6. How is best execution measured when the instrument trades through both traditional and tokenized markets?
7. Does the system evaluate operational execution probability, including the probability that a transaction will actually complete at the expected terms?
8. Does the system account for failed transaction costs, reattempt costs, variable transaction fees, slippage, delayed inclusion, or adverse selection created by unsuccessful execution attempts?

3. Market Data Integrity

The Commission should require reliable market data sufficient to evaluate execution quality and reconstruct market events.

Relevant questions include:

1. Does the system produce reliable, timestamped, auditable market data?
2. Are bids, offers, trades, cancellations, and liquidity changes observable?
3. Is market data consolidated across venues or fragmented across interfaces?
4. Are timestamps synchronized and granular enough for regulatory review?
5. Can market participants determine whether a displayed price was executable?

6. How are stale, locked, crossed, or unavailable markets identified?
7. Can regulators reconstruct the market at the time of an execution?
8. Does quoted or calculated AMM/DEX pricing distinguish between theoretical route price and executable route outcome?
9. Does the system depend on oracle, index, reference-price, or consolidator-feed inputs?
10. What controls exist to prevent stale, erroneous, manipulated, or economically conflicted oracle prints?
11. Are oracle penalties, bonds, slashing mechanisms, or dispute procedures economically proportionate to the transaction value that the oracle input can affect?
12. Can a bad oracle print trigger executions, liquidations, collateral movements, settlement events, AMM repricing, or redemption events materially larger than the penalty imposed for the bad print?
13. Can regulators reconstruct which oracle input affected a particular execution or settlement event?
14. If the tokenized instrument references an NMS security, does the system depend on the NBBO, consolidated market data, proprietary feeds, exchange prices, oracle inputs, or other reference prices derived from the underlying security?
15. Can regulators reconstruct which reference-price input affected execution, routing, repricing, liquidation, collateral movement, redemption, or settlement?

4. Network Reliability

Where the tokenized instrument relies on a blockchain or distributed ledger, the Commission should evaluate the reliability of the underlying network.

Relevant questions include:

1. What is the network's uptime history?
2. What is the network's throughput under ordinary and stressed conditions?
3. How does the network behave during congestion?
4. Are transaction fees predictable or volatile?
5. Does congestion affect execution, cancellation, transfer, redemption, or settlement?
6. Are there documented run books for network outages?
7. Has the network demonstrated operational consistency under real-world load?
8. What are the network's observed transaction failure rates?
9. What are the network's observed reattempt rates?
10. Are transactions queued, delayed, dropped, expired, or repriced during congestion?
11. Does the network provide reliable visibility into pending, failed, reverted, and completed transactions?
12. Are capacity claims based on production activity, testnet activity, synthetic benchmarks, or one-time demonstrations?

5. Sequencing and Ordering

Sequencing and ordering are core market-structure functions. The Commission should evaluate whether transaction ordering is deterministic, fair, auditable, and resistant to manipulation.

Relevant questions include:

1. Who or what determines transaction ordering?
2. Is there a centralized sequencer, validator set, relayer, block producer, or priority mechanism?
3. Can orders or transactions be reordered, delayed, censored, or excluded?
4. Is preferential access available to market makers, validators, affiliates, or high-fee users?
5. Is the system exposed to MEV extraction, front-running, sandwiching, or priority gas auctions?
6. Can regulators reconstruct sequencing decisions after a market event?
7. Can a pending transaction reveal customer intent before execution is final?
8. Can failed or delayed transactions create information leakage or adverse selection?

6. Validator, Sequencer, and Operator Concentration

The Commission should evaluate whether a small number of operators can influence execution, settlement, or availability.

Relevant questions include:

1. How many validators, sequencers, operators, or block producers are active?
2. Are they independent?
3. Is control concentrated among insiders, affiliates, foundations, token holders, exchanges, or infrastructure providers?
4. Can a small group halt, censor, reorder, reverse, or delay transactions?
5. What governance process applies to emergency interventions?
6. Are emergency controls transparent, limited, and auditable?

7. Instrument Qualification

The Commission should require precise classification of the tokenized instrument.

Relevant questions include:

1. Is the instrument a direct issuance, wrapped representation, synthetic exposure, depositary-like receipt, derivative, or contractual claim?
2. What legal rights does the holder have?
3. Is the token redeemable for the underlying security?
4. Who holds the underlying asset?
5. How often is the token reconciled to the underlying asset?
6. What happens if the issuer, custodian, bridge, platform, or network fails?
7. Can the token diverge economically from the underlying security?

8. Name, Listing, and Volume Standards

The Commission should evaluate whether a tokenized-security venue has objective listing and market-quality standards.

Relevant questions include:

1. What instruments can be listed?
2. Who approves listings?
3. Are there minimum volume, liquidity, market-maker, or operational standards?
4. What happens if liquidity deteriorates?
5. Are thinly traded or unreliable tokenized representations identified as such?
6. Can a low-quality venue display a price that affects routing or best-execution analysis?
7. Are investors clearly informed when an instrument trades in a fragmented or low-liquidity tokenized market?

9. Run Books and Failure Recovery

The Commission should require documented recovery procedures for the infrastructure supporting tokenized securities.

Relevant questions include:

1. What happens during a matching-engine outage?
2. What happens during chain congestion?
3. What happens if settlement fails?
4. What happens if a smart contract is exploited or halted?
5. What happens if a bridge fails?
6. What happens if an oracle fails or reports stale data?
7. What happens if validators halt or fork the chain?

8. What happens if executions are erroneous?
9. What happens if custody reconciliation fails?
10. What happens if redemption is delayed or suspended?
11. Are recovery procedures tested?
12. Are customers and regulators notified promptly?
13. What happens when transactions fail after customer intent has already been exposed?
14. What happens when an order must be reattempted multiple times?
15. How are failed-route costs, gas costs, adverse price movement, and opportunity costs allocated?
16. Are there procedures for pausing routing to unreliable routes, pools, bridges, sequencers, or networks?

10. Auditability and Regulatory Reconstruction

The Commission should require that tokenized-security infrastructure support full regulatory reconstruction.

Relevant questions include:

1. Can order receipt, routing, sequencing, execution, cancellation, settlement, custody, and redemption be reconstructed?
2. Are records retained in a regulator-accessible format?
3. Are off-chain and on-chain records reconciled?
4. Are timestamps accurate and synchronized?
5. Can regulators identify which party controlled each step of the execution and settlement process?
6. Can the system support investigation of manipulation, outage events, erroneous executions, customer harm, or market disruption?
7. Can regulators distinguish between submitted, pending, failed, reverted, reattempted, and completed transactions?
8. Can regulators reconstruct the economic effect of failed or reattempted routes?

11. Operational Consistency

A tokenized-security venue should demonstrate consistent performance under real-world conditions, not merely theoretical throughput or isolated benchmark results.

Relevant questions include:

1. What is the system's observed sustained capacity?
2. What is the system's observed failure rate?
3. How does performance change under peak load?
4. Are transaction reattempts, failed transactions, delayed settlement, or dropped orders measured?
5. Does the system provide public operational metrics?
6. Are capacity claims based on production activity or controlled demonstrations?
7. Has the system been independently tested?
8. What are the system's queue-depth characteristics under stress?
9. Does the system degrade gradually or fail abruptly when capacity limits are reached?
10. Does congestion impair cancellation, repricing, transfer, redemption, or settlement?
11. Are failure rates measured separately for order submission, order inclusion, execution, settlement, and redemption?

12. Settlement Finality

The Commission should evaluate whether settlement is final as a legal, operational, and technical matter.

Relevant questions include:

1. When is settlement final?
2. Can transactions be reorganized, reversed, censored, delayed, or invalidated?

3. Does legal finality match technical finality?
4. Does the investor have enforceable rights after token transfer?
5. What happens if the chain forks?
6. What happens if settlement is recorded on-chain but the underlying security has not moved?
7. What happens if the token transfers but redemption or custody reconciliation fails?
8. Is finality deterministic, probabilistic, administrative, or dependent on a challenge period?
9. Can settlement finality be delayed by congestion, bridge design, sequencer delay, validator failure, or governance intervention?
10. How is the investor protected during the period between transaction submission, execution, and final settlement?

13. Custody and Redemption

The Commission should evaluate custody and redemption mechanics as part of the market-structure analysis.

Relevant questions include:

1. Who holds the underlying security?
2. Is the underlying security segregated?
3. Is the holder's claim direct or indirect?
4. How does redemption work?
5. Can redemption be suspended?
6. How are failed redemptions handled?
7. How are token balances reconciled to the underlying securities?
8. What happens in insolvency, bridge failure, custodian failure, or platform failure?

14. Surveillance

The Commission should ensure that tokenized-security venues support surveillance for abusive practices.

Relevant questions include:

1. Can the system detect manipulation, wash trading, spoofing, layering, front-running, and abusive liquidity practices?
2. Can the system detect MEV extraction, sandwiching, preferential sequencing, or validator-based manipulation?
3. Are affiliated market makers identified?
4. Are suspicious trading patterns reported?
5. Can surveillance operate across both on-chain and off-chain records?
6. Can regulators access the data needed to investigate abusive conduct?
7. Can the system detect oracle manipulation, stale reference prices, index manipulation, or economically motivated oracle attacks?
8. Can the system identify whether suspicious executions were caused by order activity, routing logic, AMM pool behavior, oracle inputs, sequencer behavior, or bridge events?
9. Are oracle operators, data providers, validators, or governance participants subject to conflicts that could affect execution quality or settlement outcomes?

15. Functional Equivalence

The Commission should apply a functional-equivalence principle.

If a system performs the function of an exchange, ATS, broker-dealer, routing system, matching engine, custodian, clearing process, settlement system, market-data publisher, or transfer agent, it should be evaluated according to the risks of that function.

Functional equivalence does not require copying every legacy rule into tokenized markets. But it does require that equivalent risks receive equivalent regulatory treatment.

16. On-Chain Route Reliability and AMM/DEX Execution Quality

The Commission should treat on-chain route reliability as a best-execution and venue-eligibility issue.

Relevant questions include:

1. What percentage of routed transactions complete successfully?
2. What percentage fail, revert, expire, or require reattempt?
3. How many reattempts are required under normal and stressed conditions?
4. What is the median and tail latency from order submission to inclusion?
5. What is the median and tail latency from inclusion to finality?
6. What is the expected transaction cost, including failed transaction costs?
7. What is the realized execution price after slippage, fees, failed attempts, and reattempts?
8. Does the route expose customer intent before execution is final?
9. Can the route be front-run, sandwiched, reordered, censored, or delayed?
10. Can the broker or routing system cancel or modify the transaction once submitted?
11. Does the AMM or DEX aggregator provide reliable pre-trade and post-trade data?
12. Can the venue demonstrate that a displayed or calculated route was actually executable?
13. Does the venue distinguish between indicative price, simulated price, and executable price?
14. How does the route behave when chain capacity is constrained?
15. How does the route behave during network outages, sequencer failures, bridge disruptions, or oracle failures?
16. Should a route with high failure rates or uncertain finality be excluded from best-execution routing until reliability improves?

A tokenized-security route should not qualify as a reasonably available execution venue merely because it displays an apparent price. It should be evaluated based on the probability and quality of completed execution.

EXHIBIT B

Post-Rule 611 Implementation and Monitoring Framework

If the Commission rescinds Rule 611 and Rule 610(e), it should adopt a phased implementation and monitoring framework to evaluate whether the expected benefits occur and whether investor-protection gaps emerge.

1. Phased Implementation

The Commission should consider implementing rescission in phases rather than as a single market-wide transition.

A phased approach could include:

1. an initial systems-readiness period;
2. broker-dealer routing-policy updates;
3. SRO rulebook conforming amendments;
4. NMS Plan conforming amendments;
5. updated best-execution guidance;
6. updated Rule 605 and Rule 606 review requirements;
7. staged removal of legacy order types designed solely for Rule 611 or Rule 610(e) compliance;
8. post-implementation measurement periods.

2. Best-Execution Review

The Commission and FINRA should require broker-dealers to update best-execution policies and procedures before implementation.

Those policies should address:

1. venue selection;
2. routing logic;
3. venue exclusion;
4. venue disconnection;
5. fee and rebate conflicts;
6. payment arrangements;
7. internalization;
8. affiliated venue conflicts;
9. extended-hours execution;
10. thinly traded securities;
11. locked and crossed markets;
12. unavailable or stale venues;
13. tokenized-security venues, if applicable;
14. on-chain route reliability;
15. transaction failure rates;
16. reattempt rates;
17. chain congestion;
18. execution certainty;
19. settlement finality;
20. liquidity-provider concentration;
21. bilateral liquidity arrangements;
22. routing-counterparty dependence;

23. NBBO use after rescission;
24. quotation inclusion and exclusion methodology;
25. documentation of venue filters;
26. use of proprietary versus consolidated market data;
27. stop and conditional order trigger logic;
28. examination standards for smaller and mid-sized broker-dealers;
29. tokenized-market reference-price dependencies.

3. Execution-Quality Metrics

The Commission should require post-implementation reporting on execution quality.

Relevant metrics should include:

1. execution price;
2. effective spread;
3. realized spread;
4. price improvement;
5. fill rate;
6. speed of execution;
7. adverse selection;
8. market impact;
9. opportunity cost;
10. missed liquidity;
11. cancellation rates;
12. routing concentration;
13. off-exchange share;
14. displayed liquidity;
15. venue-level execution quality;
16. failed transaction rates for tokenized-security routes;
17. reattempt rates for tokenized-security routes;
18. route-completion probability;
19. latency to inclusion;
20. latency to finality;
21. variable transaction fees;
22. slippage after fees and failed attempts;
23. oracle-input accuracy and latency;
24. frequency of disputed, corrected, or stale reference-data events;
25. economic exposure triggered by oracle-dependent execution, liquidation, or settlement logic;
26. concentration of liquidity provision by venue;
27. concentration of executions by liquidity provider type;
28. changes in displayed versus non-displayed execution share;
29. executions relative to the consolidated NBBO;
30. executions relative to broker-specific quotation sets;
31. venue disconnection effects;
32. stop-order trigger effects;
33. conditional-order trigger effects;
34. options-market effects;
35. reference-price reliability;

36. displayed-liquidity contribution to price discovery.

4. Market Concentration

The Commission should monitor whether rescission reduces unnecessary fragmentation or instead increases concentration.

Relevant questions include:

1. Do brokers disconnect from smaller venues?
2. Does liquidity concentrate on fewer exchanges?
3. Does off-exchange trading increase?
4. Do wholesalers or internalizers gain market share?
5. Does displayed liquidity improve or deteriorate?
6. Do spreads widen or narrow?
7. Do smaller venues lose economically meaningful liquidity?
8. Are retail and institutional investors affected differently?
9. Does routing become more dependent on a small number of large liquidity providers?
10. Do bilateral liquidity arrangements become more important after rescission?
11. Do rebate structures, payment arrangements, or fee schedules influence routing in ways not fully captured by execution-quality statistics?
12. Does venue viability become more dependent on commitments from a small number of market-making firms?
13. Does price discovery migrate away from transparent displayed venues?
14. Does the cost of competing as a venue increase because of liquidity-provider concentration?
15. Does routing decision-making become concentrated among fewer broker-dealers?
16. Do smaller broker-dealers become more dependent on large routing or execution providers?
17. Does concentration increase among wholesalers and internalizers?
18. Are smaller exchanges and ATSs disproportionately affected?
19. Do retail order-flow economics change after rescission?
20. Does price discovery shift further from displayed markets to non-displayed or bilateral mechanisms?

5. Locked and Crossed Markets

If Rule 610(e) is rescinded, the Commission should monitor locked and crossed markets closely.

Relevant metrics should include:

1. frequency;
2. duration;
3. symbol concentration;
4. venue concentration;
5. time-of-day concentration;
6. impact on execution-quality reports;
7. impact on midpoint orders and pegged orders;
8. impact on NBBO reliability;
9. recurrence by venue or participant;
10. investor-facing confusion or harm;
11. locked or crossed conditions around openings, reopenings, new listings, IPO-related trading, volatility events, and thinly traded securities;
12. whether locked or crossed markets affect stop triggers, conditional orders, or market-data-derived reference prices;
13. whether locked or crossed markets appear transient, persistent, concentrated, or strategically induced.

6. Market Data Quality

The Commission should evaluate whether consolidated market data remains reliable after rescission.

Relevant questions include:

1. Does the NBBO remain a reliable and representative benchmark after rescission?
2. Do locked or crossed markets impair the NBBO?
3. Are market data feeds accurate and timely?
4. Are meaningful quotes distinguishable from low-value quotes?
5. Do market-data revenue formulas continue to reward useful price discovery?
6. Are quote credits aligned with executable liquidity?
7. Are investors and brokers able to identify reliable venues?
8. For tokenized-security routes, is market data based on executable prices or merely indicative route estimates?
9. Can market data identify failed, reverted, delayed, or reattempted executions?
10. Can market data identify the oracle, index, reference-price, or consolidator-feed input used by an execution system?
11. Are oracle penalties and dispute mechanisms economically calibrated to the value of the transactions they can affect?
12. Can market participants distinguish between exchange quotes, AMM-derived prices, oracle prices, index values, and executable route prices?
13. Which venues materially contribute to NBBO formation?
14. Are some venues disconnected from routing but still included in market-data benchmarks?
15. Are quotations used for best execution the same as quotations shown to customers?
16. Do broker-dealers use different quotation sets for routing, display, and execution-quality review?
17. Are reference prices used for stops, options, LULD, trading pauses, or circuit breakers affected by quote reliability?
18. Are stale, locked, crossed, inaccessible, or unreliable quotes filtered consistently?
19. Can the Commission reconstruct the quotation set used by a broker at the time of execution?
20. Are NBBO, exchange prices, proprietary feeds, oracle inputs, or consolidator feeds used by tokenized-security systems subject to equivalent reliability and auditability standards?

7. Venue Qualification

The Commission should consider whether venues should meet minimum standards before they are treated as relevant for best-execution analysis.

Relevant factors may include:

1. liquidity;
2. uptime;
3. execution quality;
4. market-data reliability;
5. operational controls;
6. surveillance;
7. accessibility;
8. fee transparency;
9. routing availability;
10. capacity under stress;
11. regulatory reporting capability;
12. route-completion reliability;
13. finality reliability;

14. failure-recovery procedures;
15. demonstrated performance under congestion;
16. diversity of liquidity providers;
17. transparency of liquidity-provider arrangements;
18. resilience if one or more major liquidity providers withdraw;
19. dependence on affiliated market makers or internalizers;
20. ability to maintain fair and orderly markets without preferential liquidity arrangements.

8. Tokenized-Security Readiness

If tokenized securities or security-linked instruments become part of the execution landscape, the Commission should require additional readiness review.

Relevant areas include:

1. chain reliability;
2. finality;
3. validator or sequencer concentration;
4. bridge risk;
5. custody and redemption;
6. smart-contract risk;
7. oracle risk;
8. market-data generation;
9. execution-quality measurement;
10. regulatory reconstruction;
11. outage and recovery procedures;
12. capacity limits;
13. queue behavior;
14. transaction failure rates;
15. reattempt rates;
16. route reversions;
17. gas or transaction-fee volatility;
18. route-completion probability.

9. Public Reporting

The Commission should publish post-implementation findings so that market participants can evaluate whether rescission is producing the expected benefits.

Public reporting should address:

1. execution quality;
2. market concentration;
3. displayed liquidity;
4. off-exchange trading;
5. locked and crossed markets;
6. routing behavior;
7. market-data quality;
8. venue disconnection;
9. implementation costs;
10. investor impact;
11. tokenized-security route reliability, if applicable;

12. tokenized-security failure and reattempt rates, if applicable;
13. tokenized-security finality and settlement metrics, if applicable;
14. liquidity-provider concentration;
15. changes in venue dependence on large market-making firms;
16. changes in routing economics, rebates, fee structures, and bilateral liquidity arrangements;
17. changes in off-exchange internalization and non-displayed liquidity;
18. NBBO reliability;
19. price-discovery quality;
20. reference-price integrity;
21. broker-dealer quotation methodology;
22. retail transparency effects;
23. stop and conditional order impacts;
24. options-market dependencies;
25. LULD, trading-pause, and circuit-breaker reference-price effects;
26. tokenized-market reference-price dependencies.

10. Corrective Authority

The Commission should preserve the ability to take corrective action if rescission produces unintended harms.

Potential corrective actions could include:

1. updated best-execution guidance;
2. targeted SRO rule changes;
3. market-data revenue reforms;
4. venue qualification standards;
5. enhanced Rule 605 or Rule 606 disclosures;
6. special rules for thinly traded securities;
7. special rules for extended-hours trading;
8. specific requirements for tokenized securities infrastructure;
9. reintroduction of targeted protections if necessary;
10. exclusion of unreliable tokenized-security routes from best-execution eligibility;
11. additional operational reporting for tokenized-security venues, AMMs, DEX aggregators, sequencers, bridges, or networks;
12. enhanced monitoring of liquidity-provider concentration;
13. targeted review of routing conflicts, rebates, payment arrangements, internalization economics, and bilateral liquidity arrangements;
14. additional disclosure where venue liquidity depends materially on a small number of liquidity providers;
15. targeted guidance on NBBO use;
16. quote-inclusion standards;
17. venue-qualification standards for quote contribution;
18. required disclosure of broker-specific quotation filters;
19. corrective action if displayed liquidity or price discovery deteriorates;
20. corrective action if market-stability reference prices become unreliable;
21. special monitoring of openings, reopenings, IPOs, thin liquidity, and volatility events;
22. restrictions or enhanced standards for tokenized-security systems relying on unreliable reference-price inputs.

11. Final Implementation Principle

The Commission should not rely solely on theory. Rescission of Rule 611 and Rule 610(e) should be treated as a major market-structure transition. The Commission should implement it with defined obligations, measurable outcomes, supervisory review, and post-implementation accountability.

Market forces may improve market structure, but they must operate inside a framework that preserves best execution, price discovery, reliable market data, operational resilience, and investor protection.

Where execution occurs through tokenized, AMM-based, DEX-based, or blockchain-settled infrastructure, market forces should not be deemed sufficient unless the relevant infrastructure can demonstrate route reliability, operational consistency, execution certainty, and settlement finality.

Where execution quality depends materially on a concentrated set of liquidity providers, wholesalers, internalizers, or market-making firms, market forces should not be assumed to produce competitive outcomes without empirical monitoring and corrective authority.