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Submitted Electronically: pubcom@finra.org

Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1700 K Street, NW
Washington, DC 20006

**Re: *Request for Comment on Modernizing FINRA’s Best Execution Guidance
FINRA Regulatory Notice 26-15***

Dear Ms. Mitchell:

Bloomberg L.P.¹ and Bloomberg Tradebook LLC² (together, “Bloomberg”) are grateful for the opportunity to provide the Financial Industry Regulatory Authority (“FINRA”) with comments regarding the above-referenced regulatory notice request for comments (the “RFC”).³

Executive Summary

FINRA has issued a request for comment on proposals in “Modernizing FINRA’s Best Execution Guidance.” Bloomberg’s comments will focus on two critical RFC questions in Section 4, f(i) and f(ii) regarding Request-for-Quote (“RFQ”) and Single Dealer Platforms (“SDPs”). Bloomberg believes that FINRA’s existing guidance under Rule 5310 and

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² Bloomberg Tradebook LLC, a broker-dealer registered with the U.S. Securities and Exchange Commission, a member of FINRA, Inc., and a wholly owned subsidiary of Bloomberg L.P., operates various electronic trading services including RFQ systems for negotiating securities transactions.

³ See Regulatory Notice 26-15, FINRA Requests Comment on Modernizing FINRA’s Best Execution Guidance, July 24, 2026, available at <https://www.finra.org/rules-guidance/notices/26-15>.

Supplementary Material .04 and .08⁴ are appropriately calibrated and no modifications or modernization is needed for RFQ and SDP platform operators.

FINRA rules apply based on the specific functional activities a participant engages in within the securities markets. Specifically, FINRA Rule 5310 attaches best execution obligations to activities that constitute order handling, execution, routing, price formation, etc. In this context, the role and activity of the platform operator, rather than its status as a broker-dealer, determine whether FINRA Rule 5310 applies. The operator of a disinterested, discretionary (RFQ or SDP) platform that cedes all operational control (actions) to the liquidity seeker (e.g., broker selection, directed orders, discretionary order routing) is not performing activities that would bring best execution obligations into scope. Conversely, a broker-dealer using an RFQ platform to source liquidity in response to liquidity seeker inquiries would bring 5310 obligations for the prices and executions that it provides to its customers. Existing FINRA Rule 5310 and its Supplementary Material (.04 and .08) clearly govern these distinct roles and require no expansion.

However, FINRA may wish to clarify that Rule 5310 Supplementary Material .04 and .08 explicitly cover RFQ and SDPs⁵ platforms across all asset classes and particularly for U.S. equity RFQs as (if) a post-SEC-Rule 611 environment emerges.

FINRA's existing regulatory framework under Rule 5310 and its Supplementary Material (.04 and .08) are appropriately calibrated.

RFQ protocols are bilateral trade messaging communication protocols designed to facilitate discussion and negotiation for transactions between sophisticated counterparties. Institutional investors are highly sophisticated and capable of independently judging execution and the quality of their approach(es) to sourcing liquidity.

RFQ platforms enable institutional investors to place liquidity providers in direct competition through user-directed discretionary trade-messaging protocols. Bloomberg operates RFQ systems for negotiating securities transactions for U.S. equities, U.S. equity options and fixed income.

RFQ platforms support institutional clients in their fiduciary obligation to pursue best execution through (1) unique, innovative communication tools to optimize associated workflow(s); (2) curated pre-trade data to assist with dealer selection; (3) placing dealers in

⁴ See FINRA Rule 5310, "Best Execution and Interpositioning", available at <https://www.finra.org/rules-guidance/rulebooks/finra-rules/5310>.

⁵ See Letter from SIFMA, comments on Regulatory Notice 25-04: Rule Modernization 25-04, (June 11, 2025) at 5, "Clarify that existing guidance (SM .04) exempts single-dealer platforms from Rule 5310," available at <https://www.finra.org/sites/default/files/NoticeComment/SIFMA%2025-04.pdf>.

competition; and (4) time-stamped audit trails of the competitive process for post-execution transaction (cost analysis) evaluation.

RFQ communications are a fully disclosed directed bilateral negotiation workflow between counterparties.⁶ The process is discretionary. Liquidity seekers initiate the RFQ process by directing (sending) bilateral inquiries to selected liquidity providers. Liquidity providers have the option of responding to the inquiry with an indication. Liquidity seekers have the option of selecting which indication to respond to and have the option of transacting. The platform does not match buyers and sellers using non-discretionary rules.⁷ In the event that the platform is unavailable, the parties can continue to negotiate and execute transactions bilaterally away from the platform.⁸

Platform operators do not execute and are not parties to the transactions.⁹ In fact, because of the disclosed nature, and because entities can communicate and amend final transactions with each other post-trade, platforms may not have complete transaction information. Platform operators are a neutral infrastructure that connects liquidity providers (dealers) and liquidity seekers (their customers) together, akin to a digitized version of a phone operator. Liquidity providers manage best execution according to FINRA rule 5310 on their side of the transaction and liquidity seekers manage the pursuit of best execution on theirs.

In Supplementary Material .08, “if a member receives an unsolicited instruction from a customer to route that customer’s order to a particular market for execution, the member is not required to make a best execution determination beyond the customer’s specific instruction,”¹⁰ FINRA struck the right balance and approach. FINRA should not insert platform operators into the liquidity provider (dealer) and the liquidity seeker (their customer) relationship. Imposing Rule 5310 best execution obligations on neutral platform operators would distort platform neutrality and may create perverse commercial incentives as well as dealer-customer conflicts. Any obligation that forces non-executing platform operators into intervening in liquidity seeker-directed workflows could improperly alter best execution implementation when those determinations should be left exclusively to the liquidity seeker. Best execution obligations appropriately reside with the liquidity provider to provide fair prices and the liquidity seeker who solely understands the goals of the investment.

FINRA Rule 5310 and its accompanying Supplementary Material (.04 and .08) establish clear, complete boundaries. The Rule is clear that best execution governs entities that execute or

⁶ See Letter from Tradeweb (“Tradeweb Letter”), comments on Release No. 34-90019; File No. S7-12-20, (March 1, 2021), at 2, *available at* <https://www.sec.gov/comments/s7-12-20/s71220-8431704-229615.pdf>.

⁷ Id. Also, see Letter from Bloomberg (“Bloomberg Letter”), comments on Release No. 34-90019; File No. S7-12-20, (March 1, 2021) at 3 and 23, *available at* <https://www.sec.gov/comments/s7-12-20/s71220-8440150-229700.pdf>.

⁸ Id. at 6. Also, see Bloomberg Letter on Release No. 34-94062; File No. S7-02-22 (April 18, 2022) at 26, *available at* <https://www.sec.gov/comments/s7-02-22/s70222-20123988-280131.pdf>.

⁹ Id. Also, see Bloomberg Letter at 15.

¹⁰ See FINRA Rule 5301, Supplementary Material .08.

facilitate the handling and execution of orders.¹¹ The existing Supplementary Material .04 guidance provides an exemption for SDPs.

Conclusion

Bloomberg believes that FINRA Rule 5310 and Supplementary Material .04 and .08 are clear and are appropriately calibrated for the scenarios where an institutional customer directly accesses an SDP or RFQ platform. Platform operators are neutral software conduits that offer user-directed, discretionary trade negotiation messaging protocols.

FINRA may wish to clarify that Rule 5310 and Supplementary Material .04 and .08 expressly applies to RFQ and SDP platforms across all asset classes, including, in particular, U.S. equity RFQs if a post-SEC Rule 611 environment emerges. Such clarification would not constitute a new carve-out, but rather a formal codification of established industry practice.

Very truly yours,



Derek Kleinbauer, Global Head, Fixed Income and Equity Trading Product, Bloomberg L.P.



Gregory Babyak
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¹¹ See FINRA Rule 5301, Supplementary Material .04.