



September 25, 2026

Via Electronic Submission

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

Re: Regulatory Notice 26-15: Modernizing FINRA's Best Execution Guidance

Dear Ms. Mitchell:

Allium Labs, Inc. ("Allium") appreciates the opportunity to comment on Regulatory Notice 26-15 (the "Notice"). We recommend targeted guidance that strengthens the basis for evaluating best execution while retaining Rule 5310's principles-based duty. The objective should be to standardize evidence, not outcomes: establish a shared measurement vocabulary and reliable supporting evidence without prescribing a single benchmark, execution method, or routing result.¹

In our August 16, 2026 comment to the Securities and Exchange Commission ("SEC"), Allium encouraged the development of a common, technology-neutral measurement vocabulary. We carry that recommendation forward here. Consistent meanings make comparisons intelligible; evidence that is traceable, comparable, reconstructable, and decision-relevant makes those comparisons testable.²

In the post-rescission scenario posed by the Notice, greater discretion over venue access and order handling would make the relationship between decisions made in advance and evidence reviewed afterward more consequential.³ Guidance should connect three elements: an ex ante framework governing the exercise of judgment, a common language for describing execution opportunities and results, and ongoing measurement that tests the framework and informs changes. This is not a new duty or an argument that following a written policy establishes compliance. The framework itself must be reasonable, its application must serve the customer, and its performance must remain subject to review. An unfavorable result is not necessarily evidence of deficient diligence; a well-documented decision is not necessarily a reasonable one.

Allium is a blockchain data infrastructure company that converts raw blockchain activity into standardized, auditable data for analytics and operational workflows. Our contribution concerns the interpretation, comparability, and verification of evidence across different systems. We do not seek a prescribed data provider, execution architecture, or new public reporting mandate.

The six recommendations below address selected questions concerning oversight, venue access, benchmarks, customer costs, tokenized securities, and substantive review. The SEC's conditional exemptive order for tokenized securities trading (the "Innovation Exemption") provides one application of these principles, discussed in Section V, rather than the organizing premise of this letter. Our focus remains a FINRA member's handling of customer orders under arrangements that it may lawfully use.

I. ESTABLISH A COMMON EVIDENTIARY FOUNDATION AND AN EX ANTE DECISION FRAMEWORK.

Response to Questions 1(j)–(k).

FINRA should explain both what makes execution evidence useful for oversight and what standing framework members should maintain to guide and assess their decisions. The same foundation should support a member's compliance process and an examiner's evaluation, without turning either into a check of documentation alone.

Traceable: A material factual claim can be connected to its source records, with important transformations or assumptions identified.

Comparable: Prices, costs, instruments, and timing are described consistently enough to understand what is being compared, without treating unlike instruments, execution mechanisms, or trading conditions as equivalent.

Reconstructable: A reviewer can assess how the firm reached its result and, where appropriate, reproduce the material analysis, including where it relies on estimates or incomplete information.

Decision-relevant: The evidence enables a reviewer to discern material differences in execution quality, assess reasonable diligence, and identify matters requiring investigation or changes to order handling.

These are qualities of supporting evidence, not additional execution-quality factors or a formula for compliance. Their practical purpose is to distinguish a record of what happened from support for why the member's judgment was reasonable.

A shared vocabulary should give recurring terms enough content to prevent unlike measurements from being presented as equivalent. For example, "available liquidity" should identify the relevant access conditions and quantity, "price improvement" should identify the reference price and measurement event, and a "fill rate" should identify whether its denominator is orders, attempts, or quantity. A measure of "completion" should state its endpoint. Members could retain their own data formats while mapping material definitions and assumptions to these shared concepts. FINRA could develop nonexclusive examples incrementally, coordinating with existing reporting and audit-trail terminology rather than creating a parallel field-level schema.

For Question 1(k), guidance should build on existing written supervisory procedures.⁴ Before outcomes are known, the member's framework should identify the criteria governing relevant order objectives, venue access, benchmark selection, treatment of costs and conflicts, and the exercise of discretion. It should also establish responsibility for review, its cadence, and circumstances requiring escalation or methodological change. Where quantitative review triggers are used, their basis and limitations should be specified in advance without foreclosing examination of other material concerns. The degree of detail should reflect the business, customer orders, and decisions being supervised.

Ex ante discipline should not freeze trading or require a procedure amendment for every routing adjustment. A framework may permit dynamic responses to market conditions, customer-specific instructions, and appropriately documented exceptions. Material changes to the framework should follow a defined approval process, with effective dates and prior versions preserved. Recurring exceptions should prompt consideration of whether the framework needs revision. Urgent protective action should remain

possible, with prompt supervisory review, rather than being delayed solely to complete a formal amendment.

The corresponding evidentiary principle is that a member should not, without disclosure, substitute a post hoc standard for the one that originally governed its decision. A member may correct data, improve a model, or conduct a new diagnostic analysis, but should preserve the original basis, identify the change and its reason, and distinguish a later analytical insight from information reasonably available or obtainable when the decision was made. This permits learning without allowing favorable results to determine retrospectively which methodology supposedly governed.

For Question 1(j), supervisory testing should be able to connect the order and instructions, the framework then in effect, the relevant alternatives, the comparison made, and the resulting response. A member's standing policies, existing records, and validated methods may establish that connection without a bespoke narrative for every order or a simulation of every possible route. Material gaps should affect confidence in a conclusion and the need for further inquiry, not be treated silently as proof of equivalent execution quality.

II. EVALUATE WHETHER COMPETING LIQUIDITY IS REASONABLY ACCESSIBLE.

Response to Questions 1(a)(i)–(ii) and 1(a)(iv)–(v).

FINRA should encourage members to establish and apply reasonable criteria for connecting, not connecting, or disconnecting from execution venues, and distinguish those structural decisions from the alternatives available for an individual order. The assessment should consider customer needs, relevant liquidity and order sizes, access arrangements, reliability, costs, and operational feasibility, rather than merely the member's existing connections.

A common vocabulary should distinguish an observable price, liquidity legally and operationally accessible to the customer and member, and an execution opportunity for the required quantity within the order's relevant time horizon. A public price is not necessarily an immediately accessible quotation. Conversely, a route that requires an intermediate step is not necessarily irrelevant to a longer-horizon order. The nature, duration, and customer consequences of that step matter.

These distinctions must not permit members to define away competing liquidity through their own business choices. Existing guidance requires consideration of competing markets, not only those to which the member currently routes.⁵ Updated guidance should separate customer-specific restrictions from limitations arising from the member's arrangements. "We are not connected" may describe the circumstances of one order; it does not, by itself, justify the continuing decision not to connect. The latter requires a proportionate assessment of whether reasonable changes in access arrangements could improve execution for relevant customer flow.

For Questions 1(a)(iv)–(v), the same criteria should apply to affiliated and unaffiliated venues. Useful evidence may include liquidity in relevant sizes, execution reliability, access costs, and the feasibility of obtaining access directly or through an intermediary. Reviews should identify material information gaps and reasonable steps taken to address them. This need not imply connectivity to every venue or a fresh market-wide connectivity study for every order.

These principles also apply to permissioned onchain trading. A visible pool may still require investor eligibility, an authorized wallet, or available funding. Those conditions should be distinguished from restrictions the member could reasonably address. Standing access assumptions should be revisited when permissions, liquidity, service arrangements, or other material conditions change. Documenting an exclusion is evidence of the decision, not proof that the exclusion was justified.

III. USE BENCHMARKS SUITED TO THE ORDER, MARKET CONDITIONS, AND EXECUTION MEDIUM.

Response to Questions 1(d)(i)–(iii), 1(e), 1(g), and 6(a).

The national best bid and offer (“NBBO”) should remain an important common reference, including for internalized orders. As the Notice explains, rescinding Rule 611 would not end its publication.⁶ FINRA should clarify when additional references are informative, rather than permit unrestricted substitution of whichever firm-specific benchmark makes a result appear favorable.

The NBBO’s continuing usefulness need not be confined to a backward-looking performance measure or require its traditional role to be reproduced unchanged in every execution medium. For example, where legally permissible and appropriate to the security and order, an onchain venue or a member’s execution controls could receive NBBO data through an oracle, a mechanism supplying external data to a smart contract, and use it to constrain permissible executions. An illustrative control could reject a buy above the relevant national best offer or a sell below the national best bid, or enforce an order-specific limit referenced to those quotations. The point is to show how a common market reference can inform an executable control, not to prescribe that design for every venue.

In applying such a control, the member should distinguish the price reference from the execution constraint and the subsequent performance benchmark. Its framework should address the source and freshness of the reference, the applicable side and unit of comparison, when the constraint is checked, and the response to stale, unavailable, or unreliable data. A check made only when a transaction is submitted should not be described as a guarantee about market conditions when it executes. Appropriate fallback or protective action should account for both price risk and the customer consequences of delay or nonexecution. An oracle-based limit is an illustration, not an existing Innovation Exemption requirement, a universal price tolerance, or a substitute for other applicable trading requirements.

For benchmark selection itself, FINRA should encourage criteria established before results are evaluated and applied consistently to comparable orders. The member should explain why a reference suits the instrument, order objective, size, and session. An interval benchmark may inform review of an order worked over that interval; it should not automatically displace a contemporaneous quotation when assessing an order requiring prompt execution. Legitimate methodological revisions should remain distinguishable from retrospective benchmark shopping, as described in Section I.

Shared descriptions should distinguish an observed quotation, a realized transaction, and a modeled alternative. They should also identify the benchmark timestamp and distinguish it from order receipt, routing, and execution where material. Supporting information may include time-aligned quotations, size-relevant liquidity, charges, and execution reliability. A simulated comparison should disclose

consequential assumptions about latency, access, and execution probability rather than present a hindsight reconstruction as an offer the member could necessarily have obtained.⁷

For Question 1(e), in the post-rescission scenario, a departure from the best displayed price should be supported by a customer-relevant trade-off, such as demonstrably different net terms or execution likelihood, not merely by satisfaction of an internal benchmark. Conversely, execution within an NBBO-based control does not alone establish best execution: better terms may have been reasonably available. The rationale should be assessed using the substantive review approach in Section VI.

For Questions 1(g), 1(d)(iii), and 6(a), guidance should address reference reliability in the actual session and execution mechanism. Where no reliable contemporaneous consolidated quote is available, the member should identify its alternative information, its limitations, and the policy governing its use, consistent with Supplementary Material .06.⁸ A prior closing price may be informative without being current executable liquidity. Session-specific fallback policies should be set in advance, and reviews should not combine materially different sessions or mechanisms in ways that obscure inferior outcomes.

IV. ASSESS CUSTOMER ECONOMICS BEYOND COMPLETED-FILL PRICES.

Response to Questions 2(a)–(d) and 3(d).

FINRA should clarify that execution comparisons account for material, reasonably attributable customer costs while keeping them distinct from the member's own incentives. Execution price and identifiable charges should remain separately visible, with net customer cost or proceeds presented alongside them. Neither a favorable gross price nor a single net figure should conceal a material component of the result.

For Questions 2(b)–(c), a fee borne by the customer may offset a displayed price advantage between otherwise comparable routes. A fee absorbed by the member does not, merely because it is expensive for the member, worsen the customer's terms. A rebate or payment retained by the member is not a customer benefit. These distinctions should govern comparisons involving access fees and, where applicable, network, conversion, routing, or transfer charges. They are consistent with existing guidance addressing the potential influence of fees, rebates, and payment for order flow.⁹

For Question 2(a), connectivity and data expenses may inform a proportionate assessment of venue arrangements, but should not be conflated with charges attributable to an individual customer transaction. The shared vocabulary should identify what is included in a cost measure, who bears or receives each material amount, and whether it is observed or estimated. Actual charges should remain distinguishable from modeled financing, opportunity, or information-leakage costs. A price effect should not be counted twice, once in the execution price and again as an added cost.

The ex ante framework should specify the treatment of relevant costs and material allocation or estimation assumptions before comparative results are assessed. Expected costs used in routing should be distinguishable from realized costs used in review. A later estimate may help diagnose an outcome, but should not silently replace the estimate on which the decision relied. Net economics should inform judgment alongside price, likelihood, speed, size, and instructions, not become a universal score overriding them. For Question 2(d), a change in access-fee caps would not alter these distinctions; it would require reassessment of actual customer effects and related incentives.

For Question 3(d), guidance should expressly recognize material consequences of unsuccessful attempts, alongside information leakage and urgency, as applications of existing execution-quality considerations. Reviews limited to successful fills can omit charges, delay, and residual quantity. An order's related attempts and partial fills should be linked where necessary, and a failure-rate measure should state its population and denominator. A route with attractive completed-fill prices may still impose repeated paid failures or resubmissions. Equally, an unfilled or rejected attempt is not automatically evidence of deficient execution; its significance depends on the order, conditions, available alternatives, and the member's role.¹⁰

V. APPLY THE SAME PRINCIPLES TO TOKENIZED SECURITIES AND AMM EXECUTION.

Response to Question 9(a).

FINRA should provide targeted examples applying existing best-execution factors to tokenized securities rather than establish a separate standard. The SEC's September 17, 2026 Innovation Exemption supplies a concrete setting: conditional exchange-definition relief for qualifying Tokenized Securities Venues ("TSVs") and dealer-definition relief for certain liquidity providers, involving permissioned automated market maker ("AMM") trading on public, permissionless ledgers. The relief is scheduled to expire September 17, 2031, subject to modification.¹¹

The framework does not establish that a particular TSV is operating or that every member may access it. The order includes advance-notice conditions and does not provide general relief from broker-dealer obligations; its request for comment separately asks about additional Regulation NMS relief for broker-dealer participants.¹² Our examples address only customer orders a member may lawfully handle through eligible arrangements. They do not ask FINRA to expand the exemption or impose Rule 5310 on every participant in a blockchain ecosystem.

Instrument identity should precede execution comparison. Evidence should establish what security or interest the customer would acquire, not merely the issuer name or price reference displayed by a token. The exemption excludes specified synthetic-exposure instruments and requires a TSV to verify equivalent rights and privileges.¹³ More generally, a related instrument's price may inform analysis without making it an executable substitute for the security ordered. Even where rights align, custody, funding, or transfer conditions may affect access for the particular customer.

The opportunity should be measured for the order's size and relevant state. Where an AMM's pricing depends on quantity and pool state, a nominal pool price should not be treated as the executable price for the entire order. Comparisons should identify consequential charges and distinguish an indicative calculation from a firm offer. Submission and transaction-ordering arrangements should be examined where they materially affect price, information exposure, delay, or execution likelihood. Effects inferred from transaction ordering should be identified as estimates, not automatically characterized as misconduct.

Execution and completion should have explicit meanings. A reported trade, blockchain inclusion, operational availability, and legal settlement may describe different events. A review should identify which event each measure addresses and account for material differences affecting the customer. It should

not assume that a blockchain confirmation proves receipt of the required security or proceeds, or that faster settlement necessarily means better execution.¹⁴

Where a lawful route involves multiple ledgers or supporting funding and transfer steps, the record should connect those events to the customer order without treating every step as a separate execution venue. Time alignment should preserve material uncertainty, and a reconstruction should not assume that liquidity remained available throughout an intervening transfer. Nor should liquidity observed through different interfaces be counted more than once. The NBBO-oracle example in Section III illustrates the same discipline: identify the control and information in force, then measure its actual customer consequences, including rejected or delayed attempts.

This is where consistent blockchain data can contribute: organizing observable activity across protocols and chains into comparable, traceable records that can be joined to the member's decision evidence. Onchain records alone cannot establish customer instructions, eligibility, private quotations, or alternatives considered but never submitted. Review therefore may require authenticated offchain records as well. The contribution is a common evidentiary basis for comparing mechanisms, not a presumption that onchain execution is superior or that a particular dataset establishes compliance.

VI. MAKE ONGOING MEASUREMENT AND REVIEW SUBSTANTIVE AND ACTIONABLE.

Response to Questions 1(i)–(k), 3(c), 4(h), 5(a)–(b), and 9(b).

FINRA should connect a member's decision framework to an ongoing ability to measure execution quality, investigate material differences, and act on the findings. Supplementary Material .09(a) already requires at least quarterly regular and rigorous review where applicable, with more frequent review considered in light of the business; .09(b) requires members to identify material differences and modify routing arrangements or justify not doing so.¹⁵ Updated guidance should make the connection between measurement, reasoned judgment, and action more explicit, rather than treat production of a report as the objective.

The member should maintain evidence and analytical capability sufficient to assess its relevant order flow on an ongoing basis. Its framework should define a proportionate cadence for measurement and supervisory review, accountable owners, and triggers for investigation outside the scheduled cycle. These might include a serious execution event, deterioration in a relevant customer segment, unreliable reference data, or a material change in venue behavior or routing logic. This need not require every firm to recalculate every possible alternative in real time. It does require a process capable of detecting material problems without waiting for an examination or a periodic report assembled after the relevant evidence has been lost.

A common review vocabulary should identify the orders covered, the comparison period, the benchmark and method version, the sample size or denominator, and material exclusions or uncertainty. Reviews should distinguish realized outcomes from estimates of alternative outcomes and segment results where order size, type, session, or access conditions materially affect the conclusion. Favorable averages should not conceal a disadvantaged category. The record should remain usable for supervisory testing and be retained consistently with applicable recordkeeping obligations.¹⁶

To make “modify or justify” meaningful, guidance should connect three inquiries. First, does a reliable comparison identify a material difference or credible indication of a problem? The comparison should concern the relevant security, quantity, instructions, market conditions, and reasonably available alternatives. Materiality should reflect customer consequences, magnitude, frequency, and the strength and limitations of the evidence. Neither a universal numerical threshold nor statistical persistence should be a prerequisite to examining a serious individual event.

Second, is there a supported customer-relevant explanation for the choice or continuing arrangement? The record should show whether the stated rationale was reasonable on information available or reasonably obtainable at the time, whether the framework was reasonably applied, and whether subsequent results call its assumptions into question. A claimed trade-off should be supported by comparative facts, such as evidence about size, speed, likelihood, attributable costs, or instructions. “The system followed its policy,” “the venue was not connected,” or “the result met our benchmark” does not, standing alone, establish the merits of that rationale.

Third, what response is warranted? Where the evidence supports a deficiency, the member should take appropriate corrective action and assess its effectiveness. Where a change is not warranted, the record should identify the comparative basis for that conclusion, the responsible reviewer, and the conditions for reconsideration. Where uncertainty remains material, the response should identify further inquiry or proportionate interim controls, not simply close the matter as inconclusive. The response, its timing, and subsequent assessment should remain traceable. Recurring findings should feed back into governed changes to the ex ante framework.

This approach separates evaluation of a past decision from improvement of future decisions. New information can establish that a previously reasonable assumption should change without proving that the earlier choice was unreasonable. Conversely, a policy adopted in advance may itself have been deficient. For Question 1(i), FINRA should not create a safe harbor based solely on documentation, adherence to a methodology, or satisfaction of a self-selected benchmark. That recommendation does not alter the existing treatment of specific customer instructions under Supplementary Material .08.¹⁷

For Question 3(c), a smart order router’s built-in checks may contribute to an order-by-order review where the relevant inputs, criteria, comparisons, and results can be substantiated and the logic is validated. Their mere presence should not establish that the review occurred or was adequate. Aggregate periodic review should complement order-level controls by testing whether the underlying assumptions and arrangements continue to serve comparable orders. The same principle applies to AI-assisted decisions under Question 9(b): adaptive behavior should remain within governed parameters, with consequential changes and limitations reviewable. These recommendations do not relax existing requirements concerning when order-by-order review is necessary.

For Question 4(h), reviews should consider both parent and child orders where relevant to the member’s role and the customer’s instructions. Favorable individual fills can omit material delay, residual quantity, or costs affecting the parent order. For Questions 5(a)–(b), shared definitions should also make interfirm review meaningful. Where reliance on another member’s review is permitted under Supplementary Material .09(c), the disclosed results and rationale should permit evaluation of its methodology and limitations.¹⁸ This need not duplicate every analysis or disclose unnecessary customer-identifying



information, but it requires more than an unsupported assurance that another firm assessed execution quality.

CONCLUSION

FINRA should implement these recommendations through focused, nonexclusive examples that answer the Notice's questions while remaining proportionate to the member's business. Shared terminology should build on existing records and reporting definitions. Members should remain free to assemble evidence internally or use direct sources and third-party providers, without transferring responsibility for the analysis. Any new mandatory data collection or reporting proposal should receive separate consideration of scope and implementation burdens.

"Standardize evidence, not outcomes" should mean disciplined flexibility: establish a reasonable framework before decisions are made, describe opportunities and results in a common language, and use reliable evidence afterward to test judgment and improve execution. The aim is not to make every firm choose the same route. It is to make the basis for its choice understandable, its performance measurable, and material deficiencies actionable.

We appreciate FINRA's consideration and would welcome the opportunity to provide further technical input on execution-quality data and measurement.¹⁹

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ethan Chan".

Ethan Chan
CEO, Allium Labs, Inc.

A handwritten signature in black ink, appearing to read "William Lai".

William Lai
Head of Institutions, Allium Labs, Inc.

FOOTNOTES

1. [FINRA Regulatory Notice 26-15, FINRA Requests Comment on Modernizing FINRA’s Best Execution Guidance \(July 24, 2026\)](#) (the “Notice”); [FINRA Rule 5310\(a\)\(1\)](#).
2. [Letter from Allium Labs, Inc. to Vanessa A. Countryman, Secretary, SEC, Re: The Trade-Through Rule and Locked and Crossed Markets Provisions of Regulation NMS, File No. S7-2026-20 \(Aug. 16, 2026\)](#) (the “Allium SEC Letter”), at 2–3.
3. [Notice](#), *supra* note 1, Sections C and D.1; [SEC, The Trade-Through Rule and Locked and Crossed Markets Provisions of Regulation NMS, Exchange Act Release No. 34-105655 \(June 11, 2026\)](#). References here to a post-rescission environment address the Notice’s assumed scenario, not an assertion that rescission has occurred.
4. [FINRA Rule 3110\(b\)\(1\)](#). The more specific framework and evidentiary practices proposed in this letter are recommendations for guidance, not a statement that each is separately mandated by existing rule text.
5. [FINRA Rule 5310, Supplementary Material .09\(b\)](#); [Regulatory Notice 15-46, Guidance on Best Execution Obligations in Equity, Options and Fixed Income Markets \(Nov. 20, 2015\)](#), Section 2.
6. [Notice](#), *supra* note 1, Question 1(d).
7. [Notice](#), *supra* note 1; [FINRA Rule 5310\(a\)\(1\)](#).
8. [FINRA Rule 5310, Supplementary Material .06](#); [Notice](#), *supra* note 1, Questions 1(d)(iii), 1(g), and 6(a).
9. [Regulatory Notice 15-46](#), *supra* note 5, Section 3; [FINRA Rule 5310, Supplementary Material .09\(b\)](#).
10. [Allium SEC Letter](#), *supra* note 2, at 2–3.
11. [SEC, Order Granting Temporary Conditional Exemptive Relief from the Exchange and Dealer Definitions for Certain Tokenized NMS Stock Activities, and Request for Comment, Exchange Act Release No. 34-106402, File No. 4-927 \(Sept. 17, 2026\)](#) (the “Innovation Exemption”), at 1–2, 18–19, and 57. Title abbreviated.
12. *Id.*, Section II.C (advance public notice), at 19–21, and Section VI, Question 7, at 58–59.
13. *Id.* at 2 and 22–23 (Section II.E).
14. *See* sources cited *supra* note 3.
15. [FINRA Rule 5310, Supplementary Material .09\(a\)–\(b\)](#). *See also* [Regulatory Notice 15-46](#), *supra* note 5, Section 2, regarding regular and rigorous review and order-by-order analysis.
16. [FINRA Rule 3110\(b\)\(1\)](#); *see also* *supra* note 4.
17. [FINRA Rule 5310, Supplementary Material .08](#).
18. [FINRA Rule 5310, Supplementary Material .09\(c\)](#).
19. Thank you to Julian Jacobson for providing valuable feedback and support in producing this comment letter.