



RBC Capital Markets, LLC
Global Equities
Three World Financial Center
200 Vesey Street, 8th Floor
New York, NY 10281

February 4, 2020

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: S7-24-89, SR-CTA/CQ-2019-04-CTA/UTP Confidentiality Policy

Dear Ms. Countryman:

On behalf of RBC Capital Markets, we appreciate the opportunity to comment on the above-referenced notice (hereinafter "the Notice").

RBC Capital Markets, LLC, (RBCCM) is the investment banking platform of Royal Bank of Canada.¹ RBCCM is a U.S.-registered broker-dealer that, among other activities, provides equities trading and execution services to retail and institutional investors. These investors include large investment managers with trillions of dollars in assets under management. Those assets reside in employee pension funds, mutual funds, and other vehicles that hold the savings of individual investors.

RBCCM has supported recent Commission efforts to strengthen the fairness, transparency, and efficiency of U.S. equity markets, and we believe that the Notice incrementally advances those efforts as an interim measure.² NMS plans and self-regulatory organizations (SROs)

¹ Royal Bank of Canada (RBC), headquartered in Toronto, Ontario, is a global provider of financial services, including personal and commercial banking, wealth management services, corporate and investment banking, and life insurance and transaction process services. RBC's approximately 85,000 employees serve more than 16 million personal, business, public sector, and institutional clients worldwide through offices in Canada, the United States, and 36 other countries. In the United States, RBC's approximately 12,300 employees primarily provide corporate and investment banking, wealth management, asset management, and retail banking services to customers and clients in more than 40 states.

² See, e.g., letter dated December 10, 2019, from Rich Steiner, RBC Head of Client Advocacy, to SEC in support of the SEC Proposal to Rescind the Effective-Upon-Filing Procedure for NMS Plan Fee Amendments, <https://www.sec.gov/comments/s7-15-19/s71519-6526196-200406.pdf>. October 25, 2019, from Rich Steiner, RBC Head of Client Advocacy, to SEC providing analysis related to market data and access, <https://www.sec.gov/comments/4-729/4729-6353203-195588.pdf>; Brief of Amicus Curiae RBC Capital Markets, LLC, In Support of Respondent and Denial of the Petitions for Review, New York Stock Exchange LLC, Et Al. v

play a critical role in compiling and disseminating important market information via registered securities information processors (SIPs) and the consolidated audit trail (CAT). It is for this reason that the SEC has proposed substantial governance changes to the Operating Committees that oversee the NMS Plans that govern the SIPs.

RBC believes that significant changes to the governance of these NMS Plans should be made, and we intend to comment on the SEC's related proposal in the coming weeks.³ In the interim, we support this step taken by the SROs, which should, incrementally, improve the functioning of the Operating Committees by giving Advisory Committee members and others access to information necessary to make informed recommendations to voting participants. We strongly believe Advisory Committee members need access to all of the information that voting participants rely upon to make their decisions because, without such comprehensive information, the advice given by Advisory Members would be limited in utility and could be ignored for that reason. Although we believe that the voting rules of the Operating Committees should be changed and that Advisory Committee members should be granted voting rights, until that occurs we view this new policy as an important incremental improvement over the status quo ante, and we commend the SROs for taking this step.

In addition, we believe that plan participants and other covered persons should be required to establish, maintain, and enforce policies and procedures designed to safeguard confidential and proprietary information. Such a requirement will help ensure that information is appropriately protected and used by decision-makers and advisors, and it will, in turn, facilitate the willing provision of information necessary to make informed decisions. The proposed Amendments appear to achieve these goals, but they should be re-evaluated annually or on an as-needed basis to ensure they achieve these objectives on an ongoing basis.

The categories of confidentiality also appear appropriate; however, we believe that there should be extremely limited use of Executive Sessions and that steps should be taken to avoid using the perceived need for confidential treatment of proprietary data to justify Executive

Securities and Exchange Commission, D.C. Cir. Docket No. 19-1042, filed August 1, 2019; letter from Rich Steiner dated August 15, 2019, to SEC, regarding Proposed Rule Change to Introduce a Liquidity Provider Protection, <https://www.sec.gov/comments/sr-cboeedga-2019-012/sr-cboeedga2019012-5977239-190213.pdf>; comments of RBC participant Rich Steiner, SEC Roundtable on Market Data and Market Access, October 25-26, 2018, <https://www.sec.gov/spotlight/equity-market-structure-roundtables/roundtable-market-data-market-access-102618-transcript.pdf>; letter from Rich Steiner dated October 16, 2018, to SEC, in support of the proposed SEC Transaction Fee Pilot, <https://www.sec.gov/comments/s7-05-18/s70518-4527261-176048.pdf>; letter from Rich Steiner dated May 24, 2018, to SEC, in support of the proposed SEC Transaction Fee Pilot, <https://www.sec.gov/comments/s7-05-18/s70518-3711236-162472.pdf>; letter from Rich Steiner dated September 23, 2016, to SEC, in support of Equity Market Structure Advisory Committee (EMSAC) Recommendation for an Access Fee Pilot, <https://www.sec.gov/comments/265-29/26529-86.pdf>; letter from Rich Steiner dated May 24, 2016, to SEC, regarding EMSAC Framework for Potential Access Fee Pilot, <https://www.sec.gov/comments/265-29/26529-70.pdf>.

³ See Release No. 34-87906; File No. 4-757, <https://www.sec.gov/rules/sro/nms/2020/34-87906.pdf>.

Sessions. Further, information shared in Executive Session should not, by virtue of that fact alone, be treated as highly confidential. Rather, a case-by-case analysis is appropriate to determine whether or not information warrants confidential treatment.

RBCCM again appreciates the opportunity to comment on the Notice. Should the Commission find it useful, we would be pleased to provide additional information to the Commission regarding the matters raised in this letter.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Steiner".

Rich Steiner
Head of Client Advocacy and Market Innovation