



american securities association

America's Voice for Main Street's Investors

Via Electronic Submission

September 27, 2024

Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Financial Data Transparency Act Joint Data Standards Proposed Rule, File No. S7-2024-05

Dear Ms. Countryman,

The American Securities Association¹ (ASA), respectfully requests a 60-day extension of the comment period for the proposed rules implementing the Financial Data Transparency Act (FDTA). The complexity and far-reaching implications of these proposals necessitate a thorough review and analysis by our member firms and other industry stakeholders.

The FDTA implementation represents a paradigm shift in financial reporting and data transparency, with profound consequences for the entire financial services sector. The concerns raised by Commissioners Peirce and Uyeda regarding potential unintended outcomes and logistical hurdles have resonated strongly with our membership.

Commissioner Peirce's observations² on the challenges of applying a uniform approach to financial data standardization across diverse entities have struck a chord with our community. This is particularly pertinent for smaller broker-dealers, who may find themselves disproportionately burdened by the proposed changes.

Similarly, Commissioner Uyeda's insights³ into the extensive technological and operational overhauls these rules may require have heightened our members' concerns. The broker-dealer community is grappling with the prospect of substantial investments in system upgrades to ensure compliance, without any offsetting appropriations. This financial burden could potentially compromise the quality and affordability of services offered to investors.

The proposed FDTA rules come at a time when the financial services sector is already navigating a complex regulatory landscape. Over the past three years, firms have been working to implement and

¹ ASA is a trade association that represents the retail and institutional capital markets interests of regional financial services firms who provide Main Street businesses with access to capital and advise hardworking Americans how to create and preserve wealth. ASA's mission is to promote trust and confidence among investors, facilitate capital formation, and support efficient and competitively balanced capital markets. This mission advances financial independence, stimulates job creation, and increases prosperity. ASA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions of the United States.

² Data Beta: Statement on Financial Data Transparency Act Joint Data Standards Proposal
Commissioner Hester M. Peirce, available here: <https://www.sec.gov/newsroom/speeches-statements/peirce-statement-financial-data-transparency-act-080224>, August 2, 2024.

³ Statement on Financial Data Transparency Act Proposed Joint Data Standards, Commissioner Mark T. Uyeda, available here: <https://www.sec.gov/newsroom/speeches-statements/uyeda-statement-financial-data-transparency-act-080224>, August 2, 2024.



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adapt to an unprecedented volume of new regulations. The introduction of the FDTA rules in their current form could exacerbate existing challenges, potentially leading to:

- Increased industry consolidation;
- Reduced market competition; and
- Diminished access to financial services for certain investor segments.

Given these concerns and the intricate nature of the proposed rules, a 60-day extension of the comment period would allow for:

- In-depth impact assessment across various broker-dealer segments;
- Engagement with technology experts to evaluate implementation feasibility and associated costs;
- Comprehensive data collection and analysis on potential market dynamics shifts; and
- Development of alternative approaches that align with FDTA objectives while minimizing industry disruption.

We firmly believe that a measured approach to rulemaking is crucial in this instance. The additional time would allow all regulatory bodies involved in this joint proposal to receive comprehensive, well-researched feedback, ultimately contributing to more effective and balanced regulations.

The ASA and its members are committed to constructive engagement in this regulatory process. We look forward to collaborating with the SEC to enhance financial data transparency while safeguarding the vitality and competitiveness of the broker-dealer industry.

Thank you for your consideration of this request.

Sincerely,

Jessica R. Giroux

Jessica R. Giroux
General Counsel & Head of Fixed Income Policy
American Securities Association

