

September 25, 2026

Jennifer Piorko Mitchell
Office of the Corporate Secretary
Financial Industry Regulatory Authority
1700 K Street, NW
Washington, DC 20006

RE: Regulatory Notice 26-15 - Request for Comment on Modernizing FINRA's Best Execution Guidance

Dear Ms. Mitchell:

Introduction

DASH Financial Technologies ("DASH") appreciates the opportunity to comment on Financial Industry Regulatory Authority ("FINRA") Regulatory Notice 26-15, which requests comment on modernizing FINRA's best execution guidance (the "Notice"). In the Notice, FINRA explains that it is reviewing its existing guidance to ensure that FINRA Rule 5310 remains effective in light of recent developments in market structure and trading technology and requests comment on, among other things, whether additional guidance is needed for listed options.¹

DASH strongly supports FINRA's comprehensive effort to modernize its best execution guidance and agrees that Rule 5310 should remain a principles-based, facts-and-circumstances standard grounded in reasonable diligence. Rule 5310 and its predecessors have served investors for nearly sixty years. During that period, however, markets, products, trading technology, and the division of responsibilities among broker-dealers have changed materially. Updated guidance should therefore preserve the durability of the existing standard while explaining how it applies to different products, customer types, and functions in a modern electronic routing chain.

Although the Notice raises important questions concerning equities, fixed income, tokenized securities, and emerging technology, this letter focuses principally on listed options. DASH is one of the largest agency execution and routing providers in the U.S. listed-options market. As an agency broker and technology provider serving introducing broker-dealers and institutional market participants, DASH has a distinct perspective on how options orders move through multiple regulated firms and ultimately reach an exchange for execution. DASH expects to address equities and other products separately or through industry-group submissions. Here, DASH addresses the listed-options issues identified in the Notice, including intermarket competition and parent-child routing determinations (e.g., unbundling), the use of options consolidators, the responsibilities of introducing and receiving firms, disclosure, and the options order-protection framework.

A Coherent National Framework

As a threshold matter, modernization should occur in close consultation with the Securities and Exchange Commission (the "Commission") and should preserve a clear national allocation of regulatory responsibility for best execution to FINRA. Best execution is inherently intermarket: the relevant inquiry concerns the markets and routing alternatives reasonably available for an order, not merely conduct on a single exchange. Exchange-by-exchange regulation, interpretation, surveillance, report cards, or enforcement can impose duplicative or inconsistent standards on the same routing activity and can undermine market efficiency and customer protection. Those concerns are most acute when the exchange interpreting rules or conducting a review has a commercial interest in receiving the order flow at issue.

¹ FINRA Regulatory Notice 26-15, Request for Comment on Modernizing FINRA's Best Execution Guidance (July 24, 2026), <https://www.finra.org/rules-guidance/notices/26-15>.

Recent comments on the Commission's proposal to rescind Rule 611 demonstrate broad support for coordination. SIFMA urged the Commission and FINRA to develop the post-Rule 611 framework collaboratively and warned that exchange-specific best execution rules or surveillance could recreate order protection venue by venue.² Fidelity likewise stated that FINRA is best positioned to maintain and implement the broker-dealer best execution standard and cautioned against duplicative exchange requirements.³ That concern is concrete, not theoretical: NYSE and several affiliated exchanges adopted their own versions of Rule 5310 in 2026.⁴ At the Commission's Options Market Structure Roundtable, DASH explained that 18 options exchanges and FINRA can effectively expose a firm to duplicative regulation, inconsistent interpretations, and potentially conflicting obligations concerning the handling of a single order.⁵

FINRA has long been widely regarded by investors, market participants, and governmental authorities as the principal SRO responsible for administering and enforcing broker-dealer best execution obligations.⁶ FINRA and the SEC should use this opportunity to reaffirm FINRA's central role⁷ and, where an exchange maintains a duplicative best execution requirement applicable to a common member, allocate examination and enforcement responsibility to FINRA through Rule 17d-2 plans. At a minimum, FINRA and the Commission should make clear that an exchange may not infer a best execution violation merely because a member routed an order to a competing venue or across multiple competing venues, used competing auction mechanisms, or declined to route an order or the entirety of an order to the reviewing exchange.

FINRA should further reinforce this framework by expanding the non-exhaustive factors identified in Supplementary Material .09 to Rule 5310 to recognize that a venue's adoption or enforcement of duplicative best execution

² See Letter from SIFMA to Vanessa Countryman, Secretary, Commission, at 3, 8–9 (Aug. 17, 2026), <https://www.sec.gov/comments/S7-2026-20/s7202620-1005979-3202788.pdf> ("SIFMA Rule 611 Letter").

³ See Letter from Fidelity Investments to Vanessa Countryman, Secretary, Commission, at 3 (Aug. 17, 2026), <https://www.sec.gov/comments/S7-2026-20/s7202620-1005679-3202246.pdf>.

⁴ See, e.g., Exchange Act Release No. 104543 (Jan. 5, 2026), 91 Fed. Reg. 731 (Jan. 8, 2026) (SR-NYSE-2025-50) (adopting NYSE Rule 5310 (Best Execution)); see also Exchange Act Release Nos. 105626–105629 (June 9, 2026), 91 Fed. Reg. 35712, 35715, 35732, 35758 (June 12, 2026) (adopting substantially identical rules for NYSE American, NYSE Texas, NYSE Arca, and NYSE National).

⁵ See SEC Options Market Structure Roundtable Transcript (Apr. 16, 2026) ("Roundtable Transcript"), at 166–67 (remarks of Stino Milito), <https://www.sec.gov/files/transcript-options-roundtable-041626.pdf>.

⁶ See, e.g., The Trade-Through Rule and Locked and Crossed Markets Provisions of Regulation NMS, Exchange Act Release No. 105655, at 40–42, 85–90 (June 11, 2026) (describing FINRA Rule 5310, FINRA's payment-for-order-flow guidance, and FINRA's regular-and-rigorous-review requirements as the applicable SRO framework for best execution regulation of listed equities), <https://www.sec.gov/files/rules/proposed/2026/34-105655.pdf>; Hester M. Peirce, Comm'r, SEC, 6, 7, Meet 611: Remarks at the Roundtable on Rule 611 of Regulation NMS (Dec. 16, 2025) (specifically identifying "FINRA's best execution rule" and asking which SEC and FINRA rules and guidance would require amendment and how those changes should be sequenced), <https://www.sec.gov/newsroom/speeches-statements/peirce-roundtable-rule-611-regulation-nms-121625>; Mark T. Uyeda, Comm'r, SEC, Statement at the Roundtable on Rule 611 of Regulation NMS (Dec. 16, 2025) (describing the existing best execution regime as one "already imposed by FINRA"), <https://www.sec.gov/newsroom/speeches-statements/uyeda-roundtable-rule-611-regulation-nms-121625>; Regulation Best Execution, Exchange Act Release No. 96496, 88 Fed. Reg. 5440, 5441, 5444 (Jan. 27, 2023), at 185–91 (describing FINRA Rule 5310 as the existing SRO best execution framework and discussing its application to equity securities and standardized options), <https://www.sec.gov/files/rules/proposed/2022/34-96496.pdf>, proposal withdrawn, Exchange Act Release No. 103247 (June 12, 2025), <https://www.sec.gov/rules-regulations/2025/06/regulation-best-execution> (the proposed Regulation Best Execution release explains that the duty of best execution is addressed in FINRA and, for municipal securities, MSRB rules, and references to "FINRA Rule 5310" well over 100 times but does not identify any comparable equities or options exchange-administered framework).

⁷ Following the November 2023 effective date of amendments to Exchange Act Rule 15b9-1 narrowing the exemption from national securities association membership, DASH is unaware of any firm subject to an exchange best execution rule that is not also a FINRA member. See Exchange Act Release No. 98202 (Aug. 23, 2023), 88 Fed. Reg. 61850 (Sept. 7, 2023).

requirements—or other rules that impede intermarket competition—may be a legitimate factor for a broker to consider when making venue connection and routing decisions.⁸

The Commission should also reaffirm that an exchange may not use its delegated SRO authority to regulate intermarket competition indirectly by restricting how its members route orders to, or interact with, competing venues.⁹ The Exchange Act requires exchange rules to remove impediments to a free and open market, avoid unfair discrimination, and refrain from imposing any burden on competition that is not necessary or appropriate in furtherance of the Exchange Act. Commission action on this topic is especially important because exchanges typically claim absolute immunity when an exchange acts in a quasi-governmental capacity and performs regulatory functions delegated under the Exchange Act. Where an exchange acts for a dual purpose or characterizes a commercially motivated rule as “regulatory,” the exchange may assert that ordinary legal or judicial remedies for challenging anticompetitive behavior are unavailable due to the exchange’s immunity.¹⁰

The Listed Options Market Is Quote Driven

FINRA correctly recognizes that the listed options market structure differs materially from that of listed equities and that these differences may warrant additional considerations under Rule 5310. Listed options trade exclusively on national securities exchanges and depend on exchange market makers to maintain two-sided quotations across a large and continuously changing universe of strikes and expirations—a structure commonly described as a “quote-driven market.” The flexibility that allows Rule 5310 to “apply broadly to transactions in any security” reflects its principles-based design: members may tailor their reasonable-diligence processes to the market in which a security trades, including the manner in which liquidity is displayed, accessed, and executed. Guidance developed principally for equities therefore should not be applied mechanically to listed options without accounting for these material structural differences.¹¹

Before considering why these differences matter to a broker-dealer’s best execution obligations, it is important to understand why listed options have remained principally quote-driven while equities have evolved into a principally order-driven market. This distinction is not accidental; it reflects deliberate market-design choices responsive to the extraordinary scale and complexity of the options market. In 2025, approximately five million unique options securities traded—more than 400 times the approximately 12,000 equity symbols reported to CAT.¹² By December 2025, OPRA was disseminating approximately 131 billion messages per day (peaking at 247 billion), compared with approximately 2 billion messages disseminated by the equity SIPs.¹³

Roundtable panelists explained that an options market maker may need to manage quotations in hundreds or thousands of series for a single underlying security. In one example, a panelist identified approximately 3,200 Apple

⁸ Although this letter focuses principally on listed options, this recommendation is directed primarily to the anticipated post-Rule 611 market for NMS stocks, in which brokers would have greater discretion to decline to connect to—or to discontinue connectivity with—particular trading venues. In that environment, a venue’s regulatory requirements and other impediments to intermarket competition may appropriately inform whether establishing or maintaining access to that venue is reasonable and economically justified and may be necessary to prevent exchange-by-exchange regulation from effectively recreating Rule 611. See SIFMA Rule 611 Letter.

⁹ See Securities Exchange Act of 1934 §§ 6(b)(5), 6(b)(8), 15 U.S.C. §§ 78f(b)(5), 78f(b)(8) (requiring exchange rules to “remove impediments to and perfect the mechanism of a free and open market,” not “permit unfair discrimination,” and not “impose any burden on competition not necessary or appropriate” in furtherance of the Act).

¹⁰ See *City of Providence v. BATS Global Markets, Inc.*, 878 F.3d 36 (2d Cir. 2017) (explaining that absolute SRO immunity applies when an exchange performs regulatory functions and distinguishing conduct undertaken in an exchange’s capacity as a regulated commercial entity); *D’Alessio v. New York Stock Exchange, Inc.*, 258 F.3d 93, 105–06 (2d Cir. 2001) (extending immunity to conduct within the scope of the exchange’s delegated quasi-governmental functions).

¹¹ See FINRA Regulatory Notice 26-15, at 12–13; Roundtable Transcript, at 38–39 (remarks of Katie Kolchin) (contrasting quote-driven options with order-driven equities and noting that listed options do not trade off-exchange).

¹² See *Roundtable Transcript*, at 18–20 (*SEC staff data presentation*); see *SEC, Division of Trading and Markets, Office of Analytics and Research, Roundtable on Options Market Structure: Supporting Data* (Apr. 9, 2026), <https://www.sec.gov/files/roundtable-options-market-structure.pdf> (“Options Roundtable Data Presentation”).

¹³ See Options Roundtable Data Presentation, at 3, 5–7.

option symbols, more than half of which did not trade on the day examined.¹⁴ To create a liquid and immediately accessible market for options, market makers generate and continuously update quotations across an enormous universe of symbols through interrelated, model-driven risk systems that account for the price of the underlying security, implied volatility, time to expiration, strike price, and the prices and risks of related options. By contrast, the listed equities market has fewer symbols and less frequent quote changes that permit it to maintain a reliable benchmark while allowing market participants to directly internalize order flow.

Describing the options market as quote driven does not mean that best execution requirements in the options market are superfluous. Roundtable participants correctly observed that exchange auction mechanisms or a nonmarketable limit order placed within a wide spread can yield price discovery. That observation reinforces, rather than undermines, the need for options-specific guidance: displayed market-maker quotations establish a continuous market-wide baseline, while customer limit orders and exchange auctions permit order-driven competition at or within that baseline. Neither option, however, is directly comparable to common forms of price improvement available in the equities market. Accordingly, while FINRA's guidance should recognize these forms of competition, it should avoid equating the options market with an equities order book comprising large volumes of immediately accessible better-priced hidden liquidity or assuming that the same framework for evaluating a broker-dealer's best execution duties is appropriate in both markets.¹⁵

In the options market, OPRA consolidates exchange quotations into the options NBBO. For a marketable retail order seeking immediate execution, an execution at or better than the NBBO is often indicative of best execution. Unlike equities, there is no comparable network of off-exchange trading centers or on-exchange better-priced non-displayed liquidity¹⁶ at which a broker can immediately execute a listed option order against better-priced hidden liquidity. Any listed-options execution, including an execution arranged through an intermediary or paired before submission, must ultimately occur on an exchange. Accordingly, an agency broker seeking price improvement generally must post or otherwise expose the order, accepting the potential for delay, information leakage, and loss of the execution opportunity available at the displayed quotation. An executing broker may mitigate the risk of a missed execution by securing a contra-side capital commitment and initiating an exchange price-improvement auction, as discussed below.

The options market also provides regulated opportunities to improve upon the displayed market; however, it differs fundamentally from the off-exchange internalization available in the equities market. Typical exchange price-improvement auction mechanisms allow members to expose eligible customer orders paired with contra-side interest to additional competition and may produce an execution at or within the quoted spread.¹⁷ To initiate the price improvement auction, an executing broker must submit or arrange for contra-side interest that commits capital to facilitate the execution of the customer's order at a price no worse than the protected market, thereby providing the customer with execution certainty. While the contra-side liquidity provider will often receive a priority allocation of the customer's order at the same price as other market participants, its commitment of capital and risk exposure does not grant it an unconditional right to trade the customer's order. Before execution, the customer's order must be exposed through an auction mechanism where other liquidity providers or priority customers¹⁸ may participate at the initiating price, or a competing responder can improve the price and may win the opportunity to interact with the full order.

¹⁴ See Roundtable Transcript, at 103–05.

¹⁵ See id. at 66–70 (remarks of Andrew Schultz, Stewart Mayhew, and Steve Crutchfield) (discussing quotation-based competition, customer limit orders, and competition within the spread).

¹⁶ Certain options exchanges permit orders in series quoted in nickel or dime increments to be entered at a one-cent price. Although the order is displayed at the applicable minimum price variation, it retains priority and may execute at its non-displayed penny price. These exchange-specific mechanisms may provide incidental price improvement but do not represent a significant or consistently available source of liquidity inside the options NBBO.

¹⁷ The following discussion is limited to single-leg listed options. Exchange auction and order-exposure mechanisms for complex orders differ to account for the unique characteristics of complex products and the use of a synthetic NBBO.

¹⁸ In the options market, a "Priority Customer" is a public customer—i.e., a person that is not a broker-dealer—who is not classified as a "Professional," generally because the customer does not average more than 390 listed-options orders per day during a calendar month for its own beneficial accounts. See, e.g., Cboe Rule 1.1 (definitions of "Priority Customer," "Professional," and "Public Customer").

Although these solicited responders can choose not to trade as a result of changing market conditions, the contra-side liquidity provider remains responsible for its commitment.

These features of the options market are directly relevant to best execution of marketable orders seeking an immediate execution. In equities, accessing nondisplayed liquidity requires a probabilistic decision among numerous market centers, but generally presents more limited tradeoffs among price improvement, speed, information leakage, and the risk of missing a displayed quote. In listed options, an agency broker seeking price improvement without committed contra-side interest generally must post or otherwise expose an order within the spread and wait for another participant to trade, which has the potential to delay the execution of an order, expose the market to the existence of a customer's interest, and result in the client failing to get filled at a marketable price or receiving price dissimprovement. Alternatively, a broker that submits or arranges for committed contra-side interest can initiate a price improvement auction, guarantee an execution at or better than the protected market, and provide the customer with an opportunity for on-exchange price competition; however, doing so requires committing capital and assuming risk without a guarantee that the contra-side liquidity provider will receive any allocation.

For certain orders, the structural differences between the listed options and equities markets effectively satisfy a broker's obligation to execute its customers' orders at the most favorable price on an order-by-order basis.¹⁹

Retail Brokers and Consolidators Provide Important Competition and Customer Benefits

The exchange-only structure that supports a reliable options NBBO also limits segmentation that benefits true retail customers. Displayed quotations must be available to any market participant without regard to whether the incoming order is small, retail, or uncorrelated with other activity. Yet small orders originating from a broad population of uncorrelated retail customers can have different risk characteristics and expected value to liquidity providers. In equities, those differences can be reflected through off-exchange execution. In listed options, retail brokers and consolidators create a comparable form of competition, while keeping every execution on an exchange and subject to the options order-protection framework.

Retail brokers aggregate customer demand, select executing relationships, and allocate orders among consolidators. Consolidators provide routing technology, exchange connectivity, risk capacity, and, directly or through affiliated or unaffiliated liquidity providers,²⁰ the capital and risk tolerance necessary to permit the customer's order to initiate an auction. This structure enables consolidators to offer retail customers value beyond the displayed quotation without moving executions away from regulated exchanges. Exchange auction mechanisms supplement this framework by permitting other market participants to win the opportunity to interact with the order at the same or a better price, while ensuring that customers are not exposed to market risk during this process through the contra-side liquidity provider's guarantee to execute the order at or better than the NBBO. Where a consolidator is unable or unwilling to provide or arrange the required capital commitment to initiate a price improvement auction, the customer's order is routed for execution at a market center displaying the best publicly available price in a quote-driven market subject to a robust order protection framework.

In addition to order-by-order competition, retail brokers and consolidators compete on execution at or better than the options NBBO, price and size improvement, fill rate, speed and certainty of execution, technology and resiliency,

¹⁹ See Competitive Developments in the Options Markets, Exchange Act Release No. 49175, § III.C.3 (Feb. 4, 2004) (explaining that, unlike over-the-counter equity internalization, options exchange rules expose a firm's customer order to an auction in which other members may participate at the proposed or an improved price, and observing that this process provides "some assurance" that the customer receives the best price available from members of that market). When combined with market-wide trade-through protection, this intramarket auction competition provides strong evidence that an order guaranteed at or better than the protected NBBO received the most favorable price reasonably available for immediate execution.

²⁰ DASH operates exclusively as an agency broker and therefore does not provide principal liquidity to customer order flow. Unlike traditional wholesaling arrangements in which a consolidator routes to or preferences an affiliated liquidity provider, DASH has no affiliated liquidity provider and offers a comparable routing model through its relationship with IMC, an unaffiliated market maker.

customer support, error correction and accommodation handling, and low- or no-commission access. The options order-protection framework and exchange auction mechanisms provide meaningful safeguards against inferior individual-order outcomes, while competition among consolidators enables retail brokers and their customers to capture the aggregate economic value of their order flow through different combinations of price improvement, lower trading costs, technology, resiliency, and service.

FINRA already identifies price, likelihood of execution, speed, size, transaction costs, and customer needs and expectations as relevant best execution factors. FINRA's options-specific guidance should explain how these factors operate within the listed-options market and at different levels of the order-handling chain. In particular, the guidance should recognize that the quote-driven structure of the options market and on-exchange auction competition already provide strong evidence that an order designated for immediate execution was handled consistently with best execution on an order-by-order basis, while the broader factors identified above remain relevant to an originating broker's selection and periodic review of its routing and consolidator relationships.

With respect to consolidators themselves, FINRA has appropriately made clear that internalization opportunities and payment-for-order-flow arrangements may not interfere with a broker's obligation to obtain the most favorable terms reasonably available for its customer. Where such an arrangement is appropriately disclosed and any associated conflict is reasonably managed, the existence of an affiliation, internalization opportunity, or payment arrangement is not itself a best execution violation and should not create an adverse presumption. The proper inquiry remains whether the broker exercised "reasonable diligence to ascertain the best market for the subject security and buy or sell in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions."²¹

Best Execution Responsibilities of Introducing Firms, Executing Brokers, and Consolidators

The listed-options routing chain commonly includes multiple FINRA members performing different functions. An introducing or sending firm knows the end customer, determines the scope of the service, selects executing relationships, and decides how to allocate orders. A receiving firm may provide routing technology, exchange connectivity, capital, or execution services, but generally does not possess the same customer-specific information or authority to redesign the originating firm's commercial relationships. While FINRA Rule 5310 applies to each member that receives an order for handling or execution, FINRA also recognizes that routing and receiving firms may have different obligations. Updated guidance should give operational meaning to that distinction.²²

For an introducing firm, the appropriate inquiry is whether, in light of the customer information available to it and the scope of the service undertaken, it reasonably selected and reviewed the executing brokers, consolidators, and other routing alternatives available for the relevant service and allocated orders through a process designed to obtain favorable customer outcomes. An introducing firm should not knowingly route orders through a process designed to provide materially inferior terms. It should, however, retain broad discretion to consider execution quality in the aggregate together with fill rates, speed, execution certainty, technology, resilience, customer service, error handling, cost, capacity, and the benefits of maintaining diverse and competitive routing relationships when making its routing decisions.

Executing brokers likewise may provide different levels of price improvement across order-flow segments because of differences in order characteristics, customer composition, scale, risk capacity, liquidity access, access fees, service requirements, and operational efficiency. They also provide different combinations of routing technology, customer support, error handling, resiliency, and destination diversity. A receiving firm's benchmark should not be the price improvement that a competing executing broker provides on a different segment of order flow. The proper inquiry is whether, for the orders it receives, the firm uses reasonable diligence to obtain the most favorable terms reasonably available among the market centers it can reasonably access, considering its authority, the instructions and benchmarks supplied by the sending firm, and the characteristics of the orders it receives.

²¹ See FINRA Rule 5310(a)(1).

²² See FINRA Regulatory Notice 26-15, at 11; FINRA Regulatory Notice 15-46, at 4-5.

For an options consolidator that provides an execution commitment and initiates an exchange auction, best execution does not require a predetermined amount of price improvement on every order. The consolidator must use reasonable diligence to ensure that the order is handled at a price and on terms consistent with the protected market and its customer instructions. To the extent a customer is seeking an immediate execution of a single-leg options order at or better than the NBBO, this obligation is satisfied by guaranteeing the execution at a price no worse than the NBBO and submitting it to a price improvement auction where the order has the opportunity to receive on-exchange price improvement. Rule 5310, however, does not require the consolidator to match, order by order, a price that another broker or liquidity provider might have offered with different information, economics, risk capacity, or order-flow characteristics. Its obligation is satisfied by guaranteeing the customer an outcome no worse than was otherwise available (*i.e.*, routing the order to an exchange to execute against the NBBO).

Unbundling

FINRA should confirm that a broker's decision to divide a parent options order into multiple child orders and route them across market centers can be fully consistent with best execution.²³ As in equities, a reasonably designed strategy may improve execution likelihood, access multiple sources of displayed liquidity or auction opportunities, reduce market impact and information leakage, manage execution costs, or increase the probability of price or size improvement. The analysis should focus on the expected result for the customer, not on whether the order was executed in one piece. The appropriate inquiry is whether the strategy, when adopted and applied, was reasonably designed and reasonably expected to produce an overall customer outcome at least as favorable as the reasonably available alternatives, considering price, size, execution likelihood, speed, cost, market impact, information leakage, and the customer's instructions.

The extensive comment record on Nasdaq's 2025 unbundling proposal confirms that these are ordinary features of modern electronic routing. DASH, Robinhood, Wolverine Execution Services, IMC, Interactive Brokers, and Jane Street each raised concerns that a broad or ambiguous prohibition could capture beneficial routing. Commenters explained that options liquidity is dispersed across exchanges with different depth, priority rules, fees, auction designs, and response times; near-simultaneous child routing can source incremental liquidity, reduce market impact and information leakage, improve speed, and lower transaction costs. Because contracts within an options series are fungible, centrally cleared, and executed on exchanges, fills across several venues can be economically equivalent to the customer.²⁴

A requirement to route the full size of an order to a single venue also distorts intermarket competition. Options exchanges are expected to compete on transaction costs, technology, liquidity provision, priority and allocation models, auction functionality, and execution reliability. Requiring the full order to be routed to a single exchange could protect venue-specific allocation entitlements, entrench incumbent exchanges, and impair competing exchanges' ability to attract specialists, market makers, liquidity, and order flow through innovative execution models. Options exchanges also offer different fee and rebate structures that may make a broker's decision to split an order across multiple same-

²³ DASH's unbundling comments are limited to exchange regulation of cross-market routing decisions. As a general matter, DASH recognizes that exchanges should retain authority to regulate conduct occurring on their markets or through their trading mechanisms, provided that such regulation does not conflict with a broker's broader obligations to obtain best execution for its customers.

²⁴ See Letter from DASH Financial Technologies to Vanessa Countryman, Secretary, Commission, at 3–5 (Feb. 3, 2026), https://www.sec.gov/comments/sr-nasdaq-2025-103/srnasdaq2025103-699887-2195575_0.pdf; Letter from Robinhood Financial LLC and Robinhood Securities, LLC to Vanessa Countryman, Secretary, Commission, at 2 (Feb. 6, 2026), <https://www.sec.gov/comments/sr-nasdaq-2025-103/srnasdaq2025103-701187-2201034.pdf>; Letter from Wolverine Execution Services, LLC to Vanessa Countryman, Secretary, Commission, at 1–2 (Jan. 30, 2026), <https://www.sec.gov/comments/SR-NASDAQ-2025-103/srnasdaq2025103-698567-2188814.pdf>; Letter from IMC Chicago, LLC to Vanessa Countryman, Secretary, Commission, at 2–4 (Jan. 23, 2026), <https://www.sec.gov/comments/sr-nasdaq-2025-103/srnasdaq2025103-696107-2176714.pdf>; Letter from Interactive Brokers LLC to Sherry Haywood, Assistant Secretary, Commission, at 1–3 (Jan. 22, 2026), <https://www.sec.gov/comments/sr-nasdaq-2025-103/srnasdaq2025103-695587-2174814.pdf>; Letter from Jane Street Group, LLC to Vanessa Countryman, Secretary, Commission, at 1–2 (Jan. 8, 2026), <https://www.sec.gov/comments/sr-nasdaq-2025-103/srnasdaq2025103-690247-2153994.pdf>.

price exchanges advantageous to the ultimate client or indirectly beneficial by reducing fees or providing tier benefits to the executing broker that can be passed through to customers through lower commissions or higher rebates.

The adverse impacts of unbundling prohibitions are not cured by narrow exceptions that permit splitting by requiring brokers to establish the subjective motivation behind each individual routing determination. Modern routing decisions commonly serve several complementary customer interests at once, including price, speed, liquidity access, cost, and information protection. Requiring a broker to prove that a particular routing decision was motivated by one prescribed purpose—rather than evaluating whether the routing strategy achieved best execution—would discourage beneficial routing practices, impose significant compliance burdens, and likely produce inconsistent regulatory and enforcement outcomes.

Additionally, a best execution standard grounded in agency principles must preserve a broker’s reasonable discretion to allocate orders among competing markets offering the same price and reasonably comparable execution quality.²⁵ That discretion enables brokers to reduce transaction costs, obtain volume-based efficiencies, diversify execution capacity, mitigate concentration and outage risk, strengthen operational resiliency, promote meaningful intermarket competition, and use the aggregate value of order flow to support customer rebates, price-improvement opportunities, and lower-cost services. Although these benefits may not always produce a measurable improvement for an individual order, they do not disadvantage any customer and can generate substantial value for customers over time through lower costs, increased price improvement opportunities, more reliable executions, and more efficient and competitive markets. Evaluating each child order in isolation would disregard those aggregate benefits and transform a principles-based obligation designed to protect customers into a venue-allocation rule that displaces competitive market forces and subordinates customer interests to venue-specific commercial or market-structure objectives.

The appropriate standard for the options market, like equities, is whether the strategy was reasonably expected to produce an overall outcome at least as favorable as the reasonably available alternatives, considering price, size, execution likelihood, speed, cost, market impact, information leakage, and the customer’s instructions.

Finally, although FINRA cannot directly interpret exchange rules, comments from industry participants and exchanges reveal materially divergent views regarding the scope and operation of exchange unbundling restrictions, including whether those restrictions apply to routing decisions made across multiple markets. While some exchanges have indicated that their unbundling rules are only intended to “prohibit splitting a parent order ... in circumstances that may disadvantage the customer”²⁶ or have supported express best execution exceptions to their unbundling rules, others have maintained that separate auction-allocation prohibitions contain no such exception and operate in conflict with a broker’s best execution obligations.

FINRA should eliminate any resulting uncertainty by reaffirming that FINRA Rule 5310 imposes “a duty to exercise reasonable care to obtain the most advantageous terms for the customer.”²⁷ FINRA should expressly confirm that the rule does not require a broker to route an entire parent order to one exchange, that the loss of a participation or allocation opportunity by an exchange or market maker is not a customer interest under Rule 5310, and that an exchange should not use regulation of conduct on its own market to dictate a member’s routing among competing markets. The rule neither requires nor permits a member to subordinate its customer’s interests to the commercial

²⁵ It bears emphasis that exchange specialist guarantees and other priority mechanisms were intended as exchange-specific tools to enable individual exchanges to compete with each other. See Competitive Developments in the Options Markets, Exchange Act Release No. 49175, § III.C.2 (Feb. 4, 2004) (explaining that specialist guarantees may help an exchange compete with other exchanges, while evaluating their potential adverse effects on competition within the particular exchange). Accordingly, where competing exchanges offer the same price and reasonably comparable execution quality, a broker’s allocation among them is consistent with the competitive purpose of these programs and does not independently implicate best execution.

²⁶ See Letter from Erik Wittman, Vice President and Head of Enforcement, Nasdaq, to Vanessa Countryman, Secretary, Commission, at 4 & n.12 (Feb. 9, 2026), <https://www.sec.gov/comments/sr-nasdaq-2025-103/srnasdaq2025103-701767-2204494.pdf>.

²⁷ See Securities Exchange Act Release No. 34902 (October 27, 1994), 59 FR 55006, 55007 at n.15 (November 2, 1994) (citing Restatement 2d Agency Sections 387; 424 (1958)).

interests of an exchange or the economic opportunity of an on-exchange market maker. FINRA should also coordinate with the exchanges and the SEC to ensure that the regulation of intermarket routing and best execution is allocated to FINRA under a coherent national framework.

The Existing Rule 605 Framework Should Not Be Transplanted to Listed Options

DASH supports improving the information available to evaluate execution quality in the listed-options market. Consistent with that commitment, DASH provides customers with a sophisticated transaction-cost analytics tool (Dash360) and works with order-flow providers to furnish detailed data supporting meaningful comparisons among competing executing brokers. A Rule 605-style framework, however, may be of limited utility because material differences in the order flow handled by originating brokers—including customer mix, order size, price, strategy, routing instructions, and auction eligibility—could make comparisons across firms difficult and potentially misleading.

The options market is structurally distinct from equities: it is quote-driven and includes numerous exchanges and consolidators that compete vigorously for order flow. Comparative analysis by originating brokers among their reasonably available routing destinations—using their own order flow and controlling for relevant order characteristics—is therefore likely to produce more meaningful information at substantially lower cost than a standardized, market-wide reporting regime. Because the costs of such regulation are ultimately borne by investors, FINRA and the Commission should not impose a costly reporting framework without evidence that it would provide material benefits to ordinary investors.

The Options Order-Protection Framework Should Be Preserved

The Commission’s proposal concerning Rules 610(e) and 611 applies solely to NMS stocks and would not amend the separate Options Order Protection and Locked/Crossed Market Plan (the “Options Plan”). DASH does not believe that the Commission’s decision to reconsider the equities framework provides a basis for eliminating corresponding protections in options. Although the two regimes share certain concepts, they operate within materially different market structures and should be evaluated independently. SIFMA reached the same conclusion in its Rule 611 comment letter, expressly declining to support extension of the proposal to options given the differences between the two markets.²⁸

The Options Plan requires participating exchanges to establish, maintain, and enforce policies and procedures reasonably designed to prevent trade-throughs, subject to defined exceptions, and to address locked and crossed markets. It thereby provides a market-wide assurance that a protected quotation generally will not be bypassed by an inferior-priced execution. The Plan’s exceptions—including for intermarket sweep orders, system failures, crossed markets, and certain complex or stopped orders—also preserve sufficient flexibility for exchanges and brokers to manage orders efficiently without abandoning the underlying price-protection framework.²⁹

That framework is especially important in a market comprising nearly five million individual options securities, in which executions must occur on an exchange, market makers maintain quotations across enormous and frequently illiquid series populations, and no comparable network of immediately accessible off-exchange better-priced liquidity exists. In this environment, the Options Plan helps ensure that the options NBBO remains a meaningful and reasonably accessible benchmark. It gives retail investors and their brokers an administrable baseline for evaluating execution quality while preserving competition above that baseline through price-improvement auctions, customer limit orders, and differentiated exchange functionality.

²⁸ See Letter from SIFMA to Vanessa Countryman, Secretary, Commission, at 3 n.8 (Aug. 17, 2026), <https://www.sec.gov/comments/S7-2026-20/s7202620-1005979-3202788.pdf>; Securities Exchange Act Release No. 105655 (June 11, 2026), 91 Fed. Reg. 36656 (June 17, 2026), <https://www.sec.gov/rules-regulations/2026/06/s7-2026-20>.

²⁹ See Options Order Protection and Locked/Crossed Market Plan §§ 5–6, <https://www.sec.gov/file/4-546-12>; FINRA Regulatory Notice 26-15, at 13; SEC Division of Trading and Markets, *Roundtable on Options Market Structure: Staff Presentation 4–6* (2026), <https://www.sec.gov/files/roundtable-options-market-structure.pdf>.

Eliminating the Plan's price protections could weaken the reliability of the options NBBO, undermine the quote-driven structure on which the market depends, and shift substantial new diligence and surveillance burdens to brokers across millions of individual options securities. Any such change should therefore be considered, if at all, only through a separate, data-driven proceeding focused specifically on the options market. If the Commission or the Plan Participants pursue a material amendment to the Plan, FINRA should reassess and update its options best execution guidance before that change becomes effective so that firms understand how their obligations will operate under the resulting market structure.

* * *

For these reasons, DASH respectfully encourages FINRA to develop listed-options best execution guidance that recognizes the central role of the options NBBO and broader options market structure in protecting individual-order outcomes, while evaluating routing and consolidation arrangements through a holistic assessment of the benefits provided to customers. The guidance should further clarify that, although Rule 5310 applies to each member that accepts a customer order for handling or execution, whether acting as agent or principal, the nature and scope of the diligence required must reflect the member's particular role in the order-handling chain, the discretion entrusted to it, and the responsibilities it has undertaken.

With respect to exchange regulation of best execution and unbundling, FINRA should make clear that Rule 5310 neither requires nor permits a broker to subordinate its duty to customers to the commercial or market-structure interests of an exchange or to prioritize the economic opportunity of on-exchange market makers.

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Respectfully submitted,

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