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Filed electronically

March 30, 2022

Ms. Vanessa Countryman
Office of the Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: File No. S7-21-21 (Share Repurchase Disclosure Modernization Proposal)

Dear Ms. Countryman:

Thank you for the opportunity to comment on the above-referenced proposal (the "Proposal"), which would require more detailed and more frequent disclosure regarding issuers' buybacks of their equity securities, including proposing near real-time reporting (i.e., next business day) of executed buyback transactions.

T. Rowe Price is a global investment management organization with $1.54 trillion in assets under management.[1] As a sophisticated active manager, our traders, analysts, and portfolio managers are continuously monitoring, seeking out, and analyzing market, industry, and company data to inform our investment decisions as we carry out our fiduciary and best execution obligations to further our funds' and clients' investment objectives.

In the case of regulatory initiatives that mandate public disclosure of transactions, an obvious and fundamental consideration is determining what (if any) benefits, are derived from the new information. When the disclosure being contemplated would, as is the case for the Proposal, call for prompt dissemination to the public and specific identification of the market participant that is executing the trade, regulators should be extremely cautious. We have carefully considered the additional disclosure proposed by the SEC and do not believe it would contribute to our investment process in any meaningful way. The near real-time reporting of executed buyback transactions would in all likelihood also negatively impact markets.[2] As a result, we do not support the proposal and urge the SEC to abandon its pursuit of these changes.

Negative market impacts. In our experience, the release of information to the market on a near real-time basis such as the next business day tends to increase volatility and can promote short-termism in investing and trading behaviors. And while we have noted the proposed information would not be useful to us (nor most other market participants, in our view), we are

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[1] As of February 28, 2022 (based on preliminary data). T. Rowe Price Group, Inc. is also an issuer of publicly registered equity listed on The Nasdaq Global Select Market.

[2] It is also not evident to us what justification there would be for reporting buybacks sooner than more significant events such as 13D filings Even the accelerated timeframes (which are concerning in their own right) in the SEC's recent proposal to amend its beneficial ownership reporting requirements are longer than what is contemplated in the stock buyback proposal.

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concerned that certain sophisticated market participants who focus on short-term trading opportunities will use this information to create unnecessary “noise” and distortions that detract from market quality and price formation to the detriment of investors broadly, including individual investors. The proposed reporting may also create confusion among investors. Take as an example a company that typically engages in regular and ongoing repurchases but happens to not transact on a particular day. Investors may overreact to this information and conclude the company is unable to transact due to having material non-public information (which investors may falsely think is negative such as a lurking financial reporting issue, or potentially positive such as a potential acquisition) when the absence of a buyback is nothing more than a red herring. The company would also likely receive more inquiries from investors about changes in buyback strategies which again the company could not respond to, but could lead investors to draw conclusions based on such interactions.

Negative impacts on portfolio companies. In addition, asset managers, along with their institutional and retail clients, may be adversely impacted by the negative consequences the proposed reporting would have on the companies held in their portfolios. The proposed disclosure framework could adversely impact the financial profile of companies by making management of their capital structure inefficient and more costly. For example, the proposed next business day report under Form SR would be particularly troubling for companies unable to complete their repurchases in a single day or that otherwise wish to carry out their repurchases over a series of days. The price of a company’s stock typically rises following the announcement of a buyback plan. Similarly, we would expect a company’s stock price would generally increase following the publishing of the proposed Form SR, in turn making buybacks that are completed over consecutive days more expensive for the company. This may reduce the resources available for other corporate needs and initiatives that would benefit the company and its shareholders. In addition, the next day reporting that is contemplated would be a new operational burden for issuers that would entail both staff time and added costs.

Lack of clear evidence pointing to problematic buybacks. The negative consequences discussed above would be an unfortunate price to pay given buybacks are a legitimate corporate activity that also serve as useful sources of liquidity. Moreover, in our experience, buybacks in aggregate dampen market volatility and companies’ motivations for doing these transactions are appropriate. Although the Proposal indicates various scenarios where a buyback could be abused, such as to manipulate earnings-per-share (EPS) data, this runs counter to what we see in practice as the issuers who employ EPS metrics usually engage in less buyback activity. In assessing issuers’ motivations for buyback transactions, we are also perplexed as to why the SEC did not place greater weight on its own study conducted in 2020 of firms that are prominent repurchasers. This study concluded over 80% of the firms either (i) did not have EPS targets or link compensation to these targets, or (ii) had EPS targets but their board considered the impact of repurchases when setting the performance targets or determining whether the targets were met.[3] These conclusions from the SEC study suggest efforts to increase compensation through issuer buybacks are unlikely to account for most repurchase activity.

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For the reasons stated above, introducing a dramatic change to the disclosure regime for buybacks that fails to produce clear benefits and is likely to have negative implications for the market and issuers is unwarranted, in our view.

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[3] SEC Response to Congress (Negative Net Equity Issuance) dated December 23, 2020 (page 42)

Thank you for considering our feedback on these issues. Should you have any questions or wish to further discuss, please feel free to contact us.

Sincerely,

/S/ David Giroux
David Giroux, Equity Portfolio Manager & Chief Investment Officer (T. Rowe Price Investment Management, Inc.)

/S/ Jonathan Siegel
Jonathan Siegel, Managing Legal Counsel – Legislative & Regulatory Affairs