



October 12, 2026

Via Email (pubcom@finra.org)

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

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

Dear Ms. Mitchell:

Wolverine Execution Services, LLC ("WEX" or the "Firm") appreciates the opportunity to comment on *Regulatory Notice* 26-15 (the "Notice") regarding modernization of FINRA's guidance under Rule 5310.¹ WEX strongly supports the duty of best execution, which the Firm believes is a cornerstone of customer protection and an efficient marketplace. Rooted in the agent's duty of loyalty,² best execution gives investors confidence that their brokers act on their behalf, and it promotes competition and price discovery. The Firm agrees with FINRA's preliminary view that Rule 5310 and its principles-based framework remain appropriately calibrated and offers comments below.

I. Best Execution Should Be Evaluated Regularly and Rigorously Under a Principles-Based Framework

Customers are best protected by regular, rigorous, data-driven reviews of execution quality. Given the complexity of modern order routing, the regular and rigorous standard provides the most robust framework for evaluating whether routing practices produce the most favorable customer outcomes.

- The regular and rigorous standard is time-tested, originating in SEC precedent and codified in Rule 5310.09.³ It has adapted to decimalization, Regulation NMS, and automated routing. In proposing to rescind Rule 611, the SEC relied on existing best execution duties.⁴
- The SEC's June 2025 withdrawal of proposed Regulation Best Execution, which would have imposed more prescriptive policies, procedures, and review requirements, is consistent with continued reliance on the existing principles-based SRO framework.⁵ As

¹See *Regulatory Notice* 26-15 (July 24, 2026); Securities Exchange Act Release No. 105655 (June 11, 2026), 91 FR 36656 (June 17, 2026).

²See Securities Exchange Act Release No. 37619A (Sept. 6, 1996), 61 FR 48290, 48322; *Newton v. Merrill, Lynch, Pierce, Fenner & Smith, Inc.*, 135 F.3d 266, 270 (3d Cir. 1998).

³See 61 FR at 48323; Rule 5310.09; *Regulatory Notice* 15-46 (Nov. 20, 2015); *Notice to Members* 01-22 (Apr. 2001).

⁴See Release No. 105655, 91 FR at 36664.

⁵See Release No. 96496 (Dec. 14, 2022), 88 FR 5440 (Jan. 27, 2023) (proposal); Release No. 33-11377 (June 12, 2025) (withdrawal).

Commissioner Peirce stated in her comments on that proposal, “Best execution cannot be reduced to a checklist.”⁶

- The regular and rigorous standard properly captures a broker-dealer’s obligation to develop structured, meaningful, and facts-and-circumstances-dependent metrics that permit meaningful comparisons among orders with similar characteristics. By contrast, retrospective order-by-order review, standing alone, can invite speculative counterfactual reasoning about isolated executions without accounting for the information available when the routing decision was made or the outcomes achieved across comparable orders.
- Executing brokers such as WEX routinely receive millions of orders every day, which smart order routers often route across dozens of exchanges, ATSS, and other venues. Aggregate review of appropriately comparable orders better serves customers because it reveals persistent differences among venues and routing methods that may not be apparent from any isolated execution.

II. Best Execution Should Be Overseen by FINRA, Not by Individual Exchanges

Because best execution is necessarily a cross-market concept, it is best interpreted by FINRA rather than by individual exchanges, which are for-profit entities that compete for the very order flow that best execution governs.

- Several exchanges have recently adopted or proposed their own best execution rules.⁷ However, an exchange interpreting a rule that affects whether members route orders to it or to its competitors faces potential conflicts of interest, which could grow if Rule 611 is rescinded and protected-quote status disappears. Other commenters have identified either the commercial conflict itself or the related risks of duplicative and inconsistent exchange interpretations.⁸
- Ascertaining the “best market” requires comparison across all competing venues (Rule 5310(a)(1)). FINRA regulates broker-dealers across all markets and routinely conducts cross-market surveillance.
- If these exchange best execution rules are intended simply to mirror Rule 5310 and defer to FINRA on best execution surveillance, those exchanges should more explicitly incorporate Rule 5310 by reference and rely on FINRA oversight with respect to their common members. If these rules, instead, are intended to enable exchange regulatory staffs

⁶See Commissioner Hester M. Peirce, Remarks at Open Meeting to Consider Regulation Best Execution, “Is This The Best Execution We Can Get?” (Dec. 14, 2022), <https://www.sec.gov/newsroom/speeches-statements/peirce-best-execution-20221214>.

⁷See, e.g., Release No. 104543 (Jan. 5, 2026) (SR-NYSE-2025-50); Release No. 105626 (June 2026) (SR-NYSEAMER-2026-47); Release No. 105627 (June 2026) (SR-NYSEARCA-2026-59); Release No. 105628 (June 2026) (SR-NYSEAT-2026-16); Release No. 105629 (June 2026) (SR-NYSETEX-2026-20).

⁸See Letter from SIFMA to Jennifer Piorko Mitchell, FINRA (Sept. 25, 2026) (“A number of national securities exchanges adopted or expanded member best execution rules in 2026. Those rules are duplicative of and potentially in conflict with FINRA Rule 5310, and an exchange examining a member’s executions away from its own market has an evident conflict between its commercial objectives and its regulatory function.”); Letter from Options Xchange Group, Inc. to Jennifer Piorko Mitchell, FINRA (Sept. 25, 2026); Letter from DASH Financial Technologies to Jennifer Piorko Mitchell, FINRA (Sept. 25, 2026); Letter from IMC Chicago, LLC to Jennifer Piorko Mitchell, FINRA (Sept. 25, 2026); Letter from Jane Street Group, LLC to Jennifer Piorko Mitchell, FINRA (Sept. 24, 2026).

to pursue independent, differing best execution surveillance, this would be a troubling precedent. Similar or even identical rule text can be interpreted differently by different regulatory staffs. Members of multiple exchanges could face duplicative exams and inconsistent or conflicting expectations, with no benefit to customers. A single interpreter yields consistent practices for all member broker-dealers.

- The precedent in regulated securities markets favors consolidation and consistency of regulatory review. Exchange Act Section 17(d) and Rule 17d-2 exist to allocate common rules to a single SRO. Likewise, the 2007 consolidation of NASD and NYSE member regulation into FINRA was intended to eliminate duplicative regulation.
- FINRA should serve as the primary interpreter of best execution and coordinate with exchanges to allocate oversight of exchange best execution rules to FINRA under 17d-2 plans. Those exchanges rules should incorporate the entirety of Rule 5310 and its associated interpretive guidance.

III. Best Execution Reflects a Customer's Priorities and Order Characteristics

Introducing broker-dealers weigh a variety of factors and priorities in their own reviews of execution quality, reflecting their customers' needs and the broader competitive landscape. Moreover, WEX and other executing broker-dealers perform additional assessments in reviewing their own best execution obligations, which lends further emphasis to the principles-based framework of Rule 5310.

- Rule 5310 already recognizes a diversity of order characteristics and customer types, and their impact on best execution: it considers the size, type, and terms of the order, and lists "customer needs and expectations" as a factor in regular and rigorous review (Rule 5310.09(b)). Any appropriate evaluation of a broker's obligation to provide best execution must consider the priorities and needs of the customers and recognize that different types of orders may need to be evaluated differently.
- This evaluation must also reflect the specific market structure under consideration: in the case of multi-listed options, this includes the role of a quote-driven market, consolidating executing broker-dealers, specific options tick size constraints, the absence of a TRF, and exchange auction mechanisms. In the options markets, introducing broker-dealers often prioritize and weigh price improvement, fill rate, execution certainty, percent of orders improved, and other metrics differently for marketable, non-marketable, and complex orders.
- Customers with orders of different size, type, and terms can weigh price, certainty of execution, market impact, and information leakage differently when seeking liquidity. Some introducing retail broker-dealer customers evaluate execution quality differently for smaller and larger orders, reflecting differences in order size, terms, liquidity needs, and potential market impact.
- Other institutional broker-dealer customers segment "low-touch" algorithmic customer order flows from agent-principal "high-touch" flows and consider metrics for those segments independently. Introducing broker-dealers generally understand their customers best, and they work with executing broker-dealers such as WEX to deliver on these goals.

WEX appreciates FINRA's commitment to a principles-based framework and would welcome the opportunity to discuss these comments.

Respectfully submitted,

/s/ Craig Murray

Craig Murray, Chief Compliance Officer
Wolverine Execution Services, LLC

cc: Robert McNamee, Vice President and Associate General Counsel, FINRA
Mia Zur, Associate General Counsel, FINRA