December 8, 2016

Via E-Mail (rule-comments@sec.gov)

Ms. Mary Jo White, Chairman
Security and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549-1090

Re: Rule 605 (Disclosure of Order Execution Information) and Rule 606 (Disclosure of Order Routing Information) of Regulation NMS

Dear Ms. White,

Thank you for the opportunity to comment on the aforementioned rules and for your consideration of my policy recommendations. As you may know, Rule 605 requires market centers to provide a monthly statement of standardized execution quality statistics. Rule 606 requires brokers-dealers to generate quarterly reports on their routing of non-directed orders and to disclose whether they were paid.

In terms of Rule 605, I believe it provides an ineffective representation of market quality, largely driven by its limitations in scope to market centers, covered orders, and NMS stocks. In focusing on "covered orders," this regulation applies only to market or limit orders that are received and executed during trading hours. The definition in Rule 605 also excludes orders with special handling instructions. Further, the SEC has issued exemptions on orders received manually and those affected by crossed markets or trading halts. By focusing on NMS stocks, this piece of legislation does not apply to OTC Bulletin Board securities or exchange-listed options. As a result, the majority of market centers are only forced to disclose their execution quality statistics on a fraction of the orders they route. In the end, this Rule creates an ineffective representation of market quality. My proposal is to broaden the scope of orders that are covered under the purview of Rule 605 to allow retail and institutional traders the proper insight.

Rule 606, on the other hand, focuses on non-directed order routing from the perspective of broker-dealers. The quarterly reports mandated by this legislation are meant to give customers a perspective on a broker-dealer's routing practices and to evaluate the probability that their order will be routed to a particular venue. Similar to 605, this rule is limited to NMS securities. Moreover, the increase in number of venues can presents opportunities for abuse on the part of dealers. For example, they can spread their orders in such a way that no venue has more than 5% of orders, which would help them from having to report. They would still, however, have to disclose the top ten venues to which the largest number of total non-directed orders were routed. My proposal is to improve this rule by requiring the information to also be presented at the vendor level. In addition, 100% of orders should be included. This will allow customers a clearer view into routing habits and how they may affect their non-directed orders.

Together, these proposed changes Rules 605 and 606 can effectively promote transparent competition and insight into how orders are handled and executed. I hope that you will take them into consideration.

All my best,

Devon Roura
University of Notre Dame, Class of 2017