



ATS Data Transparency Derived Data Guidelines

Pursuant to FINRA Rule 4552, FINRA is publishing and making available weekly trading volumes and number of trades in equity securities for each SEC-registered ATS. The data is presented on FINRA's website, delayed by two-weeks (for NMS Tier 1 securities) and four-weeks (for NMS Tier 2 and OTC equities), respectively. The data is made available to non-Professional Users on a view-only basis, for the most recent four weeks of available data.

Notes:

1. All the information on the website is published in good faith and for general information purpose only and subject to change without notice. FINRA does not make any warranties about the completeness, reliability or accuracy of this information. The information is based on data submitted to FINRA and not on reports produced or validated by FINRA. FINRA is not responsible for any errors or omissions. While the information contained within the site is periodically updated, no guarantee is given that the information provided is correct, complete, or up-to-date. Any action taken upon the information contained on the website is strictly at the user's own risk and FINRA will not be liable for any losses or damages in connection with the use of the website or data.
2. Any publication of FINRA ATS Data and Information or Derived Data must be accompanied by the appropriate attribution of the source to FINRA.

Beginning June 30, 2014, Professionals and Vendors may subscribe to the data. The subscription expands the viewable data to the most recent 26 weeks (beginning with the data from the week of May 12, 2014), and in addition permits the subscriber to download the pipe-delimited data by week and security type. Under FINRA Rule 4553:

- Professional Subscribers may distribute the data and any Derived Data **internally** within their enterprise, and to affiliates and subsidiaries.
- Vendors may distribute the ATS Data itself only to Subscribers for whom the Vendor has purchased a Subscriber License from FINRA.
- Vendors may distribute "Derived Data" as defined herein externally without fee liability.

As stated in Rule 4553, Derived Data "means data that is derived from ATS Data and that is not able to be (A) reverse engineered by a reasonably skilled user into ATS Data or (B) used as a surrogate for ATS Data." Vendors wishing to create and disseminate Derived Data must explain in Attachment B of the FINRA ATS Data Vendor Agreement how they are planning to use the data, and describe in detail the Derived Data that they intend to distribute. In each case, FINRA will determine in its sole discretion whether the proposed distribution properly qualifies as Derived Data, as specified by the rule. Such determination is made on a case-by-case basis, and is subject to change without prior notice at any time.



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As a guide to what may or may not constitute Derived Data, FINRA presents below a set of guidelines based upon proposals submitted to FINRA for consideration as qualified ATS Derived Data, along with a brief explanation of why in each case the proposal would or would not meet the definition. The guidelines are presented for informational purposes only, and do not in any way bind FINRA to accept a similar proposal at any time, nor does it automatically grant an approval of the same or a similar proposal to any Vendor. Questions may be directed to ATSNotifications@FINRA.org.

General Guidelines

- **Reverse Engineering and Data Deconstruction:** Reverse engineering is measured by the extent or ease with which a reasonably skilled user may expose the data underlying a Derived Data element. This means that if the user is able to access generally available data from another source, apply it against the Derived Data to deconstruct it and uncover the underlying raw data, then the data would not qualify as Derived Data. For example, presenting the percentage of total market volume that a particular ATS traded for a particular symbol for a particular week would not qualify as Derived Data and therefore would NOT be a permissible use, because a reasonably skilled user who had access to the total shares traded in a symbol could reverse engineer the percentage into actual ATS share volume.
- **Computation:** Simple computations on individual data elements would NOT qualify as Derived Data. For example, computing the average trade size by ATS for a particular symbol or entire tier would not be sufficient to qualify as Derived Data and therefore would NOT be a permissible use.
- **Aggregation:** Data that has been sufficiently aggregated such that the components underlying the aggregation cannot be determined would generally qualify as Derived Data and therefore WOULD be a permissible use. For example, grouping symbols by sector or market capitalization, and calculating statistics based upon that grouping, would generally qualify and therefore would be a permissible use. On the other hand, reporting data stock-by-stock or ATS-by-ATS generally would NOT qualify and therefore would NOT be a permissible use.
- **Surrogates:** A surrogate for the data would generally not qualify as Derived Data and therefore would NOT be a permissible use. For example, converting the share values into a market share percentage of total ATS shares and ranking the ATSs by market share, whether for a symbol or for all symbols, would not qualify as Derived Data and therefore would NOT be a permissible use.
- **Rankings:** Aggregate level rankings and market share charts and graphs may be permissible in certain cases. Specifically, ranking of symbols or ATSs without displaying the corresponding values that underlie the rankings would generally qualify and therefore WOULD be a permissible use.