

May 17, 2024

Submitted electronically

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: File Number SR-MSRB-2024-01; Release No. No. 34-100003; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change Consisting of Proposed Rule Change To Amend MSRB Rule G-14 To Shorten the Timeframe for Reporting Trades in Municipal Securities to the MSRB

File Number SR-FINRA-2024-04; Release No. 34-100006; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To Amend FINRA Rule 6730 (Transaction Reporting) To Reduce the 15-Minute TRACE Reporting Timeframe to One Minute

Dear Ms. Countryman:

LPL Financial LLC (“LPL”) appreciates the opportunity to provide comments to the U.S. Securities and Exchange Commission (the “Commission” or “SEC”) on the proposals listed above (collectively, the “proposals”) in light of the SEC’s instituting proceedings on FINRA and the MSRB’s (together, the “SROs”) proposals to shorten trade reporting timelines in fixed-income markets.

We understand that the Commission and SROs believe that these proposals will work to improve transparency in the fixed income markets. However, LPL is writing to express our concern that these proposals will expose broker-dealers to significant regulatory risk and clients to diminished liquidity and service from their broker-dealers. We believe that the Commission should disapprove the proposed rules.

I. Overview of LPL

LPL is a leading retail investment advisory firm, independent broker-dealer and registered investment advisor (“RIA”) custodian. We serve more than 22,000 financial professionals, including financial professionals at approximately 1,100 institution-based investment programs and at approximately 550 RIA firms nationwide. LPL provides them with the technology, research, clearing and compliance services, and practice management programs they need to create and grow thriving practices. We enable our affiliated financial professionals to provide objective guidance to millions of American families seeking wealth management, retirement planning, financial planning, and asset management solutions.

We believe that all Americans deserve access to financial planning and advice, and our business model emphasizes the important role that financial professionals have in preparing their clients for the future. Our firm is a leader in the advisor-mediated marketplace and we generally do not enable self-directed trading. With this in mind, in 2023 LPL executed over 1.7 million fixed income trades on behalf of affiliated financial professionals and their clients.

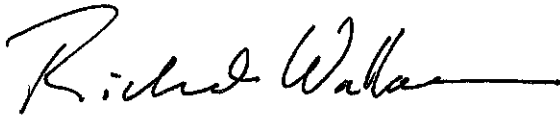
II. Comments on the Proposals

LPL supports improvements to TRACE and RTRS requirements that enhance transparency for market participants while balancing costs and benefits. However, for the reasons set out in SIFMA's letter of May 17, 2024¹, we believe the proposals should be revised. In particular, LPL believes that FINRA and the MSRB should reconsider if a one-minute trade reporting requirement is appropriate for fixed income markets and work with firms to issue revised proposals with a reporting requirement that is shorter than 15 minutes, but longer than one-minute. In addition to our concerns with the trade reporting requirement, we believe that FINRA and the MSRB should make the following changes:

- Implement a broad exception for manual trades;
- Examine impacts to liquidity, depth, concentration, and transparency prior to decreasing reporting times to shorter intervals to ensure markets are not harmed;
- Provide relief for certain electronic trades where system processing limitations prevent one-minute reporting, including allocation trades; and
- Implement the proposed de-minimis exception.

Thank you for your consideration of our comments. If you would like to discuss this letter further or have any questions, please contact me at 858-909-7094.

Sincerely,



Richard G. Wallace
Senior Vice President and
Associate General Counsel

¹ Letter from Kenneth E. Bentsen, Jr., President and CEO of SIFMA, dated May 17, 2024 to Vanessa A. Countryman Secretary, Securities and Exchange Commission.