

March 19, 2020

Mr. Brett Redfearn  
Director  
Division of Trading and Markets  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

Re: STA and FIF Request for an Extension of Certain Rule 606(a) and 606(b)(3) Compliance Deadlines

Dear Mr. Redfearn,

Given the significant shift in priorities following the recent outbreak of COVID-19, the Security Traders Association (“STA”)<sup>1</sup> and the Financial Information Forum (“FIF”)<sup>2</sup> respectfully request an extension from near-term compliance dates for implementation of Amended Rule 606<sup>3</sup>. Specifically, STA and FIF request:

**Rule 606(a)**

- The April 30, 2020 compliance date for firms to publicly report 606(a) data be delayed to May 29, 2020.

**Rule 606(b)(3)**

- The requirement for broker-dealers engaged in self-routing activity be extended to May 29, 2020.
- The April 1 compliance date by which broker-dealers must begin collecting outsourced routing data be extended to June 1, 2020.
- The May 15, 2020 date representing the first day customers can request complete Rule 606(b)(3) reports<sup>4</sup> be extended to July 17, 2020.

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<sup>1</sup> STA is a trade organization founded in 1934 for individual professionals in the securities industry. STA is comprised of 24 affiliate organizations in North America with individual members who are engaged in the buying, selling and trading of securities. STA is committed to promoting goodwill and fostering high standards of integrity in accord with the Association’s founding principle, *Dictum Meum Pactum* – “My Word is My Bond.” For more information, visit <https://securitytraders.org/>.

<sup>2</sup> Established in 1996, FIF is an industry trade group comprised of over 100 brokers, exchanges, and vendors. FIF seeks to address and resolve open implementation issues that impact the securities industry. FIF working groups provide our members with a collaborative environment to discuss critical issues amongst a broad range of subject matter experts. FIF activities help our members gain a better understanding of the implementation impact of new initiatives and assists in their development of low-cost solutions. FIF frequently informs the regulators of the implementation impact of new initiatives and offers alternative solutions through formal comment letters and in-person meetings.

<sup>3</sup> [Securities Exchange Act Release No. 78309](#) (Nov. 2, 2018), 83 FR 58338, 58357 (Nov. 19, 2018)

<sup>4</sup> Complete Rule 606(b)(3) reports are inclusive of 1) the first route of a not held order sent by a customer-facing broker to a destination for the purpose of execution (“self-routing activity”); and 2) the first and second route of a not held order sent by a customer-facing broker to a non-exchange destination for the purpose of further routing (“outsourced routing activity”).

- The May 27, 2020 compliance dates for when broker-dealers are obligated to provide complete Rule 606(b)(3) upon customer request be extended to July 29, 2020.

Resources at firms are currently focused on the safety of employees and supporting investors in this very stressful time. Extending the current reporting obligations for broker-dealers engaged in self-routing activity and providing relief in the form of an extension on the near-term compliance dates for implementation of Amended Rule 606 would allow broker-dealers to allocate resources towards addressing issues associated with the unprecedented period of market volatility. Additionally, an extension would mitigate potential risks to firms' regulatory systems that otherwise would need to be modified and tested to satisfy near-term implementation milestones. These combined outcomes will ensure market stability and investor protection.

In addition to representing the interests of our members, STA is also a member of the FIF's Consolidated Audit Trail ("CAT") Committee. STA strongly supported FIF's March 16, 2020, letter<sup>5</sup> to the CAT NMS Plan Operating Committee requesting relief on all compliance dates and requirements pertaining to initial Industry Member CAT Phase 2a and Phase 2b reporting obligations. STA and FIF appreciate the Commission's response by granting an extension on certain CAT Phase 2a compliance deadlines in its No-Action Letter<sup>6</sup> and we believe similar action is needed for Amended Rule 606.

The FIF letter provides statements— derived primarily from a survey of its member firms — which describe conditions at firms between March 6, 2020 and March 13, 2020. STA agrees with FIF's statements including but not limited to: 1) firms are reprioritizing technology to aggressively implement BCPs; 2) technology freezes due to extraordinary market volatility are being put in place; and, 3) IT staff is being called upon to support satellite workstations to enable employees to work remotely. STA and FIF believe that market conditions have grown worse since FIF's survey and that the most recent actions by federal and local governments to contain the pandemic through self-quarantine will fragment and strain human and technology resources at firms in the coming weeks. We therefore strongly recommend the Commission grant this request.

Finally, STA and FIF greatly appreciate the Commission's leadership during these turbulent times.



James Toes  
President & CEO  
STA



Chris Halverson  
Chairman of the Board  
STA



Christopher Bok  
Director  
FIF

cc:

The Honorable Jay Clayton, Chairman, U.S. Securities and Exchange Commission

The Honorable Hester Peirce, Commissioner, U.S. Securities and Exchange Commission

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<sup>5</sup>[https://fif.com/index.php?option=com\\_phocadownload&view=category&id=0&find=Comment%20Letters&Itemid=594](https://fif.com/index.php?option=com_phocadownload&view=category&id=0&find=Comment%20Letters&Itemid=594)

<sup>6</sup><https://www.sec.gov/divisions/marketreg/mr-noaction/2020/consolidated-audit-trail-reporting-031620.pdf>

The Honorable Elad Roisman, Commissioner, U.S. Securities and Exchange Commission

The Honorable Allison Herren Lee, Commissioner, U.S. Securities and Exchange Commission

Mr. John Roeser, Associate Director, Division of Trading and Markets, U.S. Securities and Exchange Commission

Mr. Theodore Venuti, Assistant Director, Division of Trading and Markets, U.S. Securities and Exchange Commission