



December 11, 2024

Sent Via Email to [apfilings@sec.gov](mailto:apfilings@sec.gov)

Ms. Vanessa A. Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, D.C. 20549-1090

**RE: Regulation NMS: Minimum Pricing Increments, Access Fees, and  
Transparency of Better Priced Orders, Final Rule (Release No. 34-101070;  
File No. S7-30-22)**

Dear Ms. Countryman:

The Securities Industry and Financial Markets Association (“SIFMA”)<sup>1</sup> respectfully submits this letter to the U.S. Securities and Exchange Commission (the “Commission”) in support of the request for a stay included within the motion submitted by The Nasdaq Stock Market LLC and Cboe Global Markets, Inc. and their respective exchange groups (together, the “Exchanges”). In the motion, the Exchanges request that the Commission stay the effectiveness of the amendments to Rules 610 and 612 of Regulation NMS, which the Commission adopted on September 18, 2024.<sup>2</sup>

Absent a stay, the compliance date for the amendments to Rules 610 and 612 is scheduled to be the first business day of November 2025.<sup>3</sup> SIFMA supports the Exchanges’ request for a stay of both updated Rules 610 and 612, which, as the Commission stated in its Adopting

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<sup>1</sup> 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 one million employees, we advocate on 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>.

<sup>2</sup> Regulation NMS: Minimum Pricing Increments, Access Fees, and Transparency of Better Priced Orders, Release No. 34-101070, File No. S7-30-22, 89 FR 81620 (Oct. 8, 2024) (“Adopting Release”).

<sup>3</sup> *Id.* at 81679-81.

Release, are non-severable,<sup>4</sup> pending resolution of the Exchanges' challenge to the rules in the D.C. Circuit. Otherwise, as further discussed below, to comply with the changes to the minimum pricing increment (i.e., the new half-penny tick size for certain securities) and access fees, broker-dealers and other market participants would be required to spend significant capital and resources to update numerous front-end and back-office systems and processes to comply with the new rules. If the Exchanges' challenge is successful and the Rules as adopted do not take effect, these investments would not be recoverable.

***Broker-dealer operational processes and systems will require significant changes to comply with updated Rules 610 and 612.***

In addition to front-end and back-office systems updates, the amended rules will require broker-dealers to ensure that updated systems can communicate accurately and efficiently with the systems of other market participants, including exchanges and ATs, which also will be required to update their systems and processes. In addition, broker-dealers with retail customers also will be required to update customer order entry systems and systems that display market data to comply with the introduction of the dynamic half-penny tick size. This work will include, among other things, updating customer-facing systems to ensure customers are able to view and easily understand the pricing increment that applies to a particular stock at a particular point in time. In addition to this considerable systems-related work, many broker-dealers will need to devote significant time and resources to educate their retail and institutional customers about the applicability of the new, dynamic tick sizes through updates to online educational materials, presentations, representative trainings, and trading documentation, among other areas. If the Exchanges' challenge is successful, these significant capital investments, resources, and time would be wasted and unable to be recouped, causing actual harm to broker-dealers and their customers.<sup>5</sup> Therefore, the Commission should grant the Exchanges' request for a stay of the amendments to Rules 610 and 612.

As a result of reviewing the comprehensive changes necessary to implement the amendments to Rules 610 and 612 by November 2025, SIFMA members have observed that the Commission's Adopting Release does not accurately reflect the implementation burdens broker-dealers will face building and updating systems to comply with these rules. For example, the Commission asserts that the compliance date for the Rule 612 amendments is appropriate, in part, because the final rule modified two aspects of the proposed rule by adding one minimum pricing increment instead of three and reducing the duration of the evaluation periods to semiannual instead of quarterly.<sup>6</sup> However, compliance deadlines should be set based on the amount of absolute work required to meet the final Rule. Simply stating that the adopted burden

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<sup>4</sup> See id. at 81772.

<sup>5</sup> See, e.g., Exchanges' Motion for Stay, at Exhibit A, paragraph 7 and Exhibit B, paragraph 6.

<sup>6</sup> See 89 FR at 81680.

is potentially less than the proposed burden does not inform on whether a compliance date of November 2025 is justifiable, and certainly does not reduce the overall magnitude and significant cost of implementing the new multi-tick regime. This is because even with the addition of only one new minimum pricing increment, this will be the first time since the implementation of Reg NMS that the entire industry will need to support two different tick sizes based on pre-defined lists that are updated every six months. This is categorically different than the current support of two different tick sizes for prices above and below \$1.00 (where tick sizes are readily hard-coded) and instead requires completely new processes and systems to handle ever-evolving tick increments that are not simply based on price.

***Broker-dealers are currently working to implement separate operational and systems changes to comply with various recently adopted regulatory requirements.***

Furthermore, SIFMA members note that in addition to the Rule 610 and 612 amendments, market participants are expending significant resources to update relevant systems to implement, among other changes mandated by new Commission rules, including the updated round-lot definition by November 2025, updated Rule 605 by December 2025, and the updated odd-lot information definition and best odd-lot orders by May 2026. In many instances, it is the same staff at broker-dealers that are leading implementation work across these multiple, interrelated Commission final rules. Based on the timing confluence of the changes required by these recent Commission rulemakings, November 2025 was not a reasonable compliance date for Rules 610 and 612.

***The Commission should stay the effectiveness of the rules pending the resolution of the Exchanges' challenge.***

Given these operational and compliance challenges, the Commission should not require market participants to work to meet an aggressive compliance deadline for the amendments to Rules 610 and 612 when the rules are currently subject to a challenge. Therefore, the Commission should grant the Exchanges' request to stay the amendments to Rules 610 and 612 until the challenge is fully resolved.

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Ms. Vanessa A. Countryman  
U.S. Securities and Exchange Commission  
December 11, 2024  
Page 4

If you have any questions or need any additional information, please contact Ellen Greene at (212) 313-1287.

Sincerely,



Ellen Greene  
Managing Director  
Equities & Options Market Structure

Cc:

Chair Gary Gensler  
Commissioner Caroline A. Crenshaw  
Commissioner Jaime Lizárraga  
Commissioner Hester M. Peirce  
Commissioner Mark T. Uyeda  
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