

Securities and Exchange Commission
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www.sec.gov

Chris Barnard

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- **17 CFR Part 242**
- **Release No. 34-96493; File No. S7-29-22**
- **Disclosure of Order Execution Information**

Dear Sir.

Thank you for giving us the opportunity to submit comments on your proposed rule on Disclosure of Order Execution Information.

You are proposing to amend existing requirements under the Securities Exchange Act of 1934 (Exchange Act) to update the disclosure required for order executions in national market system (NMS) stocks. First, you are proposing to expand the scope of reporting entities subject to the rule that requires market centers to make available to the public monthly execution quality reports to encompass broker-dealers with a larger number of customers. Next, you propose to modify the definition of “covered order” to include certain orders submitted outside of regular trading hours and certain orders submitted with stop prices. In addition, you are proposing modifications to the information required to be reported under the rule, including changing how orders are categorized by order size as well as how they are categorized by order type. As part of the changes to these categories, you are proposing to capture execution quality information for fractional share orders, odd-lot orders, and larger-sized orders. Additionally, you are proposing to modify reporting requirements for non-marketable limit orders (NMLOs) in order to capture more relevant execution quality information for these orders by requiring statistics to be reported from the time such orders become executable. You are also proposing to eliminate time-to-execution categories in favour of average time to execution, median time to execution, and 99th percentile time to execution, each as measured in increments of a millisecond or finer and calculated on a share-weighted basis. In order to better reflect the speed of the marketplace, you are

proposing that the time of order receipt and time of order execution be measured in increments of a millisecond or finer, and that realized spread be calculated at both 15 seconds and one minute. Finally, you propose to enhance the accessibility of the required reports by requiring all reporting entities to make a summary report available.

I generally support the proposed amendments, and agree with Commissioner Peirce that:

“Rule 605 was initially adopted in 2000 when the market was quite different, and its age shows. By most accounts, the current rule does not provide sufficient information to judge execution quality under current market conditions. The proposal would establish more granular reporting requirements. The largest broker-dealers would have to report order execution information that should make the statistics more useful for customers and others seeking to understand order-routing decisions and execution quality across a range of market centers and broker-dealers alike.”¹

I strongly agree with Commissioner Peirce’s continuing statement that “the current proposal appears to be a reasonable attempt to address deficiencies of the current Rule 605”.

In my view, the proposals will promote increased transparency of order execution quality that will lead to increased competition between reporting entities on the basis of execution quality. This competition between reporting entities would create incentives to offer better execution quality in order to attract and retain customers and order flow, leading to improvements in the execution quality received by investors. These benefits should be achieved with no loss of amenity elsewhere.

Yours faithfully

C.R.B.

Chris Barnard

¹ See Statement on Disclosure of Order Execution Information, Dec. 14, 2022, available at <https://www.sec.gov/news/statement/peirce-order-execution-20221214>