



December 6, 2019

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

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F. Street N.E., Washington, D.C. 20549

Re: ***File No. S7-15-19: SIFMA Comment Letter on Proposed Rescission of Effective-Upon-Filing Procedure for NMS Plan Fee Amendments***

Dear Ms. Countryman:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ submits these comments on the above referenced proposal by the U.S. Securities and Exchange Commission (“Commission”). Under the proposal, the Commission would amend Regulation NMS under the Securities Exchange Act of 1934 (“Exchange Act”) to rescind a provision that allows a proposed amendment to a national market system plan (“NMS Plan”) to become effective upon filing if the proposed amendment establishes or changes a fee. SIFMA supports the Commission’s proposal; as previously noted by a coalition of asset managers, broker-dealers and other market participants,² it is an important step in incorporating input prior to the setting of NMS Plan fees from the market participants that are forced to pay the fees.

The Commission’s proposal is an important recognition that NMS Plans are regulatory utilities that can impose significant financial obligations on broker-dealers subject to their jurisdiction. SIFMA supports requiring NMS Plan fees to be subject to public comment and require Commission action, either approval or disapproval, prior to becoming effective. Eliminating the ability for NMS Plan fee proposals to become immediately effective will ensure that the Commission independently determines whether proposed fees meet the requirements of the Exchange Act. Further, requiring the fees to be approved by the Commission prior to

¹ 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 nearly 1 million employees, we advocate for 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>.

² See Petition for Rulemaking Concerning Market Data Fees, File No. 4-716 (Dec. 7, 2017).

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becoming effective will ensure that the Self-Regulatory Organizations (“SROs”) that operate the NMS Plans receive no revenues for fees that are ultimately found to not meet the requirements of the Exchange Act. Because broker-dealers are required to pay NMS Plan fees, and have no real ability to negotiate or challenge the fees, they should have the opportunity to review and publicly comment on the proposed fees before they can become effective.

* * *

SIFMA greatly appreciates the Commission’s consideration of the issues raised above and would be pleased to discuss these comments in greater detail. If you have any questions or need any additional information, please contact me at [REDACTED] or [REDACTED].

Sincerely,



Theodore R. Lazo
Managing Director and
Associate General Counsel