

William J Vulpis

February 16, 2022

Secretary Vanessa Countryman
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Re: Proposed Amendments to Exchange Act Rule 3b-16 (Release No. 34-94062; File Number S7-02-22)

Dear Ms. Countryman,

I write to express my support for the SEC's proposed amendments issued on January 26, 2022 (the "Proposal"). In addition to other changes, the Proposal amends a rule which defines certain terms used in the statutory definition of "exchange" under Section 3(a)(1) of the Securities Exchange Act of 1934 ("Exchange Act") to include systems that offer the use of "non-firm" trading interest and communication protocols to bring together buyers and sellers of securities.

Background:

I am the former Head of BondPoint which was purchased by Intercontinental Exchange ("ICE") in January 2018. I retired from ICE BondPoint in June of 2020 after spending over 35 years in the financial services industry with the last 10 of those years as the operator of a multi asset class fixed income Alternative Trading System ("ATS"). Over the course of my career, I have served on several industry committees and advisory boards of The Financial Industry Regulatory Authority ("FINRA") and the Securities Industry Financial Markets Association ("SIFMA"). Additionally, I was a guest participant at the SEC's Meeting of the Fixed Income Market Structure Advisory Committee ("FIMSAC") on July 16, 2018. As a member of the panel discussion regarding a recommendation that called for the SEC to form a joint working group with FINRA and the MSRB to review the framework for the oversight of the electronic trading platforms for corporate bonds and municipal securities ("recommendation").

My comments at the July 16, 2018 meeting are a matter of public record, and I would like to highlight the following.

"In terms of the recommendation, we would be in support of the recommendation because we believe it would help better define a set of rules for fixed income electronic trading, provide additional transparency, provide a framework, as Alex was just mentioning, about actually knowing what is trading electronically. How about a definition of what an electronic trade actually is?

A common set of rules to operate from, and obviously, an advancement to support the advancement of electronic trading in fixed income.

A regulatory framework should apply to all market participants, regardless of the platform protocol or business model. It should be designed to promote the advancement in market structure through transparency, fair access, and transparency around market center

operations. Trade reporting should also indicate where these trades and how these trades are actually being executed.”

Communication System Protocol:

“As proposed, a Communication Protocol System can still meet the criteria of Exchange Act Rule 3b-16 even if it has no role in matching counterparties nor displays trading interest. In addition, neither the current rule nor the proposed amendments require that, for a system to be an exchange, an execution occur on the system; rather, that the buyers and sellers agree to the terms of the trade on the system is sufficient.”

Clarity is needed or exemptions provided for technology messaging services, such as a technology firm providing the management of “connectivity” where by FIX messaging protocols of various execution platforms or direct bilateral counterparties are used to transmit orders, intentions, requests, executions and done trade messaging.

Additional clarity is needed for retail/wealth management “aggregator” technology that provide a firms clients and Financial Advisors the ability to interact with offerings and orders that are originating from ATs and/or received directly from bilateral counterparties. This aggregator technology routes orders and intentions to both ATs and bilateral counterparties for execution.

While I support the Proposal, I urge the SEC to clarify or exempt technology providers of managed messaging services and “third party platforms” such as those used by retail/wealth management firms to aggregate liquidity and route orders and intentions to ATs.

Respectfully submitted,

William J Vulpis