



June 13, 2012

**VIA ELECTRONIC DELIVERY** (rule-comments@sec.gov)

Elizabeth M. Murphy  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**RE: Proposed Rule Change Relating to FINRA’s Trading Activity  
Fee Rate for Transactions in Covered Equity Securities  
(Release No. 34-66924; File No. SR-FINRA-2012-023)**

Dear Ms. Murphy:

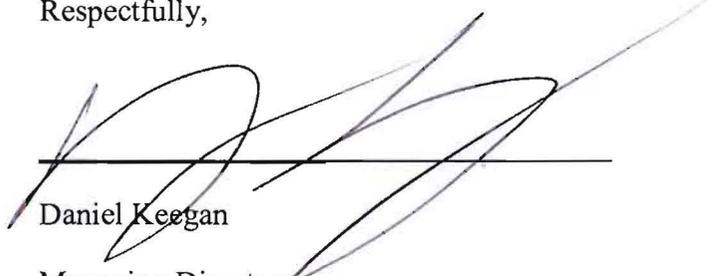
Citigroup Global Markets Inc. (“CGMI” or the “Firm”)<sup>1</sup>, on behalf of itself and certain of its affiliated companies, has reviewed the above-referenced FINRA rule proposal, as well as the comment letters submitted by Knight Capital Group, Inc. (“Knight”) and The Securities Traders Association of New York, Inc. (“STANY”). We fully support each of the concerns expressed by Knight and STANY and respectfully request that the Commission carefully consider these issues. CGMI is particularly concerned about the potential disproportionate impact that the proposed increase to Trading Activity Fees (“TAF”) may have on market makers and liquidity providing trading firms such as Automated Trading Desk, a CGMI affiliate and one of the largest wholesale retail market making firms in the United States. Further, CGMI agrees with both Knight and STANY that future fee increases should not be immediately effective under Section 19(b)(3)(A) without an adequate notice and comment period, as proposed by FINRA.

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<sup>1</sup> Citigroup Inc. is a diversified global financial services holding company whose businesses provide a broad range of financial services to consumer and corporate clients as well as governments and other institutions. Citi has some 200 million client accounts and does business in more than 100 countries. Citi’s primary U.S. broker-dealer subsidiary, Citigroup Global Markets Inc., is registered as a broker-dealer in all 50 states, the District of Columbia, Puerto Rico, Taiwan and Guam, and is also a primary dealer in U.S. Treasury securities and a member of the principal United States futures exchanges. Other Citi affiliates actively engaged in U.S. equity market trading include Automated Trading Desk (ATD) and LavaFlow, Inc. Additional information may be found at [www.citigroup.com](http://www.citigroup.com) or [www.citi.com](http://www.citi.com).

Therefore, we respectfully submit that the Commission disapprove both the proposed increase to TAF and the proposal to permit future TAF rate changes to be filed without a full notice and comment period. We welcome the opportunity to discuss our comments with the Commission.

Respectfully,



Daniel Keegan  
Managing Director

cc: Mary L. Schapiro, SEC Chairman  
Luis A. Aguilar, SEC Commissioner  
Daniel M. Gallagher, SEC Commissioner  
Troy A. Paredes, SEC Commissioner  
Elisse B. Walter, SEC Commissioner  
Robert W. Cook, Director, SEC Division of Trading and Markets  
Richard G. Ketchum, CEO, FINRA  
Thomas R. Gira, EVP, FINRA  
Todd T. Diganci, EVP & CFO, FINRA