

### **FISD Principles**

#### **Member Engagement on Controversial Issues**

**August 5, 2011**

FISD's approach to managing member engagement on controversial issues is guided by the following principles:

1) In its working groups and events, FISD should not shy from controversial issues, even those that may be critical of an individual member firm. FISD working groups (as opposed to Constituent Groups) are open to participation by all members and every member is entitled to access notes from those meetings.

2) Criticism of a member in an FISD forum should always be fair, informed, constructive, and professional. Criticism should be considered "off the record" by the media.

3) While members should meet their contractual requirements to each other regarding confidentiality, FISD is in no position to police it.

4) Criticism should come from other members - not the FISD staff. The ability of the staff to present and promote anonymous members' concerns and positions is limited.

5) It is appropriate for one constituency group to band together to complain to another member. It could be consumers complaining to a data vendor, data vendors complaining to an exchange, or exchanges complaining to a specific user firm. This has happened repeatedly in the recent past.

6) But the controversies between a constituent group and another member should not be aired in public - e.g., FISD management or constituent group leadership would not do an interview with a media outlet outlining the group's concerns with Provider X. Similarly, FISD's outreach at the complained-about member would typically be to the management of the market data department - i.e., not via letters to the Chairman of the company.

7) FISD will generally NOT take official public positions that have significant opposition within the membership. Public positions would include media statements, advocacy positions with government bodies, and best practice recommendations. In the event that FISD decides to take an official public position, FISD shall ensure that this has been approved by the FISD Executive Committee.

8) FISD members participating in working groups, constituent groups, or committees should not share details of those meetings with the media unless first cleared with FISD management.

9) Individual FISD constituent groups may promote positions provided that their source is made very clear and the constituent group position is the result of the formal decision-making process provided in the FISD Bylaws. While the proceedings of constituent groups are confidential to the members of the groups, the Chairs of the constituent groups should endeavor to regularly apprise the Executive Committee, and by extension the membership, of the general types of discussion and activity occurring within the group.

10) FISD's activities tend to be stronger when we are NOT dealing with issues that are purely about pricing level or fee burden. These issues tend to be "zero sum" disputes among our diverse membership. There is also legitimate sensitivity about "pricing" discussions. FISD's strength is in identifying and promoting win-win approaches - and facilitating member discussion when things run contrary to this ideal.