



September 9<sup>th</sup>, 2014

**Via Electronic Mail ([rule-comments@sec.gov](mailto:rule-comments@sec.gov))**

Brent J. Fields  
Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

Re: Plan to Implement a Tick Size Pilot Program; Request for Extension of Public Comment Period

Dear Mr. Fields:

The Securities Industry and Financial Markets Association (“SIFMA”)<sup>1</sup> submits this letter in connection with the proposal filed by the national securities exchanges and the Financial Industry Regulatory Authority (“FINRA”) with the Securities and Exchange Commission (“Commission”) that would establish a national market system plan to implement a targeted 12-month pilot program that will widen minimum quoting and trading increments (tick sizes) for certain stocks with smaller capitalization.<sup>2</sup> SIFMA and its members are reviewing the proposal, and we look forward to providing our comments. However, SIFMA notes that the Commission’s press release announcing the proposal’s filing states that the Commission “will seek comment on the proposed plan, which will be subject to Commission approval following a 21-day public comment period.”<sup>3</sup> For this proposal, a 21-day comment period would be inadequate.

The public comment period for the Tick Size Pilot proposal should be at least 60-days from the date the proposal is published in the Federal Register. The proposal is complex, it is a significant departure from the manner in which orders are executed currently,<sup>4</sup> and accordingly, if approved, the Tick Size Pilot would result in implementation challenges for all market

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<sup>1</sup> The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA’s mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. 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> See <http://www.sec.gov/divisions/marketreg/tick-size-pilot-plan-final.pdf>

<sup>3</sup> See [http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370542761050#U\\_5MIPmw11M](http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370542761050#U_5MIPmw11M)

<sup>4</sup> See e.g. Rule 611 of Regulation NMS under the Exchange Act.

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participants. It is critical that industry members and interested individuals have sufficient time to review and evaluate the proposal so that the Commission can receive meaningful feedback on the proposal, including reasonable modifications or alternatives to the plan as proposed.

If you have any questions on this request, please contact either me (at [REDACTED] or [REDACTED]) or Timothy Cummings (at [REDACTED] or [REDACTED]).

Sincerely,



Theodore R. Lazo  
Managing Director and  
Associate General Counsel

cc: Mary Jo White, Chair  
Luis A. Aguilar, Commissioner  
Daniel M. Gallagher, Commissioner  
Michael S. Piwowar, Commissioner  
Kara M. Stein, Commissioner

Stephen Luparello, Director, Division of Trading and Markets  
James R. Burns, Deputy Director, Division of Trading and Markets  
David S. Shillman, Associate Director, Division of Trading and Markets