



June 13, 2022

Via E-Mail: rule-comments@sec.gov

Ms. Vanessa Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

**Re: *File No. S7-02-22; Amendments to Exchange Act Rule 3b-16 Regarding the Definition of “Exchange”; Regulation ATS for ATSS That Trade U.S. Government Securities, NMS Stocks, and Other Securities; Regulation SCI for ATSS That Trade U.S. Treasury Securities and Agency Securities***

Dear Ms. Countryman:

The Securities Industry and Financial Markets Association (“SIFMA”)<sup>1</sup> respectfully submits this letter to the U.S. Securities and Exchange Commission (“Commission” or “SEC”) to provide further comments on the above-referenced proposal (“Proposal”)<sup>2</sup> in light of the Commission’s decision on May 9, 2022, to reopen the comment period on the Proposal for an additional 30 days.<sup>3</sup> As stated in the initial comment letter SIFMA submitted on April 18, 2022 (“Original Letter”), the scope of changes included in the Proposal, particularly when considered in combination with other pending SEC rulemaking, could have significant effects on savers, investors, capital formation, economic growth and job creation. Consequently, SIFMA believes it is essential that the Commission provide sufficient time for meaningful and informed public comment, both for individual proposals and for proposals with interrelated content and consequences. Although SIFMA appreciates the Commission’s decision to reopen the comment

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<sup>1</sup> SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry’s one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

<sup>2</sup> Securities Exchange Act Release No. 94062 (Jan. 26, 2022), 87 Fed. Reg. 15496 (Mar. 18, 2022) (hereinafter “Proposing Release”). The Proposal includes repropoals of certain amendments included in the Commission’s 2020 proposed amendments to Regulation ATS. *See* Securities Exchange Act Release No. 90019 (Sept. 28, 2020), 85 Fed. Reg. 87106 (Dec. 31, 2020) (“2020 Proposal”).

<sup>3</sup> *See* Securities Exchange Act Release No. 94868 (May 9, 2022), 87 Fed. Reg. 29059 (May 12, 2022).

period to seek additional public comment on the Proposal, we note that the reopening of a comment period after it has closed is not a substitute for a sufficient initial comment period due to the fact that commenters must assess at the outset what information they will be able to collect and provide in accordance with the initially established timeframe permitted for submitting a response. SIFMA therefore reemphasizes the views expressed by multiple associations in an April 5, 2022 letter to Chair Gensler outlining the critical importance of adequate comment periods to the rulemaking process.<sup>4</sup>

The reopening does allow for some needed reflection on the Proposal in the context of certain numerous other proposals that the SEC has published recently, most notably the Commission's proposal to expand the scope of the definition of "dealer" in the Exchange Act.<sup>5</sup> The interrelationship among multiple proposals will be further affected if the SEC publishes yet more proposed changes to market structure, which we understand could be the case from public statements recently made by Chair Gensler and the SEC's public rulemaking agenda.<sup>6</sup> Indeed, three business days before the reopened comment period on the Proposal closes, Chair Gensler outlined a number of potentially sweeping changes to current equity market structure that are under consideration by the Commission staff, including changes to fundamental issues such as tick sizes, the national best bid and offer, best execution, the fee structures that underlie the

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<sup>4</sup> See Letter from Alternative Credit Council, Alternative Investment Management Association, et al., to Hon. Gary Gensler, Chair, SEC, dated Apr. 5, 2022, available at [https://www.sifma.org/wp-content/uploads/2022/02/SEC\\_Joint-Trades\\_Comment-Period-Letter\\_4-5-2022.pdf](https://www.sifma.org/wp-content/uploads/2022/02/SEC_Joint-Trades_Comment-Period-Letter_4-5-2022.pdf). These concerns have also been voiced by a number of elected officials as well as SEC Commissioners themselves. See Letter from Patrick McHenry, Ranking Member, House Committee on Financial Services and Pat Toomey, Ranking Member, Senate Committee on Banking, Housing, and Urban Affairs, to Hon. Gary Gensler, Chair, SEC, dated Jan. 10, 2022 (noting the "disturbing and unprecedented pattern" of the Commission's "consistently provid[ing] unreasonably short comment periods, which will harm the quality of public comment and may run afoul of the Administrative Procedure Act"); Hon. Hester M. Peirce, Commissioner, SEC, *Dissenting Statement on the Proposal to Amend Regulation ATS* (Jan. 26, 2022) (suggesting it is "unconscionably reckless" to limit the comment period on the Proposal to 30 days); see also Hon. Elad L. Roisman, Commissioner, SEC, *Dissenting Statement on Proposed Security-Based Swaps Rules* (Dec. 15, 2021) (expressing concern over the length of comment periods, particularly when multiple proposals have concurrent comment periods).

<sup>5</sup> See Securities Exchange Act Release No. 94524 (Mar 28, 2022), 87 Fed. Reg. 23054 (Apr. 18, 2022) (hereinafter "Dealer Proposal").

<sup>6</sup> For example, regarding the equity markets, the Commission's regulatory agenda for Fall 2021 includes potential proposed rulemaking related to the Division of Trading and Markets' consideration of "recommending that the Commission propose rule amendments to modernize rules related to equity market structure such as those relating to order routing, conflicts of interest, best execution, market concentration, and the disclosure of best execution statistics." Chair Gensler has indicated the Commission staff is considering proposals that could significantly alter equity market structure and that the SEC staff also is reviewing market structure issues in a number of other markets as well. See Hon. Gary Gensler, Chair, SEC, *Market Structure and the Retail Investor: Remarks Before the Piper Sandler Global Exchange Conference* (June 8, 2022) (noting that the Chair had recently asked the SEC staff to "take a holistic, cross-market view of how [the SEC] could update our rules and drive greater efficiencies in our equity markets, particularly for retail investors"); see also Hon. Gary Gensler, Chair, SEC, *Testimony Before the United States Senate Committee on Banking, Housing, and Urban Affairs* (Sept. 14, 2021) (noting that Chair Gensler has "asked the staff to take a look at five market structure-based projects across out \$110 trillion capital markets: the Treasury market, non-Treasury fixed income markets, equity markets, security-based swaps, and crypto asset markets").

equity markets (e.g., payment for order flow, exchange fee structures, and access fees), and potentially creating auctions for retail orders.<sup>7</sup>

When faced with a panoply of interrelated proposed rules and rule amendments, the SEC—and a number of other agencies – have in the past chosen to “reopen” comment periods to allow the public to provide views on the new rules as a whole, particularly in those instances where the Commission did not initially issue a broad concept release to evaluate potentially sweeping changes to essential features of markets or market structure and how market participants access or serve those markets. For example, the Commission had a similar challenge in 2013 with the myriad proposals stemming from the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”). The Commission proposed 12 separate but interrelated rules under Title VII of Dodd-Frank. At the end of the proposal process, the Commission astutely chose to reopen the comment period for the public to discuss unintended consequences and potential adverse impacts from the 12 proposed rules.<sup>8</sup> Similarly, in 2011, the Commodity Futures Trading Commission (“CFTC”) had reopened or extended the comment period for a variety of rules proposed under Dodd-Frank to provide the public with an opportunity to comment on the “substantially complete mosaic” of the proposed regulatory framework for swaps.<sup>9</sup> The result in each case was a better vision, clearer implementation and improved market structure for derivatives. The Commission should follow this precedent and consider reopening and/or extending the comment period for interrelated proposals that would benefit from comments that are informed by a more comprehensive view of the various changes the SEC is proposing once it reaches a point where a critical mass of proposals has been put forward. Relatedly, the Commission should hold off on taking steps to finalize rules where there are important interdependencies among the proposals.

Finally, beyond the comments on the Proposal provided by SIFMA in the Original Letter, the comment file includes other important concerns raised by a range of stakeholders that warrant careful consideration by the Commission — some of which bear emphasis and further explication, which we will address below.

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<sup>7</sup> See Hon. Gary Gensler, Chair, SEC, *Market Structure and the Retail Investor: Remarks Before the Piper Sandler Global Exchange Conference* (June 8, 2022).

<sup>8</sup> See Securities Exchange Act Release No. 69491, at 1-2 (May 1, 2013), 78 Fed. Reg. 30800 (May 23, 2013) (File Nos. S7-27-10, S7-32-10, S7-34-10, S7-35-10, S7-43-10, S7-03-11, S7-06-11, S7-08-11, S7-25-11, S7-40-11, S7-05-12, S7-08-12) (“The reopening of these comment periods is intended to allow interested persons additional time to analyze and comment upon the Proposed Rules and the Policy Statement in light of the Commission’s proposal of substantially all of the rules required to be adopted by Title VII of the Dodd-Frank Act, its proposal of rules and interpretations addressing the application of the SB swap provisions of Title VII of the Dodd-Frank Act to cross-border SB swap transactions and non-U.S. persons that act in capacities regulated under the Dodd-Frank Act (the ‘Cross-Border Proposed Rules’), and the CFTC’s adoption of substantially all of the rulemakings establishing the new regulatory framework for swaps.”).

<sup>9</sup> *Reopening and Extension of Comment Periods for Rulemakings Implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act*, 76 Fed. Reg. 25274 (May 4, 2011).

## II. Comments on the Proposal

As set out in detail in the Original Letter, the Proposal seeks to amend Regulation ATS and Rule 3b-16 under the Securities Exchange Act of 1934 (“Exchange Act”) in a number of ways that could have far-reaching effects on the market and market participants. In addition to the Commission’s proposal to expand the definition of “exchange” to, among other things, include certain “communication protocol systems,” the Proposal would

- (i) require ATSS that trade government securities as defined under Section 3(a)(42) of the Exchange Act or repurchase and reverse repurchase agreements on government securities (“Government Securities ATSS”) to comply with Regulation ATS;
- (ii) require existing NMS Stock ATSS (as defined in Rule 300(g) of Regulation ATS) to amend their existing disclosures in accordance with revisions to Form ATS-N;
- (iii) obligate ATSS to file Form ATS and Form ATS-R through the SEC’s EDGAR system; and
- (iv) amend the fair access provisions in Rule 301(b)(5) of Regulation ATS (“Fair Access Rule”).

As described in the Original Letter, SIFMA supports the SEC’s high-level policy goal of ensuring that its rules keep pace with technological and market developments, and SIFMA supports the SEC’s proposal to extend existing regulatory requirements to Government Securities ATSS. However, SIFMA and its members continue to have significant concerns with core aspects of the Proposal, in particular the far-reaching implications of the proposed amendments to Rule 3b-16 and including “communication protocol systems” (which is an undefined and amorphous term) within the definition of “exchange.” Consequently, SIFMA reaffirms that it opposes the proposed amendments to Rule 3b-16 and strongly encourages the Commission to publish a revised proposal that specifically addresses Rule 3b-16 and the potential regulation of communication protocol systems and takes into account the comments provided by the public, after becoming more thoroughly informed about how they function in the marketplace. We note that opposition to the SEC’s proposed amendments to Rule 3b-16 was also expressed by a wide variety of market participants and other commenters.<sup>10</sup> Some commenters

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<sup>10</sup> See, e.g., Letter from Greg Babyak, Global Head of Regulatory Affairs & Gary Stone, Regulatory Analyst and Market Structure Strategies, Bloomberg L.P., to Vanessa Countryman, Secretary, SEC, dated Apr. 18, 2022 (“Bloomberg Letter”); Letter from Jennifer W. Han, Executive Vice President, Chief Counsel & Head of Regulatory Affairs, Managed Funds Ass’n, to Vanessa Countryman, Secretary, SEC, dated Apr. 18, 2022, at 7-9 (“MFA Letter”); Letter from Elisabeth Kirby, Head of U.S. Market Structure, Tradeweb Markets Inc., to Vanessa Countryman, Secretary, SEC, dated Apr. 18, 2022, at 5-6 (“Tradeweb Letter”); Letter from Douglas A. Cifu, Chief Executive Officer, Virtu Financial, Inc. to Vanessa Countryman, Secretary, SEC, dated Apr. 18, 2022; Letter from Michael Nicholas, Chief Executive Officer, Bond Dealers of America, to Vanessa Countryman, Secretary, SEC, dated Apr. 18, 2022, at 4-7 (“BDA Letter”); Letter from Paul Grewal, Chief Legal Officer, Coinbase Global, Inc., to Vanessa Countryman, Secretary, SEC, dated Apr. 18, 2022, at 2-4; Letter from Thomas Tesauro, President, Fidelity Capital Markets, to Vanessa Countryman, Secretary, SEC, dated Apr. 18, 2022, at 4-8 (“Fidelity Letter”); Letter from Kat McAllister,

suggested alternative ways in which the Commission could consider broadening the scope of current regulatory requirements without expanding the definition of “exchange” to encompass systems for which the Regulation ATS regulatory regime was not designed and would be ill-fitting.<sup>11</sup>

In addition to its opposition to the amendments to Rule 3b-16 as proposed, SIFMA reaffirms that it:

- supports rescinding the exemption from Regulation ATS for Government Securities ATSS;
- supports requiring Government Securities ATSS to file a publicly available form, but opposes requiring Government Securities ATSS to file the same Form ATS-N as used by NMS Stock ATSS and suggests returning to the originally proposed Form ATS-G;<sup>12</sup>
- supports reasonable fair access requirements for Government Securities ATSS that reach specified volume thresholds and the application of Regulation SCI for Government Securities ATSS reaching specified volume thresholds;
- opposes requiring ATSS operated by the same or affiliated broker-dealers to aggregate their transaction volume for purposes of calculating fair access volume thresholds;
- supports certain and opposes various other of the proposed amendments to Form ATS-N as described in the Original Letter; and
- opposes requiring that Form ATS and Form ATS-R be filed through the Commission’s EDGAR system.

In accordance with the view also expressed by a number of other commenters, SIFMA reiterates that the SEC should reconsider its approach and separate out the proposed amendments to Rule 3b-16 from the expansion of Regulation ATS to Government Securities ATSS. Indeed, SIFMA and many commenters support the Commission’s effort to move forward with eliminating the current exemption for Government Securities ATSS.<sup>13</sup> As proposed, however, the amendments to Rule 3b-16 are overly broad, and SIFMA and others believe the Commission has underestimated the economic impact and costs that would be associated with adopting the amendments as proposed. SIFMA, as described in the Original Letter, and other commenters believe the Commission may have significantly underestimated the number of systems that could

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Chair of the Board & James Toes, President and CEO, Security Traders Ass’n, to Vanessa Countryman, Secretary, SEC, dated Apr. 12, 2022, at 2-4.

<sup>11</sup> See, e.g., Bloomberg Letter at 34-43; Letter from Miller Whitehouse-Levine, Policy Director, DeFi Education Fund, to Vanessa Countryman, Secretary, SEC, dated Apr. 18, 2022, at 21-22.

<sup>12</sup> A number of other commenters expressed concerns with using the same form for Government Securities ATSS and NMS Stock ATSS. See, e.g., BDA Letter at 3; Bloomberg Letter at 6; Fidelity Letter at 9.

<sup>13</sup> See, e.g., SIFMA Original Letter at 17-18; Bloomberg Letter at 5-6; BDA Letter at 3; MFA Letter at 3-4.

fall within the amended definition of “exchange” if the amendments to Rule 3b-16 are adopted as proposed.

As noted above, due to the abbreviated comment period and the vague potential application of the new terminology proposed by the SEC, SIFMA was not able to thoroughly determine among its members the potential reach of the proposed changes to Rule 3b-16. Some SIFMA members believe that, based on a review of existing EMSs, OMSs, and trade messaging and electronic trading platforms, the Commission could have substantially underestimated the number of potentially affected operators of “communication protocol systems”; however, the ambiguity in the undefined term “communication protocol system” makes estimating the full scope of the Proposals’ reach challenging. With a revised, more narrowly tailored proposal—and sufficient time for analysis—SIFMA and its members would be happy to work with the Commission and its staff to arrive at more accurate estimates of the impact and costs associated with increasing the scope of systems subject to Regulation ATS.

### **III. The Proposal’s Interrelationship with Other Proposals and Existing Rules**

The prior comment period for the Proposal did not permit sufficient time to assess and seek clarification in respect of potential collateral effects of the Proposal on other proposals that the Commission has either put forward or indicated that it will be publishing.<sup>14</sup> Nor did commenters have sufficient time to evaluate more broadly the potential consequences of the Proposal when contextualized with various existing rules and guidance the Commission has previously promulgated. SIFMA believes that the Commission cannot proceed without taking adequate account of those collateral consequences and providing necessary clarification as to how it expects the Proposal, if adopted, will modify, replace, or operate in harmony with those other mandates.

#### **a. Recent Proposals**

Foremost among the measures that warrant more careful consideration and integration is the Dealer Proposal.<sup>15</sup> Notably, the Dealer Proposal came out several weeks after the Proposal – indeed, it was published in the Federal Register on the day that comments were due on the Proposal. Like the Proposal, it would significantly alter a long-established and well-understood area of regulation – in this context, what it means to act as a dealer or government securities dealer under sections 3(a)(5) and 3(a)(44) of the Exchange Act. Among other consequences, the Dealer Proposal would require a wide range of private funds and their advisers, who are already subject to Commission registration, examination, and reporting requirements as registered investment advisers, to additionally register as dealers or government securities dealers. In the Dealer Proposal, the Commission also borrows terms and builds off of concepts from the Proposal, such as “trading interest,” even though such terms have not yet been adopted in a final

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<sup>14</sup> Including potential concepts to further modify Regulation ATS. *See* Hon. Gary Gensler, Chair, SEC, “The Name’s Bond: Remarks at City Week” (April 26, 2022) (Noting that Chair Gensler “asked staff to consider how quotes and pre-trade price information might be more broadly accessible, such as by updating Regulation ATS”).

<sup>15</sup> *See supra* note 5.

rule. This injects uncertainty as to how extensive and wide-ranging the application of certain important regulatory requirements would be in the event the Commission adopts either or both proposals. Likewise, the Proposal would encompass a potentially broader group of entities who offer the functionality of a communication protocol system under the scope of what it means to be an exchange. Reading the two in tandem, it appears that the Commission is poised to impose a sweeping set of obligations on a wide range of firms, and has severely undercounted and under-accounted for how many firms should expect to seek registration as a broker-dealer subsequent to adoption. There is no discussion or analysis of how the two proposals interact or affect one another and the potential timetable that would be necessary if both proposals are adopted and require numerous types of market participants to register as broker-dealers with the SEC and FINRA on the same general timetable. At a minimum, the Commission should reassess, through an APA-compliant cost benefit analysis, the range and scope of firms that the two proposals touch upon and how they should expect to categorize themselves on a going-forward basis.

We also understand that there are plans underway for the Commission to consider other proposals that could significantly alter equity market structure<sup>16</sup> and to propose potentially significant additional changes to Regulation SCI,<sup>17</sup> as well as a current proposal related to securities-based swap execution facilities.<sup>18</sup> As with the interrelationship between the Proposal and the Dealer Proposal, such additional policy changes would likely have a profound effect upon equity and fixed income markets and market participants with potentially numerous firms finding themselves – for the first time – required to register and comply with rules that have heretofore not been applied to them or the kinds of activities in which they have long engaged.

## **b. Existing Rules**

In addition to assessing how it would interact with other proposals and planned proposals, the Proposal would also benefit from a careful consideration of how its adoption would affect or be affected by requirements to comply with other existing rules. A primary example is the way that the Proposal could draw numerous market participants into the scope of Regulation SCI. Numerous commenters on the Proposal have written persuasively to describe that, at least for newly designated ATs that cross certain volume thresholds and for some existing Government Securities ATs, there promise to be significant challenges ahead in order to come into compliance with Regulation SCI.<sup>19</sup> Moreover, as touched upon above, the Commission has indicated that there may be additional changes in store for the Regulation SCI regime, which will have further consequences for the ability of affected entities to come into and remain in

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<sup>16</sup> See *supra* note 6.

<sup>17</sup> See Hon. Gary Gensler, Chair, SEC, *Cybersecurity and Securities Laws*, speech at Northwestern Pritzker School of Law Annual Securities Regulation Institute (Jan. 24, 2022).

<sup>18</sup> See ISDA/SIFMA SBSEF Letter at 17, to Hon. Gary Gensler, Chair, SEC, dated June 10, 2022, available at <https://www.sifma.org/resources/submissions/rules-relating-to-security-based-swap-execution-and-registration-and-regulation-of-security-based-swap-execution-facilities/>.

<sup>19</sup> See, e.g., Tradeweb Letter at 2, 11, 18; Letter from Scott Pintoff, General Counsel, MarketAxess, to Vanessa Countryman, Secretary, SEC, dated Apr. 18, 2022, at 2-3; Letter from Elisa Hirschmann, Executive Director, Chief Compliance Officer, BrokerTec Americas LLC, CME Group, to Vanessa Countryman, Secretary, SEC, dated Apr. 18, 2022, at 4; Letter from Scot J. Halvorsen, Associate General Counsel, Cboe Global Markets, Inc., to Vanessa Countryman, Secretary, SEC, dated Apr. 18, 2022, at 2.

compliance with this challenging set of requirements.<sup>20</sup> Indeed, many market participants will not know whether or how to comment on proposed changes to Regulation SCI without first knowing whether they could potentially be subject to those requirements if they were suddenly to find themselves needing to register as an exchange or broker-dealer.

Further, SIFMA notes that the Proposal introduces uncertainty and the resultant potential for second-guessing in the context of the application of the Fair Access Rule. Specifically, footnote 675 of the Proposal generally provides that an ATS participant that can select its potential counterparties on an ATS would need to provide the ATS with its justification for selecting those counterparties, and the ATS would then need to evaluate whether the stated justification comports with the Fair Access Rule, and, if so, incorporate it into its fair access standards. Many systems offer messaging directly between a broker-dealer and its customers that allow customers to seek liquidity by sending messages directly to the broker-dealer. The broker-dealer's decision to enable a customer is by mutual choice; the system does not intermediate or introduce the relationship, and financial risk and credit limits are established and verified solely by the broker-dealer. Footnote 675 of the Proposal would impose an unreasonable burden on ATSs and ignores the operational complexity of such a requirement and the direct bilateral nature of these trades in the fixed income market and the resulting inherent counterparty risk. We believe the Commission should rethink, or provide a far more substantial description of how it expects affected firms to approach the application of the Fair Access Rule in these contexts.

Other regulatory provisions, such as Exchange Act Rule 15c3-5, could also be touched upon by the Proposal. For example, ATSs that facilitate fully disclosed trading directly between broker-dealers and their customers without intermediating that relationship are not subject to the financial risk control requirements of Rule 15c3-5(c)(1)(i) because they have no financial exposure with respect to these trades. The SEC should confirm this understanding and that it is not affected by the changes in the Proposal. We also agree with commenters who suggested that the Commission should analyze how communication protocol systems potentially subject to a revised Regulation ATS would comply with Rule 611 of Regulation NMS – the order protection rule – particularly given that certain firms that would be captured by the rule are not trading centers, but offer messaging tools, and do not provide execution services.<sup>21</sup>

#### **IV. Path Forward**

If the Commission determines to proceed with the Proposal, SIFMA strongly urges following the example set by the CFTC and the SEC itself in connection with Dodd-Frank and provide an overarching comment period to allow adequate review and comment of the various assortment of proposals that we have seen to date or been told to expect. At the very least, this should be undertaken after the SEC publishes any equity market proposals that could further alter the approach the SEC intends to take relating to the structure or operations of that market.

As emphasized in our Original Letter, SIFMA believes the Commission should re-propose any changes it might wish to make to the definition of exchange under Rule 3b-16 after analyzing the comments it receives and revising its approach accordingly, and then should allow

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<sup>20</sup> See *supra* note 17.

<sup>21</sup> See Tradeweb Letter at 17.



sufficient time for the industry to provide thoughtful additional data and feedback. Alternatively, the SEC could move forward with a registration regime for Government Securities ATSS by reverting to the far-more straightforward and more broadly accepted approach outlined in the Commission's 2020 proposal and as informed by comments submitted in connection with that proposal and the current Proposal.

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SIFMA appreciates the opportunity to respond to the Proposal and add to our comments in the Original Letter with our comments set forth above. SIFMA would welcome the opportunity to meet with the Commission Staff to discuss our comments and any other aspects of the Proposal. If you have any questions or need any additional information, please contact the undersigned at (212) 313-1124 or any of the following colleagues: Joe Corcoran at (202) 962-7383, Ellen Greene at (212) 313-1287, Chris Killian at (212) 313-1126, or our counsel, Jim Burns of Willkie Farr & Gallagher LLP at (202) 303-1241.

Respectfully Submitted,



Robert Toomey  
Managing Director, Associate General Counsel  
SIFMA

Cc: The Hon. Gary Gensler, Chair  
The Hon. Hester M. Peirce, Commissioner  
The Hon. Allison Herren Lee, Commissioner  
The Hon. Caroline A. Crenshaw, Commissioner  
Dr. Haoxiang Zhu, Director, Division of Trading and Markets