



**Canadian Bond
Investors' Association**

**Association canadienne des
investisseurs obligataires**

123-20 Carlton Street, Toronto, Ontario, M5B 2H5 Canada
1-416-585-3000 bondinvestors.ca

September 15, 2022

The Honorable Gary Gensler, Chair
U.S. Securities and Exchange Commission
100 F Street N.E. Washington, DC 20549
Via email Chair@sec.gov

Dear Chair Gensler,

RE: Exchange Act Rule 15c2-11 and Rule 144A of the Securities Act

The Canadian Bond Investors Association (CBIA) represents over 50 of the largest fixed income institutional investor organizations in Canada, with over \$1.2 trillion in fixed income assets under management. Our member organizations include sophisticated institutional investors such as insurance companies, bank-owned investment managers, pension funds and investment advisers. Our mandate includes acting on behalf of institutional fixed income investors in addressing key issues with legislators, regulators, bond issuers, investment dealers and other industry participants. We are the voice of Canadian bond investors and speak not only for those investors but also for the pensioners, policy holders and retail investors who depend on our members for the sound management of their investments.

Several of our member firms are U.S. based firms, or are Canadian organizations with significant operations in the U.S. Most Canadian institutional fixed income asset managers also actively trade bonds in the U.S. including those issued under Rule 144A.

The CBIA is writing to raise its concerns directly with the Securities and Exchange Commission ("the Commission") regarding the application of Rule 15c2-11 to Rule 144A securities issued by private companies and asset-backed issuers. In our view, the proposed new interpretation of Rule 15c2-11 will have serious negative repercussions to the transparency and efficient

functioning, including liquid secondary trading, of fixed income securities issued under Rule 144A. We understand, respect and support the Commission's mandate to protect investors, however, we believe the proposed change would run counter to that mandate.

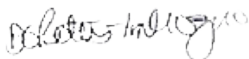
As buy-side market participants, the CBIA member firms are active participants in the 144A securities market. Transparency is of paramount importance to the efficient functioning of the fixed income markets, and the dealer community has played a critical role in this by providing accurate and timely quotes on security prices. CBIA members are generally able to access financial reporting of 144A issuers but equally need access to efficiently quoted markets. Additionally, where securities are not actively traded, firms that provide securities pricing services often rely on quoted markets to obtain the most accurate and relevant pricing. A lack of accurate pricing on fixed income securities could lead to greater price uncertainty with respect to portfolio pricing.

The CBIA notes that many funds that are exposed to 144a securities have fund administrators that require a minimum of two pricing sources. Multiple dealer quotes are sometimes used to satisfy this requirement. If these securities cease to be quoted, it could result in forced selling as the pricing policy would no longer be respected or feasible.

Finally, we share the concerns outlined in SIFMA's June 10, 2022 letter as well as the Credit Roundtable's letter of July 21, 2022. The CBIA fully supports both organizations' recommendations to abandon the application of Rule 15c2-11 to fixed income securities.

We welcome the opportunity to discuss our concerns, opinions, and recommendations at your convenience. Please direct any questions to Joe Morin of the CBIA Regulatory Affairs Committee at [REDACTED].

Very truly yours,



Donna Peters-Imbrogo
Chair

Copies:

Adam Anicich, SEC Head of Trading and Markets - [REDACTED]
Adam Moore, SEC Division of Corporation Finance - [REDACTED]
SEC Head of Trading and Markets - [REDACTED]
SEC Division of Corporation Finance - [REDACTED]
Commissioner Hester Peirce - [REDACTED]