



1909 K Street NW • Suite 510
Washington, DC 20006
202.204.7900
www.bdamerica.org

March 15, 2016

VIA ELECTRONIC MAIL

Robert W. Errett
Deputy Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

RE: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Delay the Implementation Date of FINRA Rule 2242 (Debt Research Reports) (SR-FINRA-2016-008)

Dear Mr. Errett:

On behalf of the Bond Dealers of America (“BDA”), I am pleased to submit these comments regarding FINRA Rule 2242 on debt research reports and analysts and the rule’s recently proposed implementation-date delay. The BDA is the only DC-based group representing the interests of middle-market securities dealers and banks focused on the U.S. fixed income markets and we welcome this opportunity to present our comments.

The BDA appreciates FINRA’s release of FAQs on March 4th. The FAQs addressed important debt-research rule compliance areas. However, middle-market dealers remain concerned about the recently created uncertainty amongst market participants regarding the definition of ‘debt research report’. An overly expansive view of the population of communications that are considered ‘reasonably sufficient upon which to base an investment decision’ would go against years of precedence and practice in the equity markets, as well as have significant negative consequences for dealers and investors because it would unnecessarily curtail the ability of dealers to provide the type of timely market commentary that investors do not view as sufficient to make an investment decision, but value nonetheless. It is important for supervisors and compliance professionals to be able to determine what distinguishes market commentary from debt research in order to enable management to reasonably make compliance determinations related to the rule.

BDA members would welcome the opportunity to continue to productively engage with regulators to ensure that the compliance expectations of regulators and market participants are as clear as possible. We would also be pleased to discuss the unique role of the middle-market dealer in the U.S. fixed income market and the potential unintended consequences that a broad interpretation of this rule could have. Please do not hesitate to contact us to solicit the views and feedback of middle-market dealers.

Sincerely,

A handwritten signature in blue ink that reads "M. Nicholas". The signature is written in a cursive, flowing style.

Mike Nicholas
Chief Executive Officer