



June 28, 2016

By Electronic Mail

Mr. Stephen Luparello
Director
Division of Trading and Markets
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: File No. 4-657: National Market System Plan to Implement a Tick Size Pilot Program by BATS Exchange, Inc., BATS Y-Exchange, Inc., Chicago Stock Exchange, Inc., EDGA Exchange, Inc., EDGX Exchange, Inc., Financial Industry Regulatory Authority, Inc., NASDAQ OMX BX, Inc., NASDAQ OMX PHLX LLC, The Nasdaq Stock Market LLC, New York Stock Exchange LLC, NYSE MKT LLC, and NYSE Arca, Inc.

Dear Mr. Luparello:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ submits this letter to request that the Securities and Exchange Commission (“Commission”) postpone the Tick Size Pilot Program’s October 3, 2016, implementation date. Specifically, SIFMA requests that the Tick Size Pilot implementation date be postponed until at least three months after the Plan Participants publish completed Frequently Asked Questions (“FAQs”) and technical specifications. As of the filing of this letter, the Plan Participants have published some but not all of the FAQs on trading and quoting and have not published any technical specifications for trading and quoting. As a result, critical operational and regulatory issues remain outstanding and are directly impacting the ability of market participants to properly implement the necessary systems and coding changes in advance of the implementation date.

SIFMA has previously requested that the Plan Participants’ rules, interpretative guidance, FAQs, and other regulatory steps, be approved and effective at least three months ahead of any applicable deadlines.² This request has been premised on the fact that market participants require sufficient time to implement and test the necessary systems and coding changes to their

¹ The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA’s mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. 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>.

² See e.g. Letter from Theodore R. Lazo, Managing Director and Associate General Counsel, SIFMA, to Stephen Luparello, Director, Division of Trading and Markets, Commission, dated August 31, 2015.

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order routing and execution systems. Without sufficient lead time, significant operational risk could be introduced into the marketplace because of the systems involved and the complexity of the pilot.

The Plan Participants only recently published the Tick Size Pilot Trading and Quoting FAQs, but they are not yet complete.³ For instance, the FAQs state that the “Trade-at block size exceptions are currently being reviewed. Publication is anticipated in the near future.” Further, market participants require the technical specifications to be published by the Plan Participants before any meaningful implementation efforts can begin. Yet there is no clear timetable when publication of the remaining FAQs or technical specifications will occur. Moreover, the details of industry testing in advance of the pilot have not been addressed, raising concerns of operational risk to both member firms and the market generally. As a result, there is not enough information or sufficient time available for member firms to properly implement and test any necessary systems and coding changes that will be required by October 3rd, 2016.

Accordingly, SIFMA requests that the Tick Size Pilot implementation date be postponed until at least three months after the Plan Participants publish completed FAQs and technical specifications.

* * *

SIFMA greatly appreciates the Commission’s consideration of the request above in connection with the Tick Size Pilot Program. If you have any questions or require further information, please contact me at [REDACTED], or Timothy Cummings at [REDACTED]).

Sincerely,



Theodore R. Lazo
Managing Director and
Associate General Counsel

³ Tick Size Pilot Trading and Quoting FAQs were published on June 10, 2016. *See* <https://www.nyse.com/publicdocs/nyse/markets/nyse-mkt/TSPPTradingandQuotingFAQs.pdf>.

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cc: The Honorable Mary Jo White, Chair
The Honorable Michael S. Piwowar, Commissioner
The Honorable Kara M. Stein, Commissioner

Gary Goldsholle, Deputy Director, Division of Trading and Markets
David S. Shillman, Associate Director, Division of Trading and Markets

Brendon Weiss, Intercontinental Exchange