



August 30, 2018

By Electronic Mail

Mr. Brett Redfearn
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. Redfearn:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ submits this letter to request that the Securities and Exchange Commission (“Commission”) end the Tick Size Pilot Program (“Pilot”) at the close of the market on Friday, September 28, 2018 instead of Tuesday, October 2, 2018, when Pilot ends by its terms.² As currently scheduled, the first post-Pilot trading day would be in the middle of the week, on Wednesday, October 3, 2018. The Pilot’s scheduled end date on a Tuesday does not provide sufficient time for member firms to properly implement and test necessary system and coding changes that will be required to revert systems to pre-Pilot mode between market close on Tuesday October 2nd and market open on Wednesday October 3rd. Accordingly, we respectfully request the Commission end the Pilot on Friday, September 28, 2018 to provide additional time for market participants to properly implement the necessary systems and coding changes during the weekend between market close on Friday September 28th and market open on Monday, October 1st.

¹ 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 nearly 1 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>.

² See Securities Exchange Act Release No. 76382 (Nov. 6, 2015), 80 FR 70284 (Nov. 13, 2015) available at <https://www.sec.gov/rules/exorders/2015/34-76382.pdf>.

Mr. Brett Redfearn, Director, Securities and Exchange Commission
SIFMA Comment Letter on File No. 4-657
Tick Size Pilot Program
August 30, 2018
Page 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 affected systems, including order routing and execution systems. Making significant changes overnight raises concerns of operational risk to both member firms and the market generally because of the systems involved and complexity of reverting to pre-Pilot mode. A weekend release would reduce the dependence on deploying an issue-free code the first try as firms could deploy the code Friday night, spend Saturday validating the data and have Saturday night and Sunday to fix any unforeseen issues. Allowing the Pilot to end on a Friday would reduce the operational risk of making these significant changes by providing market participants with sufficient time to conduct simulated testing and resolve any deployment issues before markets open on Monday.

Moreover, it is not standard industry practice to make systems changes on a weekday as it makes it more difficult to roll back any changes if there are problems with the code release. Some firms have a standard change and deployment process that usually requires at least a week for a normal change. Additionally, global banks with global systems may have changes in multiple regions, so using a weekend allows a sufficient break in trading globally to implement changes.

Accordingly, SIFMA requests that the Commission change the Pilot end date from Tuesday, October 2, 2018 to Friday, September 28, 2018, to provide sufficient time to make the applicable system changes.

* * *

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 (202) 962-7383 or tlazo@sifma.org.

Sincerely,



Theodore R. Lazo
Managing Director and
Associate General Counsel

Mr. Brett Redfearn, Director, Securities and Exchange Commission
SIFMA Comment Letter on File No. 4-657
Tick Size Pilot Program
August 30, 2018
Page 3

cc: The Honorable Jay Clayton, Chair
The Honorable Kara M. Stein, Commissioner
The Honorable Robert J. Jackson Jr., Commissioner
The Honorable Hester M. Peirce, Commissioner

David S. Shillman, Associate Director, Division of Trading and Markets
John Roeser, Associate Director, Division of Trading and Markets