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February 23, 2016

Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090 Policy Division  
Attn: Mr. Brent J. Fields, Secretary

**Re: Regulation of NMS Stock Alternative Trading Systems; Release No. 34-76474; File No. S7-23-15; RIN 3235-AL66**

Dear Mr. Fields:

T. Rowe Price Associates, Inc.<sup>1</sup> appreciates the opportunity to comment on the above-referenced proposal (the “**Proposal**”) by the Securities and Exchange Commission (the “**SEC**”) to amend the regulatory requirements applicable to alternative trading systems (“**ATs**”). We are generally supportive of the increased disclosure requirements that the Proposal contemplates for ATs that offer trading in stocks listed on a national securities exchange (“**NMS Stock ATs**”). Capturing more information regarding ATs should enhance the SEC’s ability to regulate ATs and also help market participants make better-informed decisions regarding which ATs they choose to utilize. However, we believe that certain enhancements to the Proposal, as detailed below, will further increase its effectiveness.

***Expansion of Proposed Form ATs-N.*** While there is a range of information included in the proposed form that market participants may find useful from a qualitative perspective, the overwhelming amount of “administrative” information that the SEC is seeking will make it difficult for most market participants to navigate and comprehend the form. Additionally, and more importantly, we believe certain key quantitative elements are missing from the Proposal. We strongly urge the SEC to require that NMS Stock ATs make the following data publicly available on a recurring basis: percentage of volume executed in block and demi-block sizes, percentage of volume executed relative to national best bid/offer (*i.e.*, near, far, midpoint, and intraspread), trade size and market cap distribution, and aggregate statistics regarding counterparties. The data currently distributed by the Financial Industry Regulatory Authority (FINRA) regarding ATs has been beneficial in terms of standardizing certain information made

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<sup>1</sup>T. Rowe Price Associates, Inc. and its advisory affiliates provide investment management services to numerous individuals, institutions, and investment funds, including the T. Rowe Price family of mutual funds. As of December 31, 2015, T. Rowe Price Associates, Inc. and its affiliates managed approximately \$763 billion in assets.

available to market participants. However, we believe the additional data items we noted above will help market participants further understand the composition of each ATS and allow for more informed best execution decisions when selecting the venue to be utilized for a particular transaction.

***Clarification regarding Permissibility of “Ad Hoc” Disclosure.*** In our view, it is crucial that any new requirements for mandatory public disclosure by ATSs be accompanied by an acknowledgment from the SEC that such requirements are intended to create a “floor,” as opposed to a “ceiling,” regarding the level of information ATS operators share with their subscribers and potential customers. It would be an unfortunate situation, and inconsistent with the overall goal of the Proposal, if its adoption led to ATS operators being unable to share additional information outside of the Form ATS-N process, or respond to ad hoc requests for data/information from a market participant. Furthermore, the Proposal should not create the undesirable effect of ATS operators hiding behind the veil of the Proposal’s mandated disclosure requirements when they are asked by market participants to provide additional information. If this were the case, an unintended consequence would result in that many market participants would, on balance, receive less information from ATSs than they do today.

***Preserving Innovation.*** We also do not believe it is the SEC’s intent to discourage innovation by ATS operators as a result of enhanced disclosure requirements. Innovative ATS features and capabilities can be useful for market participants using these platforms. Therefore, we ask that the SEC consider “tiering” the availability of certain information of ATSs that is proprietary (but not material non-public information) by first making it only available to the SEC (so they may review for regulatory obligations) and subscribers (to promote intelligent routing decisions), and, after a reasonable time lag, further disseminating such information to the general public. Examples of features that we believe would be appropriate for such “tiering” include offering subscribers unique interactions with the ATS’s other counterparties and information regarding the availability of certain customized order types.

***Fixed-Income Considerations.*** As noted above, we believe additional disclosure is beneficial, both from the SEC’s and ATS subscribers’ perspectives. Accordingly, we encourage the SEC to develop a disclosure framework where certain base-line information would be publicly disclosed by operators of fixed-income ATSs so that market participants can better assess these platforms. Like the proposed reporting requirements for NMS Stock ATSs, we believe essential components of a disclosure regime for fixed-income ATSs would feature key information about the ATSs’ operations and protocols, the activities of its operator and affiliates, the handling of confidential information, and conflicts of interest.

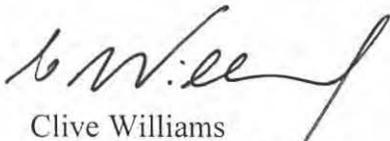
Given the nuances of fixed-income markets, we believe it would be appropriate for the SEC to evaluate the merits and components of a potential disclosure regime for fixed-income ATSs in a separate proposal. In our view, additional disclosure would be particularly timely given the increase in the amount of fixed income trading executed via electronic trading systems and the proliferation of new trading venues over the last several years.

***Incorporate a Mandated Review Process.*** While we are encouraged by the SEC's efforts to bolster its regulation of ATSS and create more public disclosure, we recommend that, in the event the Proposal is finalized, the SEC be required to conduct a review within a designated time-period (such as one year) to assess the effectiveness of the new rules and determine if any refinements to the new regulations should be proposed.

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As noted above, we are generally in favor of the Proposal and its efforts to increase disclosure. We also believe that a logical next step to further improve the operation of equity ATSS would be for the SEC to mandate higher minimum trade sizes. Thank you again for the opportunity to express our thoughts on this important topic. Should you have any questions or wish to discuss our letter, please feel free to contact us.

Sincerely,



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Head of Global Equity Trading



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Head of Global Fixed Income Trading



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