



June 30, 2017

**Via Electronic Mail (rule-comments@sec.gov)**

Honorable Jay Clayton  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

Re: File No. 265-29: Equity Market Structure Advisory Committee

Chair Clayton:

Citigroup Global Markets Inc. (“CGMI”) and its affiliate, Citigroup Derivatives Markets Inc. (“CDMI” and, together with CGMI, “Citi”)<sup>1</sup> appreciate the opportunity to comment on the SEC’s Equity Market Structure Advisory Committee (“EMSAC”).

The EMSAC was established in January 2015 to “provide the Commission with diverse perspectives on the structure and operations of the U.S. equities markets, as well as advice and recommendations on matters related to equity market structure.”<sup>2</sup> Its initial term of two years was set to expire earlier this year, but the Commission elected to extend the EMSAC’s Charter until August 9, 2017.

The Securities Industry and Financial Markets Association (“SIFMA”) recently filed a letter recommending that the Commission renew the EMSAC’s Charter for another two-year term<sup>3</sup>, and we support that recommendation. In our view, the EMSAC has been a valuable advisor to the Commission on issues related to equity market structure. The recent Congressional hearing on equity market structure underscores the

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<sup>1</sup> Citigroup Inc. is a diversified global financial services holding company whose businesses provide a broad range of financial services to consumer and corporate clients as well as governments and other institutions. Citi has some 200 million client accounts and does business in more than 100 countries. Citi’s primary U.S. broker-dealer subsidiary, Citigroup Global Markets Inc., is registered as a broker-dealer in all 50 states, the District of Columbia, Puerto Rico, Taiwan and Guam, and is also a primary dealer in U.S. Treasury securities and a member of the principal United States futures exchanges. Citigroup Derivatives Markets Inc. is actively engaged in U.S. options market making. Additional information may be found at [www.citigroup.com](http://www.citigroup.com) or [www.citi.com](http://www.citi.com).

<sup>2</sup> <https://www.sec.gov/rules/other/2015/34-74092.pdf>.

<sup>3</sup> <https://www.sec.gov/comments/265-29/26529-1831539-154561.pdf>.

Honorable Jay Clayton  
June 30, 2017  
Page 2



importance of a robust public debate on these issues.<sup>4</sup> Without the EMSAC, the public would be less informed about these issues and the industry would feel less involved in the process of regulating the equity markets.

We similarly agree with SIFMA that market data issues ought to be a primary focus of the EMSAC's agenda in this additional term, specifically the quality and integrity of the Securities Information Processors (SIPs), a crucial public utility and source of market data information. Similarly, the EMSAC should continue to review and make further recommendations regarding governance of the NMS Plans, a major topic of discussion at the recent Congressional hearing.

In order to encourage even more thoughtful debate on these and other equity market structure issues, the composition of the EMSAC should be expanded to include the perspectives of additional exchanges, retail & institutional broker-dealers. While including such additional perspectives may make it more difficult to reach consensus on particular issues, we think it is important that the public debate be more inclusive and transparent, to ultimately inform the Commission's decision-making on these issues.

We are hopeful that the comments we have made in this letter can assist the Commission in its thinking about the EMSAC and equity market structure issues more generally.

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<sup>4</sup> Hearing entitled "U.S. Equity Market Structure Part I: A Review of the Evolution of Today's Equity Market Structure and How We Got Here", Capital Markets, Securities and Investment Subcommittee of the House Financial Services Committee, June 27, 2017: <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=402034>.

Honorable Jay Clayton  
June 30, 2017  
Page 3



Citi sincerely appreciates the Commission's consideration of these recommendations and we would be pleased to discuss these and other matters further with the Commission and its Staff. If you have any comments or questions, please do not hesitate to contact me at [REDACTED] or [REDACTED].

Sincerely,

A handwritten signature in blue ink that reads "Tim Gately". The signature is fluid and cursive.

Tim Gately  
Managing Director,  
Head of Equities for the Americas

cc: The Honorable Michael S. Piwowar, Commissioner  
The Honorable Kara M. Stein, Commissioner  
Heather Seidel, Acting Director, Division of Trading and Markets  
Gary Goldsholle, Deputy Director, Division of Trading and Markets  
David S. Shillman, Associate Director, Division of Trading and Markets  
Daniel M. Gray, Senior Special Counsel, Division of Trading and Markets