March 14, 2014

Via E-mail to rule-comments@sec.gov

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

Re: File Number SR–FINRA–2013–039; Release No. 34-71629
Amendment No. 1 to SR-FINRA-2013-039 (the "Amendment")

Dear Ms. Murphy:

The Securities Industry and Financial Markets Association ("SIFMA")[1] appreciates the opportunity to comment on the Amendment. The Amendment seeks to adopt an amended interpretation to clarify the classification and the reporting of certain securities to FINRA (the "Amended Interpretation").

In particular FINRA proposes an Amended Interpretation to provide that, in addition to capital trust and trust preferred securities, the term TRACE-Eligible Security includes:

(1) a depositary share having a liquidation preference of $1,000 or more (or a cash redemption price of $1,000 or more) that is a fractional interest in a non-convertible, preferred security and is not listed on an equity facility of a national securities exchange; and

(2) a non-convertible, preferred security having a liquidation preference of $1,000 or more (or a cash redemption price of $1,000 or more) that is not listed on an equity facility of a national securities exchange.

[1] SIFMA brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association. For more information, visit www.sifma.org.

SIFMA appreciates FINRA's thoughtful consideration of the comments previously submitted as well as the time taken to consult with investors to evaluate the potential impact of the proposals. SIFMA fully supports the substance of the proposed revisions and believes that the Amended Interpretation will indeed prevent investor confusion by allowing hybrid $1,000 depositary shares and hybrid $1,000 preferred securities to be reported to TRACE (each as defined in the Amended Interpretation). The Amended Interpretation appropriately preserves the established market practice for these securities and achieves investor protection goals consistent with the debt-like nature of the security, without being unduly burdensome. We agree that the Amended Interpretation is consistent with conclusions reached by the Commission in other contexts with respect to non-convertible preferred securities that may be classified or treated as debt securities.

SIFMA is committed to working with FINRA to ensure clarity and consistency in the application of the trade reporting rules to unique products such as hybrid securities. We will work with FINRA to identify the securities that are affected by this Amended Interpretation so that relevant transfers can be made in a coordinated manner without market disruption.

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If you have any questions with regard to this letter, please do not hesitate to contact the undersigned at [redacted] or [redacted].

Sincerely,

Sean Davy

Managing Director, Capital Markets