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SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 240

[Release No. 34-105004; File No. S7-2026-08]

RIN 3235-AN36

Publication or Submission of Quotations Without Specified Information

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule.

SUMMARY: The Securities and Exchange Commission ("Commission") is proposing amendments to revise a rule that governs certain information gathering and review requirements that brokers and dealers must satisfy before initiating (or resuming) any quotation for a security in a quotation medium other than a national securities exchange. The proposed amendments would revise the rule to refer to only equity securities.

DATES: Comments should be submitted on or before May 18, 2026.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (https://www.sec.gov/comments/s7-2026-08/publication-or-submission-quotations-without-specified-information); or
- Send an email to rule-comments@sec.gov. Please include File Number S7-2026-08 on the subject line.

Paper Comments:

- Send paper comments to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number S7-2026-08. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's website (https://www.sec.gov/rules-regulations/2026/01/s7-2026-08). All comments received will be posted without change. Do not include personally identifiable information in submissions; you should submit only information that you wish to make available publicly. The Commission may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

Studies, memoranda, or other substantive items may be added by the Commission or staff to the comment file during this rulemaking. A notification of the inclusion in the comment file of any such materials will be made available on the Commission's website. To ensure direct electronic receipt of such notifications, sign up through the "Stay Connected" option at www.sec.gov to receive notifications by email.

A summary of the proposal of not more than 100 words is posted on the Commission's website (https://www.sec.gov/rules-regulations/2026/03/s7-2026-08).

FOR FURTHER INFORMATION CONTACT: James Curley, Special Counsel, Laura Weber, Branch Chief, Josephine Tao, Assistant Director, Office of Trading Practices, or Carol McGee, Associate Director, Office of Derivatives Policy and Trading Practices, at (202) 551-5777, Division of Trading and Markets, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-7010.

SUPPLEMENTARY INFORMATION: The Commission is proposing to amend 17 CFR 240.15c2-11 ("Rule 15c2-11") under the Securities Exchange Act of 1934 ("Exchange Act").[1]

[1] 15 U.S.C. 78a *et seq.*

TABLE OF CONTENTS

I. Introduction 4
II. Discussion of the Proposed Rule Amendments 9
A. Amendments to Rule 15c2-11 9
B. Conforming Amendments 17
1. Specified and Supplemental Information 17
2. Exceptions 19
3. Record Preservation Requirements 22
C. Technical Amendments 23
III. General Request for Comment 23
IV. Economic Analysis 26
A. Baseline 28
1. Regulatory Baseline 28
2. Affected Securities 29
3. Affected Parties 30
B. Benefits and Costs 32
1. Affected Brokers, Dealers, QIDQSs, and RNSAs 32
2. Affected Issuers 34
3. Affected Investors 35
C. Efficiency, Competition, and Capital Formation 36
D. Reasonable Alternative 37
1. Except Crypto Securities that are Equity Securities 37
E. Request for Comment 37
V. Paperwork Reduction Act 38
A. Introduction 38
B. Rule 15c2-11 39
C. Collection of Information 40
D. Respondents 41
1. Respondents Related to Rule 15c2-11's Information Gathering and Review Requirements and Corresponding Record Preservation Requirements 41
2. Respondents Related to Rule 15c2-11's Exceptions and Corresponding Record Preservation Requirements 42
3. Respondents Related to Other Record Preservation Requirements 42
4. Respondents Related to a QIDQS's or RNSA's Written Policies and Procedures 43
E. Use of Information 43
F. Collections of Information for Equity Quotations 44

1. Burden Estimates Related to Rule 15c2-11(a)(1)(i), (a)(2), (d)(1)(i)(A), and (d)(1)(i)(B)—Broker or Dealer or QIDQS Information Gathering and Review Requirements and Corresponding Record Preservation Requirements 46
2. Burden Estimates Related to Rule 15c2-11's Exceptions and Corresponding Record Preservation Requirements 48
3. Burden Estimates Related to Other Record Preservation Requirements 56
4. Burden Estimates Related to Rule 15c2-11(a)(3)—QIDQS or RNSA Written Policies and Procedures for Making Publicly Available Determinations 58
G. Collection of Information Would Be Mandatory 59
H. Confidentiality of Responses to Collection of Information 59
I. Retention Period for Record Preservation Requirement 60
J. Request for Comment 60
VI. Present Values and Annualized Values of Monetized Benefits and Costs 62
VII. Regulatory Flexibility Act Certification 65
VIII. Congressional Review Act 67
IX. Other Matters 68

I. Introduction

Rule 15c2-11 requires that brokers and dealers give some measure of attention to financial and other information about the issuer of a security before commencing trading in that security.[2] To that end, Rule 15c2-11 requires, subject to exceptions,[3] a broker or dealer, before initiating (or resuming) any quotation for a security in a quotation medium,[4] to gather specified

[2] A broader purpose of Rule 15c2-11, however, is to prohibit brokers and dealers from establishing arbitrary quotations for infrequently traded over-the-counter ("OTC") securities in the absence of certain information. *See* Initiation or Resumption of Quotations Without Specified Information, Exchange Act Release No. 21470 (Nov. 8, 1984) [49 FR 45117 (Nov. 15, 1984)] ("1984 Release"), 49 FR 45117–18. *See also* Initiation or Resumption of Quotations by a Broker or Dealer Who Lacks Certain Information, Exchange Act Release No. 9310 (Sept. 13, 1971) [36 FR 18641 (Sept. 18, 1971)] ("1971 Release"), 36 FR 18641 ("[B]rokers and dealers should be aware that the submission or publication of a quotation at a price which does not bear a reasonable relationship to the nature and scope of the issuer's business or its financial status or experience, may constitute a part of a fraudulent or manipulative scheme.").

[3] *See* 17 CFR 240.15c2-11(f).

[4] *See* 17 CFR 240.15c2-11(e)(8) (defining the term "quotation medium" to mean any "interdealer quotation system" or any publication or electronic communications network or other device that is used by brokers or dealers to make known to others their interest in transactions in any security, including offers to buy or sell at a stated price or otherwise, or invitations of offers to buy or sell).

information regarding the security and its issuer and,[5] based upon a review of such information, along with certain supplemental information,[6] to have a reasonable basis under the circumstances for believing that such information is accurate and is from a reliable source.[7] Alternatively, a broker or dealer may submit a quotation in a quotation medium that is a qualified interdealer quotation system ("QIDQS")[8] that has made a publicly available determination that it has performed certain information gathering and review requirements,[9] if certain conditions are met.[10] Rule 15c2-11 also includes certain record preservation requirements.[11]

Rule 15c2-11 applies to quotations for securities.[12] However, several exceptions[13] and exemptions[14] apply to certain broker or dealer activities, including: quotations for securities admitted to trading on a national securities exchange;[15] quotations that represent a customer's unsolicited indication of interest ("unsolicited quotation exception");[16] quotations published or submitted in an interdealer quotation system for a security that has been the subject of a bid or offer quotation in such a system at a specified price, with no more than four business days in succession without such a quotation ("piggyback exception");[17] quotations for municipal

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5 *See* 17 CFR 240.15c2-11(b) ("Rule 15c2-11(b)").

6 *See* 17 CFR 240.15c2-11(c) ("Rule 15c2-11(c)").

7 *See* 17 CFR 240.15c2-11(a) ("Rule 15c2-11(a)").

8 *See* 17 CFR 240.15c2-11(e)(6).

9 *See* 17 CFR 240.15c2-11(a)(1)(ii).

10 *See* 17 CFR 240.15c2-11(a)(2).

11 *See* 17 CFR 240.15c2-11(d) ("Rule 15c2-11(d)").

12 *See* 17 CFR 240.15c2-11(a).

13 *See* 17 CFR 240.15c2-11(f) ("Rule 15c2-11(f)").

14 *See infra* notes 22–24.

15 *See* 17 CFR 240.15c2-11(f)(1).

16 *See* 17 CFR 240.15c2-11(f)(2).

17 *See* 17 CFR 240.15c2-11(f)(3).

securities;[18] quotations for securities that meet certain average daily trading volume ("ADTV") value and total asset and shareholder equity criteria ("ADTV and asset test exception");[19] quotations for a security by a broker or dealer that is named as an underwriter in a registration statement or offering statement for that class of security ("underwritten offering exception");[20] and quotations that rely on a publicly available determination by a QIDQS or registered national securities association ("RNSA") that the requirements of certain of these exceptions are met.[21] Rule 15c2-11 does not apply to certain exempted securities,[22] including, among others, certain government securities, such as securities which are direct obligations of, or obligations guaranteed as to principal or interest by, the United States.[23] Additionally, in 2023, the Commission provided an exemption from Rule 15c2-11 for fixed-income securities that are sold in compliance with the safe harbor in 17 CFR 230.144A ("Rule 144A") under the Securities Act of 1933 ("Securities Act").[24]

Adopted in 1971, Rule 15c2-11 was designed to prevent certain manipulative and fraudulent trading schemes that had arisen in connection with the distribution and trading of

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18 *See* 17 CFR 240.15c2-11(f)(4). *See also infra* note 23.

19 *See* 17 CFR 240.15c2-11(f)(5).

20 *See* 17 CFR 240.15c2-11(f)(6).

21 *See* 17 CFR 240.15c2-11(f)(7).

22 *See* 15 U.S.C. 78*o*(c)(2)(A) (removing certain exempted securities from the scope of Rule 15c2-11).

23 *See* 15 U.S.C. 78c(a)(12). Municipal securities are not deemed to be "exempted securities" for the purposes of section 15 (or section 17A) of the Exchange Act. *See* 15 U.S.C. 78c(a)(12)(B)(ii); Pub. L. No. 94-29 sec. 3(3), 89 Stat. 97, 97–98 (1975). However, in 1976, the Commission adopted an exception from Rule 15c2-11 for municipal securities. *See* Regulation of Municipal Securities Professionals and Transactions in Municipal Securities, Exchange Act Release No. 12468 (May 20, 1976) [41 FR 22820 (June 7, 1976)]. Although municipal securities have been excepted from Rule 15c2-11 since 1976, a robust municipal securities disclosure regime has developed since the Commission's adoption of Exchange Act Rule 15c2-12 in 1989. *See* 17 CFR 240.15c2-12.

24 *See* Order Granting Broker-Dealers Exemptive Relief, Pursuant to Section 36(a) and Rule 15c2-11(g) under the Securities Exchange Act of 1934, from Rule 15c2-11 for Fixed-Income Securities Sold in Compliance with the Safe Harbor of Rule 144A under the Securities Act of 1933, Exchange Act Release No. 98819 (Oct. 30, 2023) [88 FR 75343 (Nov. 2, 2023)] ("144A Exemptive Release").

unregistered securities issued by shell corporations or other companies having outstanding but infrequently traded securities.[25] In 2020, to provide greater transparency of information and to allow investors to effectively analyze the market for quoted OTC securities, the rule was amended to require that specified information be current and publicly available for brokers and dealers to publish a quotation for, or maintain a continuous quoted market in, a security in a quotation medium.[26] Following the adoption of the 2020 amendments to Rule 15c2-11,[27] numerous industry participants stated that they never understood Rule 15c2-11 to apply to non-equity securities and expressed concerns with the potential burdens of applying the amended rule to fixed-income securities.[28] In September 2021, the Commission approved amendments to FINRA's rule implementing the 2020 amendments to Rule 15c2-11.[29] FINRA has always

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25 *See* 1971 Release, 36 FR 18641 ("fraudulent and manipulative potential . . . exists when a broker or dealer submits quotations concerning any infrequently traded security in the absence of certain information"); Initiation or Resumption of Quotations Without Specified Information, Exchange Act Release No. 19673 (Apr. 14, 1983) [48 FR 17111 (Apr. 21, 1983)] ("1983 Release"), 48 FR 17112.

26 *See* Exchange Act Release No. 89891 (Sept. 16, 2020) [85 FR 68124 (Oct. 27, 2020)] ("2020 Release"), 85 FR 68140.

27 *See supra* note 26.

28 *See generally* Letter from Christopher B. Killian, Managing Director, Securities Industry and Financial Markets Assoc. ("SIFMA") and Lindsey Weber Keljo, Managing Director, Securities Industry and Financial Markets Assoc. – Asset Management Group ("SIFMA AMG") (Mar. 2, 2026) ("SIFMA Letter"); Letter from Paul Cellupica, General Counsel, Investment Company Institute ("ICI") and Lindsey Weber Keljo, Managing Director, SIFMA AMG (Nov. 21, 2024) ("ICI Letter"), *available at* https://www.ici.org/system/files/2024-11/24-cl-joint-rule-15c2-11-extension.pdf; Letter from Kristi Leo, President, Structured Finance Assoc. ("SFA") (Dec. 9, 2021) ("SFA Letter"), *available at* https://structuredfinance.org/wp-content/uploads/2021/12/SFA_15c2-11_vf_website-1.pdf; Group Letter from Lindsey Weber Keljo, Managing Director, SIFMA AMG, et al. (Sept. 23, 2021) ("SIFMA AMG Group Letter"), *available at* https://www.sifma.org/wp-content/uploads/2021/09/Investor-15c2-11-letter-final-2021-09-23.pdf; Letter from Christopher B. Killian, Managing Director, SIFMA and Michael Decker, Senior Vice President, Bond Dealers of America ("BDA") (Aug. 26, 2021) ("BDA Letter"), *available at* https://www.sifma.org/wp-content/uploads/2021/09/SIFMA-BDA-Exemptive-Request-FI-2021-08-26.pdf (in part discussing that "the fixed income markets are different from the equity markets due to the variety of types of securities, the large number of fixed income securities, the lack of exchange trading, and the infrequency of trading of particular fixed income securities, among other things.").

29 *See* Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Granting Approval of a Proposed Rule Change Relating to Members' Filing Requirements Under FINRA Rule 6432 (Compliance With the Information Requirements of SEA Rule 15c2-11), Exchange Act Release No. 92932 (Sept. 10, 2021) [86 FR 51700 (Sept. 16, 2021)] ("Rule 6432 Order").

structured its rule to apply to only equity securities that are not traded on a national securities exchange.[30] After industry participants shared their concerns regarding Rule 15c2-11's application, the Commission provided exemptive relief and the staff issued a no-action letter addressing the vast majority of fixed-income securities.[31]

As discussed below in Part II, consistent with the Commission's provision of exemptive relief and the staff's issuance of a no-action letter for certain fixed-income securities,[32] as well as with other Commission proposals identifying certain non-equity securities as not requiring Rule 15c2-11's protections,[33] the Commission is proposing amendments to Rule 15c2-11 to replace the terms "security" and "securities" with the terms "equity security" or "equity securities." Under the proposal, "equity security" (or "equity securities") would be as defined in 17 CFR 240.3a11-1" ("Rule 3a11-1").

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30 *See* Rule 6432 Order, 49 FR 51701 n.10. *See also* Letter from Daniel Zinn, General Counsel, and Cass Sanford, Associate General Counsel, OTC Markets Group Inc., (July 6, 2021) (supporting the application of the proposed rule changes to the OTC equities market), *available at* https://www.sec.gov/comments/sr-finra-2021-014/srfinra2021014-9038478-246207.pdf.

31 *See* 144A Exemptive Release. In addition, in 2024, the Division of Trading and Markets issued a no-action letter that addresses certain other fixed-income securities. *See* Letter from Josephine J. Tao, Assistant Director, Division of Trading and Markets, SEC, to Racquel Russell, Senior Vice President and Director of Capital Markets Policy, Office of the General Counsel, Financial Industry Regulatory Authority, Inc. ("FINRA") (Nov. 22, 2024) ("2024 No-Action Letter"), *available at* https://www.sec.gov/files/investment/no-action/fixed-income-rule-15c2-11-no-action-letter-finra-112224.pdf. Staff no-action letters and other staff documents (including those cited herein) represent the views of Commission staff and are not a rule, regulation, or statement of the Commission. The Commission has neither approved nor disapproved the content of these documents and, like all staff statements, they have no legal force or effect, do not alter or amend applicable law, and create no new or additional obligations for any person.

32 *See* 144A Exemptive Release; 2024 No-Action Letter.

33 *See* Publication or Submission of Quotations Without Specified Information, Exchange Act Release No. 39670 (Feb. 17, 1998) [63 FR 9661 (Feb. 25, 1998)] ("1998 Release"), 63 FR 9669 (stating that "[d]ebt securities frequently are held by institutional investors, and it does not appear that they have been the subject of the abuses that [Rule 15c2-11] is intended to address"); Publication or Submission of Quotations Without Specified Information, Exchange Act Release No. 41110 (Feb. 25, 1999) [64 FR 11124 (Mar. 8, 1999)] ("1999 Release"), 64 FR 11128–30 (stating that "applying [Rule 15c2-11] to . . . certain fixed-income debt securities is not directly related to microcap fraud concerns" and "proposing to exclude [from Rule 15c2-11] debt securities, non-participatory preferred stock, and investment grade asset-backed securities"); 2019 Release, 84 FR 58230, 58239.

II. Discussion of the Proposed Rule Amendments

A. Amendments to Rule 15c2-11

The proposed amendments would replace the terms "security" and "securities" in Rule 15c2-11 with the terms "equity security" or "equity securities," as defined in Rule 3a11-1,[34] but would not otherwise change the substantive information gathering and review requirements under existing Rule 15c2-11(a) that brokers and dealers must satisfy before initiating (or resuming) any quotation for equity securities in a quotation medium.

Exchange Act Rule 3a11-1 includes a broad range of equity interests[35] and provides more specificity than 15 U.S.C. 78c(a)(11) ("section 3(a)(11)"), which also defines the term "equity security."[36] Leveraging the definition in Rule 3a11-1 should provide more clarity with respect to which securities are subject to the rule than referencing the statutory definition. In addition, Rule 3a11-1 provides a definition that should be familiar to issuers who are tracking their obligations under Exchange Act section 12(g). Accordingly, the Commission is proposing to amend paragraph (a)(1) of Rule 15c2-11 by replacing the word "security" with "an equity security as defined in § 240.3a11-1 of this chapter."[37]

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34 Rule 3a11-1 defines "equity security" as "any stock or similar security, certificate of interest or participation in any profit sharing agreement, preorganization certificate or subscription, transferable share, voting trust certificate or certificate of deposit for an equity security, limited partnership interest, interest in a joint venture, or certificate of interest in a business trust; any security future on any such security; or any security convertible, with or without consideration into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any put, call, straddle, or other option or privilege of buying such a security from or selling such a security to another without being bound to do so." *See* 17 CFR 240.3a11-1.

35 *See* Equity Securities; Exemptions from Registration, Exchange Act Release No. 7581 (Apr. 23, 1965) [30 FR 6114 (Apr. 30, 1965)] 30 FR 6114–15.

36 Exchange Act section 3(a)(11) defines the term "equity security" to mean "any stock or similar security; or any security future on any such security; or any security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security which the Commission shall deem to be of similar nature and consider necessary or appropriate, by such rules and regulations as it may prescribe in the public interest or for the protection of investors, to treat as an equity security."

37 *See infra* Part IX including proposed amended Rule 15c2-11(a)(1).

As discussed below, Rule 3a11-1 defines the term "equity security" as used in Exchange Act section 12(g),[38] which is one of the triggers of the information requirements specified in Rule 15c2-11(b).[39] Accordingly, under the proposal, Rule 15c2-11 would continue to apply to brokers and dealers initiating (or resuming) quotations in a quotation medium for any equity security as defined in Rule 3a11-1.[40] The Commission is also proposing conforming amendments to other provisions of the rule, such as the specified and supplemental information in Rule 15c2-11(b) and Rule 15c2-11(c), respectively, that must be reviewed, as well as to the rule's record preservation requirements and exceptions in Rule 15c2-11(d) and Rule 15c2-11(f), respectively, to specify that only equity securities would be subject to these provisions. The Commission is also proposing non-substantive, grammatical corrections to three provisions of the rule.

Regarding the proposed amendments' application to crypto assets,[41] to the extent a crypto asset is an equity security, as defined in Rule 3a11-1, Rule 15c2-11 would apply to brokers and dealers initiating (or resuming) quotations for those crypto assets in a quotation medium.

By proposing to revise Rule 15c2-11 to refer to only equity securities, the Commission does not intend to, and the proposed rule would not, excuse brokers and dealers from their duty to comply with applicable registration[42] and antifraud provisions of the Federal securities laws

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38 *See supra* note 35.

39 *See* 17 CFR 240.15c2-11(b)(3), (b)(4).

40 17 CFR 240.3a11-1. The other provisions of Rule 15c2-11 would continue to apply, including the exceptions in paragraph (f).

41 A "crypto asset" is any digital representation of value that is recorded on a cryptographically secured distributed ledger. The foregoing definition of "crypto asset" is identical to the definition of "Digital Asset" in section 2(6) of the Guiding and Establishing National Innovation for U.S. Stablecoins Act, Pub. L. No. 119-27, 139 Stat. 419 (2025).

42 For example, Rule 15c2-11 has no bearing on whether brokers or dealers may rely on the section 4(a)(3) or 4(a)(4) exemptions from registration under the Securities Act.

and Commission rules, including their duty to make reasonable inquiry with respect to non-equity securities.[43]

The Commission proposes a compliance date for the proposed amendments that is the same as the effective date, and an effective date that is 60 days after publication of the proposed amendments in the Federal Register. This approach would limit the amount of time before the applicability of Rule 15c2-11's proposed revision to refer to only equity securities, as defined in Rule 3a11-1.

In proposing to revise Rule 15c2-11 to refer to only equity securities, the Commission recognizes that the regulatory concerns that prompted the Commission's adoption of and subsequent amendments to Rule 15c2-11 were manipulative schemes observed in the OTC equity markets, particularly for the shares of issuers with little or no business activity or assets.[44] The Commission stated when adopting Rule 15c2-11 in 1971 that "these concerns exist when a broker or dealer submits quotations concerning any infrequently traded security in the absence of certain information."[45] Therefore, the rule was designed to prevent brokers and dealers from initiating market making activities that were critical to the success of certain manipulative and fraudulent trading schemes with a focus on the OTC equity markets.[46]

The Commission also previously explored whether to explicitly except non-equity

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43 *See, e.g.*, 1971 Release, 36 FR 18641. *See also* 1999 Release, 64 FR 11147.

44 *See* Spin Offs and Shell Corporations, Exchange Act Release No. 8638 (July 2, 1969) [34 FR 11581 (July 15, 1969)]. *See also* 1983 Release, 48 FR 17111–12; Initiation or Resumption of Quotations Without Specified Information, Exchange Act Release No. 27247 (Sept. 14, 1989) [54 FR 39194 (Sept. 25, 1989)] ("1989 Release"), 54 FR 39195; Initiation or Resumption of Quotations Without Specified Information, Exchange Act Release No. 29094 (Apr. 17, 1991) [56 FR 19148 (Apr. 25, 1991)] ("1991 Release"), 56 FR 19159; 1999 Release, 64 FR 11148, 11150; Publication or Submission of Quotations Without Specified Information, Exchange Act Release No. 87115 (Sept. 25, 2019) [84 FR 58206 (Oct. 30, 2019)] ("2019 Release"), 84 FR 58219.

45 1971 Release, 36 FR 18641.

46 *See* 1971 Release, 36 FR 18641; 1983 Release, 48 FR 17112.

securities, particularly fixed-income securities, from the rule. For instance, in requesting comment in the 1999 Release as to whether to except fixed-income securities from the rule, the Commission stated that the type of issuer information required by Rule 15c2-11 is much less relevant to the pricing and trading of fixed-income securities.[47] In that proposal, the Commission also stated that fraud and manipulation in microcap securities has not been evident in the fixed-income market, and that non-convertible debt securities and investment grade asset-backed securities generally trade at prices and in denominations that make them less likely targets for manipulation.[48] Many commenters to the 1998 Release concurred, and asked that amendments be crafted to cover only those equity securities most likely to be prone to abusive activities.[49]

In 2020, the Commission amended Rule 15c2-11 to require that certain information about a security be current and publicly available for a broker or dealer to initiate (or resume) a quotation for it.[50] In doing so, the Commission stated that it was seeking to further protect retail investors from fraud and manipulation in the OTC market.[51] While these amendments were intended to enhance protections for retail investors in equity securities,[52] such as by requiring that the information be both current and publicly available, they created potential operational and liquidity difficulties with regard to non-equity securities, for which the applicable information was less likely to be current and publicly available.[53]

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47 *See* 1999 Release, 64 FR 11130.

48 *See* 1999 Release, 64 FR 11130.

49 *See* 1999 Release, 64 FR 11128. The Commission did not act on the proposal.

50 *See* 2020 Release.

51 *See* 2020 Release, 85 FR 68128.

52 *See* 2020 Release, 85 FR 68125.

53 *See, e.g.*, SIFMA AMG Group Letter, at 7 (addressing fixed-income securities); SFA Letter, at 4–5 (addressing asset-backed securities).

In 2023, the Commission issued exemptive relief for fixed-income securities sold in reliance on Rule 144A[54] because issuers of such securities must provide information to investors (including potential investors) upon request, and such investors—who must be qualified institutional buyers—would be able to use the provided information to make better informed investment decisions and assess potential risks in investing in the securities.[55] Market participants stated that, without relief, the amended rule would undermine its intended purpose because issuers of such securities would reduce information flow and possibly go dark because making such information available to the general public, rather than to only persons who are qualified to invest in such securities would, among other things, reveal confidential information.[56]

In 2024, the staff issued a no-action letter that addressed numerous categories of fixed-income securities.[57] The staff issued this letter in response to various concerns by market participants including that, unlike the equity markets, there is no infrastructure where the rule's required current information for fixed-income securities is consolidated and publicly available.[58] Information on OTC equity securities has been available and consolidated on various sources, such as OTC Markets and Bloomberg, for some time. Information on non-equity securities is not

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54 17 CFR 230.144A. *See also* No. 33–6862 (Apr. 23, 1990), 55 FR 17933, 17939 n.55 (Apr. 30, 1990) ("Rule 144A Adopting Release") (noting the applicability of Rule 15c2-11 to Rule 144A offerings).

55 *See* 144A Exemptive Release.

56 *See, e.g.,* Letter from Andrew Pincus, Petition for Rulemaking and Application for Exemption from Rule 15c2-11 (Nov. 22, 2022), *available at* https://www.sec.gov/files/rules/petitions/2022/petamend-rule-15c211-4795.pdf.

57 *See* 2024 No-Action Letter. Although the Commission's exemptive relief and the staff's no-action letter address the vast majority of fixed-income securities, they do not encompass all non-equity securities. The 2024 No-Action Letter superseded staff no-action letters that were issued starting in 2021.

58 *See* SIFMA AMG Group Letter, at 6 (stating that for fixed-income securities "there is currently no infrastructure for compliance with the Rule"); SFA Letter, at 2 (stating that "Rule 15c2-11 information is not materially relevant to ABS and therefore such information is not available"); BDA Letter, at 4 (stating that "accurate volume data is not available [for fixed-income securities]").

similarly consolidated and thus often not publicly available or easily accessible,[59] creating burdens on brokers and dealers to ensure that current Rule 15c2-11 information remains publicly available before initiating or resuming quotations—a requirement that did not exist prior to 2020.[60] Similar to the reasons behind the Commission's exemption for fixed-income securities sold under Rule 144A, investors in the securities covered by the no-action letter are often sophisticated or qualified investors.[61]

Further, many exceptions from Rule 15c2-11 available to equity securities traded on OTC markets are not typically available to non-equity securities.[62] As the Commission has previously stated, such exceptions help reduce unnecessary burdens on brokers and dealers and enhance the efficiency of the OTC market.[63] For instance, Rule 15c2-11 includes an exception for securities listed on national securities exchanges if certain conditions are met, but few fixed-income securities are listed on a national securities exchange.[64] In addition, the exceptions that rely on the worldwide ADTV value,[65] or those premised on the frequency of quotations,[66] would not

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59 *See, e.g.*, SIFMA Letter, at 6 (stating that "there is a party (a qualified interdealer quotation system, or QIDQS) in the OTC equity markets that makes determinations of public availability of information upon which dealers may rely for Rule 15c2-11 compliance. Since 2021, no vendors, SROs, bond exchanges or ATSs have stepped forward to take this role in the fixed-income [markets]"); *supra* note 58.

60 *See, e.g.*, The Detriment of Rule 15c2-11's Application to Fixed Income Markets, Joe Corcoran, SIFMA (Sept. 12, 2022), *available at* https://www.sifma.org/news/blog/the-detriment-of-rule-15c2-11s-application-to-fixed-income-markets-the-consequences-of-unilateral-rulemaking-without-public-comment.

61 *See* ICI Letter, at 3 ("in the fixed income market . . . traders are overwhelmingly institutional investors"); SFA Letter, at 3 ("Unlike the equity markets which include substantial retail investment, the fixed income markets are largely institutional.").

62 *See* SIFMA AMG Group Letter, at 7 (requesting that the Commission "revise the Rule in a manner that is consistent with the structure of the [fixed-income] markets, with workable provisions and exceptions").

63 *See* 2020 Release, 85 FR 68140.

64 *See* 17 CFR 240.15c2-11(f)(1). 15 U.S.C. 78l(g) ("section 12(g)") of the Exchange Act applies to equity securities, making it more likely that current and publicly available information is readily available to brokers and dealers for review. *See infra* note 69.

65 *See* 17 CFR 240.15c2-11(f)(5).

66 *See* 17 CFR 240.15c2-11(f)(3).

typically be available to non-equity securities because accurate volume data is often not available and such securities can be infrequently traded or quoted. The result is a more burdensome rule for non-equity securities.

Finally, the types of information required by the rule can be burdensome to locate or may be nonexistent for non-equity securities. As noted above, Rule 3a11-1 defines the term "equity security" as used in Exchange Act section 12(g),[67] which only applies to equity securities,[68] and registration pursuant to section 12(g) is one of the triggers for many of the information requirements specified in Rule 15c2-11(b).[69] Therefore, paragraph (b) information is more likely to be readily available to brokers and dealers with respect to equity securities than it is for non-equity securities, given the affirmative registration requirements imposed on certain issuers of equity securities, but not non-equity securities, by section 12(g). Section 12(g)(1) of the Exchange Act and 17 CFR 240.12g-1 ("Rule 12g-1") promulgated thereunder generally require an issuer to register a class of equity securities if the issuer of the securities, at the end of its fiscal year, has more than $10,000,000 in total assets and a class of equity securities held of record by either 2,000 persons or 500 persons who are not accredited investors.[70] Every issuer of a class of equity securities registered pursuant to section 12(g) is required to file with the Commission periodic and current reports pursuant to section 13(a) of the Exchange Act, which

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67 *See supra* note 35.

68 *See* 15 U.S.C. 78l(g)(1)(A).

69 *See* 17 CFR 240.15c2-11(b)(3), (b)(4). Although issuers of non-equity securities would incur reporting obligations under 15 U.S.C. 78m(a) ("section 13(a)") or 15 U.S.C. 78o(d) ("section 15(d)") of the Exchange Act to the extent they choose to list a class of non-equity securities on a national securities exchange or conduct a registered offering of non-equity securities, section 12(g) does not apply to non-equity securities and there is no comparable provision that mandates registration of a class of non-exchange traded non-equity securities under the Exchange Act.

70 *See* 15 U.S.C. 78l(g)(1); 17 CFR 240.12g-1.

would help to satisfy the paragraph (b)(3) information requirements.[71] In addition, market participants have expressed concerns that, with respect to issuers of fixed-income or other non-equity securities that have not incurred a reporting obligation under the Exchange Act and have not filed a registration or offering statement with respect to the non-equity securities, the "catch-all" information specified in Rule 15c2-11(b)(5) often is not current or publicly available.[72]

For the reasons discussed above, the Commission is proposing amendments to revise the rule to refer to only equity securities.

Request for Comments

The Commission generally requests comment from the public on this aspect of the proposal. More specific requests for comment are set forth below. As much as possible, commenters are requested to provide empirical data in support of any arguments or analyses and to offer explanations for their views.

Q1. The Commission is proposing to use the equity security definition in Rule 3a11-1. Does this definition provide adequate specificity to market participants as to Rule 15c2-11's scope? If not, what other amendment(s) to Rule 15c2-11 would be required to provide such specificity?

Q2. Is there another or alternative equity security definition that is more appropriate (than the definition in Rule 3a11-1) to be referenced in Rule 15c2-11? Please explain.

Q3. Should a definition of equity security be added to paragraph (e) of Rule 15c2-11?

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71 *See* 17 CFR 240.15c2-11(b)(3).

72 *See, e.g.*, ICI Letter, at 3; SFA Letter, at 4.

Q4. If the Commission adds a definition of equity security to Rule 15c2-11, should the definition incorporate all of Rule 3a11-1's elements or only a subset of the different types of equity securities listed under Rule 3a11-1? For example, should the definition exclude security futures, which are required to be traded on a national securities exchange pursuant to 15 U.S.C. 78f(h)(1) (section 6(h)(1)) of the Exchange Act, or puts, calls, options or privileges?[73] Please explain.

B. Conforming Amendments

The Commission is proposing conforming amendments throughout Rule 15c2-11 in light of its proposal to revise Rule 15c2-11 to refer to only equity securities, as defined in Rule 3a11-1.

1. Specified and Supplemental Information

Under the proposed amendments, documents and information concerning only equity securities would need to be gathered and reviewed in satisfying Rule 15c2-11's information gathering and review requirements, except with regard to the existing requirement in paragraph (c)(2) concerning any trading suspension order, issued by the Commission within a certain timeframe, regarding "any securities" of the security's issuer or its predecessor.[74] The documents and information that are required to be gathered and reviewed are specified, (1) with regard to issuers and their securities, in paragraph (b) of Rule 15c2-11 ("paragraph (b) information") and,

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[73] *See, e.g.*, Letter from Karl Trinko (Mar. 3, 2026), *available at* https://www.sec.gov/files/rules/petitions/2026/petn4-888.pdf (discussing the securities of certain royalty trusts).

[74] Reviewing the information in trading suspension orders, regardless of the type or class of securities to which the suspension applies, is important because it can apprise brokers and dealers of questions the Commission has raised regarding the issuer or its securities that should be considered when they determine to publish quotations. *See* 1991 Release, 56 FR 19154. Limiting the required review of trading suspension orders to only equity securities could prevent brokers and dealers from being alerted to the possibility that information in their possession concerning the issuer may no longer be accurate. *See* 1991 Release, 56 FR 19153. *See also* 1989 Release, 54 FR 39196 (stating that "it is essential that a broker-dealer considering submitting quotations for a security be alert to unusual circumstances that may be present, such as the issuance of a trading suspension").

(2) with regard to certain supplemental information, in paragraph (c) of Rule 15c2-11 ("supplemental information").[75]

Paragraph (b) information generally references certain types of Commission filings (e.g., prospectus, offering circular, annual report or statement, or periodic or current report)[76] or other documents and information,[77] depending on the regulatory status of the issuer of the security that is the subject of a broker's, dealer's, or QIDQS's review. Certain paragraph (b) information currently includes the term "security." The proposal, therefore, includes conforming amendments to paragraph (b) to specify that documents and information regarding only equity securities must be gathered and reviewed. The Commission is proposing to replace the term "security" with the defined term "equity security" in the following paragraphs of Rule 15c2-11: paragraph (b)(3)(v), with respect to an annual statement referred to in section 12(g)(2)(G)(i) of the Exchange Act; paragraph (b)(4), with respect to a copy of the information that must be published for a foreign private issuer to meet the exemption from having to register a class of securities under section 12(g) of the Exchange Act; and paragraphs (b)(5)(i)(D), (b)(5)(i)(E), (b)(5)(i)(F), (b)(5)(i)(P), and (b)(5)(ii), with respect to information regarding an issuer that generally is not subject to statute- or rule-based disclosure and reporting requirements under the Federal securities laws.[78] Additionally, the Commission is proposing to add the word "equity" in front of the word "security" in the introductory paragraph of Rule 15c2-11(c). These conforming amendments are being proposed only for the purpose of specifying Rule 15c2-11's scope and do not change the

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75 *See* 17 CFR 240.15c2-11(a)(1)(i)(C), (a)(2)(iii).

76 *See* 17 CFR 240.15c2-11(b)(1) through (3).

77 *See* 17 CFR 240.15c2-11(b)(4), (b)(5).

78 The Commission is also proposing a non-substantive, grammatical amendment to change the word "a," which precedes the word "security" in the existing rule, to "an," which would precede the words "equity security" in paragraph (b)(3)(v).

requirements or prohibitions of any other Exchange Act sections or rules referenced in Rule 15c2-11.

Request for Comments

The Commission generally requests comment from the public on this aspect of the proposal. More specific requests for comment are set forth below. As much as possible, commenters are requested to provide empirical data in support of any arguments or analyses and to offer explanations for their views.

Q5. In satisfying Rule 15c2-11's information gathering and review requirements concerning any security, a broker, dealer, or QIDQS currently must, under paragraph (c)(2), gather and review (if any) a copy of any trading suspension order, issued by the Commission within a certain timeframe, regarding "any securities" of the security's issuer or its predecessor.[79] If the Commission were to adopt the proposal to revise Rule 15c2-11 to refer to only equity securities, should the supplemental information in paragraph (c)(2) also be revised to specify "any equity securities" of the issuer or its predecessor? Would it raise any investor protection concerns if trading suspension orders for only equity securities were required to be reviewed for purposes of satisfying Rule 15c2-11's information gathering and review requirements? Please explain.

2. Exceptions

In light of the Commission's proposal to revise Rule 15c2-11 to refer to only equity securities, the Commission is proposing conforming amendments to specify that Rule 15c2-11's conditional exceptions in paragraph (f) would cover quotations for only equity securities. Certain

[79] *See supra* note 74.

of these exceptions currently include the word "security." The Commission is therefore proposing to add the word "equity" in front of the word "security" in the following paragraphs of Rule 15c2-11: paragraph (f)(1), with respect to quotations for securities traded on a national securities exchange; paragraphs (f)(3)(i)(A), (f)(3)(i)(B), (f)(3)(i)(B)(*2*), (f)(3)(i)(C), and (f)(3)(ii), with respect to the "piggyback" exception for regular and frequent priced quotations; paragraphs (f)(5)(i) and (f)(5)(ii), with respect to quotations for securities that meet a specified ADTV value and asset test; and paragraph (f)(6), with respect to quotations for securities issued in underwritten offerings.[80] Rule 15c2-11's other exceptions—in paragraph (f)(2), concerning quotations representing a customer's unsolicited indication of interest,[81] and in paragraph (f)(7), concerning quotations published in reliance on a publicly available determination from a QIDQS or RNSA that the conditions of certain rule exceptions are met[82]—do not include the word "security" but, under the proposal, similarly would cover quotations for only equity securities.

Additionally, the Commission is proposing to remove Rule 15c2-11's existing exception for municipal securities, in paragraph (f)(4), because this exception is expected to no longer be

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80 The Commission is also proposing non-substantive, grammatical amendments to change the word "a," which precedes the word "security" in the existing rule, to "an," which would precede the words "equity security" in certain of these paragraphs: (f)(1), (f)(3)(i)(A), (f)(3)(i)(C), (f)(5)(i), and (f)(6).

81 Brokers and dealers are reminded that the exception in paragraph (f)(2) is available only for quotations representing an unsolicited indication of interest from a customer (other than a person acting as or for a dealer). The exception would not apply to a broker's or dealer's proprietary order that is routed by or through another broker or dealer because a broker's or dealer's proprietary order does not originate with a customer. *See* 1984 Release, 49 FR 45119–20 n.13.

82 A broker or dealer may publish quotations in reliance on a QIDQS's or RNSA's publicly available determination that the conditions of any of the following Rule 15c2-11 exceptions are met: (f)(1), (f)(3)(i), or (f)(4) or (5). *See* 17 CFR 240.15c2-11(f)(7). A QIDQS or RNSA can also make a publicly available determination that paragraph (b) information is current and publicly available for purposes of satisfying the conditions in paragraph (f)(2)(iii)(B) or paragraph (f)(3)(ii)(A). A QIDQS or RNSA that makes any such publicly available determination must establish, maintain, and enforce certain reasonably designed written policies and procedures. *See* 17 CFR 240.15c2-11(a)(3). Although paragraph (a)(3) of Rule 15c2-11 does not include the word "security," under the proposal, its requirements would be applied with respect to making any publicly available determination (described in paragraph (f)(2)(iii)(B), paragraph (f)(3)(ii)(A), or paragraph (f)(7)) concerning an equity security.

needed if Rule 15c2-11 referred to only equity securities.[83] The Commission similarly is proposing a conforming amendment in paragraph (f)(7) (quotations published in reliance on a publicly available determination from a QIDQS or RNSA that the conditions of certain rule exceptions are met) to remove the existing reference to the municipal securities exception in paragraph (f)(4) because the municipal securities exception would be removed from Rule 15c2-11.

Request for Comments

The Commission generally requests comment from the public on this aspect of the proposal. More specific requests for comment are set forth below. As much as possible, commenters are requested to provide empirical data in support of any arguments or analyses and to offer explanations for their views.

Q6. Should Rule 15c2-11 continue to include an exception for municipal securities, in paragraph (f)(4), if Rule 15c2-11 were revised to refer to only equity securities? What would be the purpose or advantage of preserving such an exception if Rule 15c2-11 referred to only equity securities? Do commenters know of, or anticipate the possibility of, any municipal securities being structured in a way that meets the definition of the term "equity security," as defined in Rule 3a11-1?

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[83] In addition, although municipal securities have been excepted from Rule 15c2-11 since 1976, a robust municipal securities disclosure regime has developed since the Commission's adoption of Exchange Act Rule 15c2-12 in 1989. *See* 17 CFR 240.15c2-12 (adopted "[a]s a means reasonably designed to prevent fraudulent, deceptive, or manipulative acts or practices"). Furthermore, the MSRB requires brokers, dealers, and municipal securities dealers to make separate time of trade disclosures that protect individual investors in the municipal securities market. *See* MSRB Rule G-47 (requiring brokers, dealers, and municipal securities dealers to disclose to customers at or prior to the time of trade all material information known or available publicly through established industry sources).

3. Record Preservation Requirements

Paragraph (d) of Rule 15c2-11 sets forth requirements for any broker, dealer, QIDQS, or RNSA to preserve records that support, as applicable, their satisfaction of the information gathering and review requirements, reliance on certain Rule 15c2-11 exceptions, a publicly available determination made pursuant to paragraph (a)(2)(iv) or paragraph (a)(3), or reliance on any such publicly available determination.[84] In light of the proposal to revise Rule 15c2-11 to refer to only equity securities, the Commission is proposing conforming amendments to specify the scope of Rule 15c2-11's record preservation requirements, some of which currently include the word "security." The Commission is therefore proposing to add the word "equity" in front of the word "security" in paragraphs (d)(1)(i)(A) and (d)(1)(i)(B) of Rule 15c2-11, which pertain to supporting documents and information for the information gathering and review requirements.[85] Rule 15c2-11's other record preservation requirements[86] currently do not include the word "security" but, under the proposal, similarly would be applied only with respect to brokers' or dealers' quotations for equity securities or any QIDQS's or RNSA's publicly available determinations regarding equity securities.

Additionally, the Commission is proposing to amend the existing record preservation requirement in paragraph (d)(2)(ii) for any broker or dealer that relies on a publicly available determination described in paragraph (f)(7), if the publicly available determination pertains to the availability of the municipal securities exception in paragraph (f)(4). As discussed above, in Part II.B.2, the Commission is proposing to remove the municipal securities exception, as well as

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84 *See* 17 CFR 240.15c2-11(d)(1), (d)(2).

85 The Commission is also proposing non-substantive, grammatical amendments to change the word "a," which precedes the word "security" in the existing rule, to "an," which would precede the words "equity security" in these paragraphs.

86 *See* 17 CFR 240.15c2-11(d)(1)(ii), (d)(2), (d)(2)(i), (d)(2)(ii).

the reference to that exception in paragraph (f)(7). In light of these proposed amendments, the Commission is proposing a conforming amendment in paragraph (d)(2)(ii) to remove the existing reference to paragraph (f)(4) because it would no longer be appropriate to include if the exception that serves as a basis for this record preservation requirement were removed.

C. Technical Amendments

The Commission is proposing three technical, grammatical corrections to Rule 15c2-11 that would not change the meaning or operation of any of the rule's provisions. Specifically, paragraph (f)(3)(ii) of the piggyback exception currently erroneously repeats the word "in." The proposed amendments would remove the second, redundant "in" from this provision. Additionally, the word "federal" appears twice in Rule 15c2-11, in paragraphs (b)(5)(i)(P) and (e)(5). The proposed amendments would capitalize the word "Federal" in both instances.

Request for Comments

The Commission generally requests comment from the public on this aspect of the proposal. As much as possible, commenters are requested to provide empirical data in support of any arguments or analyses and to offer explanations for their views.

III. General Request for Comment

The Commission generally requests comment from the public on all aspects of the proposal. As much as possible, commenters are requested to provide empirical data in support of any arguments or analyses and to offer explanations for their views.

Q7. As discussed above, in Parts I and II, the Commission is proposing to revise Rule 15c2-11 to refer to only equity securities, as defined in Rule 3a11-1, without changing any of the rule's other requirements or conditions. Do commenters believe that the proposed amendments should involve any changes to Rule 15c2-

11's requirements or conditions—other than determining whether the subject security meets the definition of equity security in Rule 3a11-1—that were not discussed above, in Part II? Please explain.

Q8. Rule 15c2-11's definitions for the terms "quotation" and "quotation medium," in paragraphs (e)(7) and (e)(8), respectively, currently are consistent with section 15(c)(2) of the Exchange Act, which applies to any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills). If Rule 15c2-11 were revised to refer to only equity securities, should Rule 15c2-11's definitions for the terms quotation and quotation medium be amended to add the word "equity" preceding any mention of the word "security?" Or, is any such amendment redundant or otherwise unnecessary given the proposed revisions in paragraphs (a), (b), (c), (d), and (f) of the rule? Please explain.

Q9. Should Rule 15c2-11 be amended to include an exception in paragraph (f) for equity securities that are "crypto assets"? Should such an exception contain any conditions? Why or how are the securities that would be covered by such an exception less likely to be the subject of fraudulent or manipulative activity? Please discuss the advantages and disadvantages of such an exception.

Q10. Should the Commission adopt a specified information paragraph, for purposes of satisfying Rule 15c2-11's information gathering and review requirements, that can be more narrowly tailored (than existing paragraph (b)(5)(i) may be) to address equity securities that are crypto assets? Please explain.

Q11. In 2020, the Commission proposed a conditional exemption from Rule 15c2-11 to facilitate the formation and implementation of an "expert market" for

sophisticated or professional investors in grey market securities (i.e., securities that trade over-the-counter but for which no quoted prices are published or submitted in a quotation medium for buyers and sellers to access).[87] Should the Commission re-propose the conditional exemption?[88] Please explain the purpose of such an expert market if the Commission were to adopt the proposal to revise Rule 15c2-11 to refer to only equity securities. Why would such an exemption to facilitate the formation of an expert market be necessary or appropriate in the public interest? Should any further safeguards be included as a condition to this exemption (e.g., a condition that all quotations be priced, consist of both a bid and an offer, meet a minimum size requirement, etc.)? Should any other conditions be included to ensure that this market is limited to sophisticated or professional investors? Please explain.

Q12. Instead of providing an exemption for the expert market described in the 2020 Expert Market Notice, should the rule include an exception in paragraph (f) of Rule 15c2-11 to facilitate the formation of any expert market, subject to certain conditions? Please explain why this exception would be needed if the Commission were to adopt the proposal to revise Rule 15c2-11 to refer to only equity securities. Additionally, please explain what conditions the exception should include to promote investor protection; the maintenance of fair, orderly, and efficient markets; and capital formation.

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87 *See* Notice of Proposed Conditional Exemptive Order Granting a Conditional Exemption From the Information Review Requirement and the Recordkeeping Requirement Under the Securities Exchange Act of 1934 for Certain Publications or Submissions of Broker-Dealer Quotations on an Expert Market, Exchange Act Release No. 90769 (Dec. 22, 2020) [86 FR 2311 (Jan. 12, 2021)] ("2020 Expert Market Notice").

88 *See* 2020 Expert Market Notice.

Q13. Do some non-reporting companies choose not to make their paragraph (b) information available to brokers or dealers? If so, how often does this occur and what is the impact on the liquidity of these securities? What is the effect on shareholders? What effect would the formation of an expert market have on the liquidity of the securities of non-reporting companies that choose not to make their paragraph (b) information publicly available?

Q14. Have some brokers or dealers ceased market making in securities currently within the scope of Rule 15c2-11 rather than comply with its provisions, as amended in 2020? If yes, has this significantly reduced liquidity in these securities? Please explain, including by addressing any types or classes of securities in which brokers or dealers have ceased market making.

Q15. Would having simultaneous compliance and effective dates for the amendments (proposed to be 60 days after publication of the proposed amendments in the Federal Register) present any operational difficulties or other challenges? Please explain.

IV. Economic Analysis

This section examines the economic effects of the proposed amendments, including expected benefits, costs, and effects on efficiency, competition, and capital formation.[89]

[89] Under section 3(f) of the Exchange Act, whenever the Commission engages in rulemaking under the Exchange Act and is required to consider or determine whether an action is necessary or appropriate in the public interest, it must consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f). In addition, section 23(a)(2) of the Exchange Act prohibits the Commission from adopting any rule that would impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. *See* 15 U.S.C. 78w(a)(2).

As explained in Part I, following the adoption of the 2020 amendments to Rule 15c2-11 that required specified information be current and publicly available for brokers and dealers to publish a quotation for, or maintain a continuous quoted market in, a security in a quotation medium,[90] numerous industry participants stated that they never understood Rule 15c2-11 to apply to non-equity securities and expressed concerns with the potential burdens of applying the amended rule to fixed-income securities.[91] Nevertheless, industry participants' concerns regarding the application of the rule prompted the Commission to provide relief for the vast majority of fixed-income securities.[92]

Consistent with the Commission's prior provision of exemptive relief for certain fixed-income securities[93] and with other Commission proposals identifying certain non-equity securities as not requiring Rule 15c2-11 protections,[94] the Commission is proposing amendments to Rule 15c2-11 to amend the rule by replacing the term "security" with "equity security." Under the proposal, equity security would be as defined in Rule 3a11-1.

Where possible, the Commission quantifies the expected economic effects. However, for the proposed rule, the Commission is unable to fully quantify the expected effects due to data limitations for securities that are not equity securities as defined in Rule 3a11-1. For example, we lack data on certain non-equity quotations and broker-dealers that quote non-equity securities, particularly those non-equity securities that are not presently covered by the exemptive order or staff no-action position, which prevent quantification of potential aggregate cost savings from the

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90 *See supra* note 26.

91 *See supra* note 28.

92 *See supra* note 31.

93 *See* 144A Exemptive Release.

94 *See supra* note 33.

proposed amendments. Hence, the discussion below is mostly qualitative in nature, and we describe, as feasible, the direction of the economic effects and their economic significance.

A. Baseline

The baseline against which the benefits, costs, and the effects on efficiency, competition, and capital formation for the proposed amendments are measured consists of the current regulatory framework, including existing exemptions and no-action positions, and the existing OTC market, including affected securities and parties in that market.[95]

1. Regulatory Baseline

Rule 15c2-11 is intended to protect investors from certain manipulative and fraudulent trading schemes by requiring brokers and dealers to consider financial and other information about the issuer of a security before they commence making a market in that security. In particular, brokers and dealers must gather specified current and publicly available information regarding the security and its issuer and, based upon a review of such information, along with certain supplemental information, have a reasonable basis under the circumstances for believing that such information is accurate in all material respects and is from a reliable source.[96] The production of the required information that brokers and dealers have to gather prior to publishing quotes benefits investors because not only are quotes more efficiently priced but investors also have easier access to current and publicly available information about the securities.

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95 *See, e.g.*, *Nasdaq v. SEC*, 34 F.4th 1105, 1111–15 (D.C. Cir. 2022). This approach also follows SEC staff guidance on economic analysis for rulemaking. *See* SEC Staff, Current Guidance on Economic Analysis in SEC Rulemaking (Mar. 16, 2012), *available at* https://www.sec.gov/divisions/riskfin/rsfi_guidance_econ_analy_secrulemaking.pdf ("The economic consequences of proposed rules (potential costs and benefits including effects on efficiency, competition, and capital formation) should be measured against a baseline, which is the best assessment of how the world would look in the absence of the proposed action."); *id.* at 7 ("The baseline includes both the economic attributes of the relevant market and the existing regulatory structure.").

96 *See supra* Part I for detail on the information required.

Numerous industry participants have stated that they always understood Rule 15c2-11 to apply only to equity securities.[97] After industry participants shared their concerns regarding the rule's application following the 2020 amendments to Rule 15c2-11, the Commission provided exemptive relief and the staff issued a no-action letter addressing the vast majority of fixed-income securities.[98] Accordingly, consistent with industry participants' understanding of the application of Rule 15c2-11, we would expect that Rule 15c2-11 is being applied with respect to non-equity securities only to the extent that the current regulatory text has been understood by particular broker-dealers to apply to non-equity OTC securities.

2. Affected Securities

As discussed in Part II.A above, under the proposal, Rule 15c2-11 would continue to apply to equity securities, as defined in Rule 3a11-1. Regarding the proposed amendments' application to crypto assets,[99] to the extent a crypto asset is an equity security, as defined in Rule 3a11-1, Rule 15c2-11 would apply to brokers and dealers initiating or resuming quotations for those equity securities in a quotation medium.

In 2023, the Commission issued exemptive relief for fixed-income securities sold in reliance on Rule 144A.[100] The staff has also issued a no-action position for numerous categories of fixed-income securities.[101] Estimating the number of fixed-income securities to which the no-action position has relevance is difficult because the no-action position applied to fixed-income

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97 *See supra* note 28 and accompanying text.

98 *See supra* note 31 (discussing the 144A Exemptive Release and the 2024 No-Action Letter) and accompanying text.

99 A "crypto asset" is any digital representation of value that is recorded on a cryptographically secured distributed ledger. The foregoing definition of "crypto asset" is identical to the definition of "Digital Asset" in section 2(6) of the Guiding and Establishing National Innovation for U.S. Stablecoins Act, Pub. L. No. 119-27, 139 Stat. 419 (2025).

100 *See supra* note 54.

101 *See* 2024 No-Action Letter.

securities or issuers that met certain criteria, and which are not necessarily reflected in data reported by issuers or market intermediaries. One source of fixed-income transactions, the Trade Reporting and Compliance Engine (TRACE), contains transactions for over 53,100 bond issues from over 3,300 issuers in the first quarter of 2025.[102]

3. Affected Parties

Rule 15c2-11 would continue to apply to broker-dealers who publish quotations for OTC equity securities, any QIDQS that undertakes to satisfy the rule's information gathering and review requirements concerning an OTC equity security and makes a publicly available determination regarding such review, and any QIDQS or RNSA that chooses to make a publicly available determination regarding the public availability of current paragraph (b) information or the availability of certain Rule 15c2-11 exceptions for OTC equity securities. According to available data, 1,261 of 3,388 broker-dealers filing FOCUS reports report engaging in the "Retailing Corporate Equity Securities Over The Counter." The Commission estimates that approximately 196 brokers and dealers,[103] one QIDQS,[104] and one RNSA[105] would be subject to rule requirements associated with documenting whether the conditions of an exception in

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102 Securities that are eligible to be reported to TRACE are debt securities that are United States dollar-denominated and are: (1) issued by a U.S. or foreign private issuer, and, if a "restricted security" as defined in Securities Act Rule 144(a)(3), sold pursuant to Securities Act Rule 144A; (2) issued or guaranteed by an Agency as defined in paragraph (k) or a Government-Sponsored Enterprise as defined in paragraph (n); (3) U.S. Treasury Securities as defined in paragraph (p); or (4) Foreign Sovereign Debt Securities as defined in paragraph (kk) Excluded are debt securities that are Money Market Instruments as defined in paragraph (o). *See* FINRA Rule 6710(a), *available at:* https://www.finra.org/rules-guidance/rulebooks/finra-rules/6710.

103 As of September 30, 2025, there were 77 brokers and dealer subscribers to OTC Link ATS. As of September 30, 2025, there were 119 brokers and dealers that trade on Global OTC. The Commission believes that most OTC equity securities are quoted on OTC Link ATS and Global OTC, to the extent the quotation is subject to Rule 15c2-11, and that the total amount of individual brokers and dealers trading on these systems reasonably estimates the number of brokers and dealers that may be subject to PRA burdens in satisfying Rule 15c2-11's requirements. *See* 2020 Release, 85 FR 68174 n.564. The Commission recognizes that there may be equity securities that are quoted in other quotation mediums but, at this time, does not have the empirical data to include them in the PRA burdens estimations.

104 *See infra* note 141.

105 Currently, FINRA is the only existing RNSA.

paragraph (f) are met and with preserving corresponding records.[106] However, only twelve brokers and dealers filed a Form 211 pursuant to FINRA Rule 6432(a) in 2024.[107] The Commission believes that most OTC equity securities are quoted on OTC Link ATS and Global OTC, to the extent the quotation is subject to Rule 15c2-11.[108] As of September 30, 2025, there were 77 broker and dealer subscribers to OTC Link ATS. As of September 30, 2025, there were 119 brokers and dealers that trade on Global OTC.[109]

Additionally, there is one QIDQS, which makes publicly available determinations that it satisfied Rule 15c2-11's information gathering and review requirements for OTC equity securities or that the conditions of certain rule exceptions were met for affected securities.[110] In addition, there is one RNSA that makes publicly available determinations that the conditions of certain rule exceptions are met for OTC equity securities.[111]

The proposed amendments to Rule 15c2-11, if adopted, would affect brokers and dealers that publish or submit quotations for OTC non-equity securities in a quotation medium that is subject to this rule only to the extent that those broker-dealers apply the rule more broadly than to only equity securities. In particular, certain broker-dealers that quote OTC non-equity

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106 *See infra* Part V.D.2.

107 The Commission uses this number as a proxy for the number of brokers and dealers that comply with Rule 15c2-11's information gathering and review requirements by conducting the review itself, instead of relying on the QIDQS's publicly available determination regarding its satisfaction of Rule 15c2-11's information gathering and review requirement. *See infra* note 140.

108 The Commission believes that most OTC equity securities are quoted on OTC Link ATS and Global OTC, to the extent the quotation is subject to Rule 15c2-11, and that the total amount of individual brokers and dealers trading on these systems reasonably estimates the number of brokers and dealers that may be subject to Rule 15c2-11's recordkeeping requirements. *See* 2020 Release, 85 FR 68174 n.564. The Commission recognizes that there may be equity securities that are quoted in other quotation mediums but, at this time, does not have the data to include them in these estimates.

109 *Id*.

110 A broker or dealer may publish quotations in reliance on a QIDQS's or RNSA's publicly available determination that the conditions of certain Rule 15c2-11 exceptions are met. *See supra* Part I.

111 *Id.*

securities that are not covered by the 144A Exemptive Release and 2024 No-Action Letter may have different understandings of the scope of Rule 15c2-11 and may currently be applying Rule 15c2-11 to non-equity securities. The Commission lacks data on the number of such broker-dealers but understands that few, if any, industry participants understood Rule 15c2-11 to apply to non-equity OTC securities. Among other limitations, it is difficult to estimate the scope of brokers' and dealers' quotations in quotation mediums for non-equity securities, partially due to the same information availability challenges in the market for non-equity securities described by market participants.[112]

Finally, to the extent that certain broker-dealers are not currently applying Rule 15c2-11 to only equity securities, other affected parties would include issuers of OTC non-equity securities and investors in these securities (either investors already holding a position in OTC non-equity securities or those considering acquiring such a position).[113]

B. Benefits and Costs

1. Affected Brokers, Dealers, QIDQSs, and RNSAs

The Commission expects that the benefits and the costs of the proposed amendments for brokers, dealers, the QIDQS, and the RNSA to be minimal. To the extent that certain brokers and dealers, as well as the QIDQS and RNSA, apply Rule 15c2-11 to non-equity OTC securities, they would benefit from reduced ongoing costs under the proposed amendments, while incurring some initial costs to adjust their practices consistent with the proposed amendments. The proposed amendments would benefit such affected brokers and dealers, including the QIDQS, by eliminating the ongoing cost of undertaking the substantive information gathering and review

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112 *See supra* note 58.

113 The Commission does not have the necessary data to estimate the number of issuers of non-equity securities or investors currently participating in the OTC market for non-equity securities.

requirements in Rule 15c2-11(a)(1)(i) and (a)(2) before initiating or resuming any quotation for a non-equity OTC security that is neither exempt from nor qualifies for an exception from the rule in a quotation medium and the corresponding record preservation requirements.[114] In addition, such brokers and dealers, including QIDQSs, as well as RNSAs would benefit from no longer satisfying the requirements for the exceptions in Rule 15c2-11(f) and corresponding record preservation requirements.[115] Similarly, such brokers and dealers would no longer incur the costs for non-equity OTC securities of preserving records concerning Rule 15c2-11(a)(1)(ii) and (a)(3). The Commission preliminarily estimates that there would be no change in the costs associated with any necessary ongoing update to QIDQS or RNSA written policies and procedures due to the proposed amendments even if the QIDQS and RNSA currently interpret the scope of Rule 15c2-11 to apply to non-equity OTC securities.[116]

Corresponding to any cost savings from the proposed amendments, there would also be initial costs for affected brokers and dealers as well as the existing QIDQS and RNSA to the extent that they need to update their internal systems or renegotiate agreements with third-party service providers to exclude non-equity securities in their Rule 15c2-11 compliance activities. The QIDQS and RNSA, in addition, would need to update their policies and procedures under Rule 15c2-11(a)(3) if those policies and procedures were not already consistent with applying the rule to only equity OTC securities.

In addition, to the extent that concerns regarding the rule's application continue to exist, revising the rule to refer to equity securities could potentially result in reduced costs for all brokers, dealers, QIDQSs, and RNSAs, with respect to the quotation of non-equity OTC

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114 *See* 17 CFR 240.15c2-11(a)(1)(i), (a)(2), (d)(1)(i)(A), (d)(1)(i)(B).

115 *See* 17 CFR.240.15c2-11(d)(2), (f).

116 *See* 17 CFR 240.15c2-11(a)(3).

securities in a quotation medium. In general, uncertainty regarding the application of regulatory requirements can lead to increased legal costs even for those firms acting consistently with the general understanding of industry participants. This increased certainty is not expected to result in additional costs for market participants.

Lastly, affected brokers and dealers, including QIDQSs, may continue to have economic incentives to gather and review information about non-equity OTC securities (e.g., such as for pricing purposes), and also provide some information to investors (though not necessarily the information that was required under 15c2-11) should investors demand such information to trade in affected securities.

2. Affected Issuers

The proposed amendments could reduce incentives for issuers of non-equity OTC securities to provide information that is current and publicly available because brokers and dealers could publish quotations for any non-equity security in a quotation medium whether the issuer makes information current and publicly available or not. As a result, it is possible that to the extent issuers of non-equity securities are currently providing information to the public based on their understanding of the application of Rule 15c2-11, they may reduce the amount of information about themselves that is current and publicly available, and some of those issuers might choose to stop providing information altogether. This could decrease disclosure costs for those issuers. However, the effect may be mitigated for several reasons. First, following the adoption of the 2020 amendments to Rule 15c2-11, numerous industry participants have stated that they never understood Rule 15c2-11 to apply to non-equity securities,[117] so the amendments are not likely to impact issuer decisions concerning the provision of information. Second, the

[117] *See supra* note 28.

Commission has provided exemptive relief and the staff has issued a no-action letter addressing the vast majority of fixed-income securities[118] further reducing the likelihood that the proposed amendments will affect the incentives for issuers of non-equity securities to change their behavior. Finally, to the extent that a lack of information about an issuer's non-equity OTC securities were to adversely impact a broker or dealer's ability to make markets in those securities or investor demand for those securities, that issuer could have incentives to continue to supply some information to brokers and dealers as well as to investors.

3. Affected Investors

Under the proposed amendments, investors in non-equity OTC securities could have less information about those securities, because affected brokers and dealers, QIDQSs, and RNSAs might no longer gather, review, and provide information on these securities and issuers could provide less information that is current and publicly available.[119] As stated above, investors in non-equity securities are largely sophisticated or qualified investors.[120] A reduction in information to investors could increase the risk that they would be subject to certain manipulative and fraudulent trading schemes involving affected securities; however, this risk is mitigated to the extent that investors in non-equity securities are sophisticated or qualified.

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118 *See supra* note 31.

119 *See supra* Part II.A.

120 *See supra* Part II.A. However, the municipal securities market, which is currently excepted from Rule 15c2-11, historically has not been dominated by sophisticated investors. *See, e.g.,* SIFMA, "Quarterly Report: US Fixed Income, 3Q25," at 8 (Jan. 2026), *available at* https://www.sifma.org/wp-content/uploads/2025/09/SIFMA-Research-Quarterly-Fixed-Income-O-3Q25.pdf (reporting that 48.3% of municipal securities holders are individuals and 28.4% are mutual funds). *See also, e.g.,* Simon Z. Wu and Nicholas J. Ostroy, MSRB, "A Comparison of Transaction Costs for Municipal Securities and Other Fixed-Income Securities," at 11 (Mar. 2025), *available at* https://www.msrb.org/sites/default/files/2025-03/Comparison-of-Transaction-Costs.pdf ("Overall, corporate bonds had a lower proportion of odd-lot customer trades than agency securities and municipal securities, with 72% of corporate bond trades being odd-lot trades, compared to 84% for both agency securities and municipal securities. On the other hand, corporate bonds had a higher proportion of intermediate customer trades and block customer trades than agency securities and municipal securities. This suggests a higher participation rate by institutional investors for corporate bonds than for agency securities and municipal securities.").

Furthermore, the general understanding of industry participants regarding the application of Rule 15c2-11 to non-equity OTC securities means that investors in such securities may already receive less information.

Further, with respect to OTC fixed-income securities, several factors likely mitigate the cost associated with the loss, if any, of current and publicly available paragraph (b) information. First, the OTC fixed-income market is generally dominated by sophisticated investors that likely do not wholly depend on a broker or dealer's review of the information specified in Rule 15c2-11. Second, the "catch-all" list of information required to be reviewed for a security of an issuer that does not have registration statements or other current documents filed with the Commission, is less likely to be available.[121] Lastly, to the extent that any loss of information caused investors to significantly curtail their investment in non-equity OTC securities, affected brokers and dealers, QIDQSs, and issuers could have economic incentives to provide some information to investors to help boost investor demand.

C. Efficiency, Competition, and Capital Formation

The potential reduction in costs to ascertain compliance obligations, and any associated reduction in costs in complying with those obligations, for affected brokers and dealers could enhance liquidity provision in affected securities. There is also the possibility that additional brokers and dealers could initiate (or resume) quotations for affected securities in a quotation medium and additional competition on quotations could result in quotations that are more efficiently priced. The lower costs, however, stem in part from a reduction in gathering and reviewing information. Any reduction in information could negatively affect investor demand for the affected securities, if investors otherwise relied on the information disclosed regarding non-

121 *See supra* note 72.

equity securities and have no close substitute source for that information. In this case, investors could perceive investment in the affected securities as riskier than before and might require a greater return to compensate for the perceived increase in risk. This could raise the required return for the affected securities, including in relation to other securities, possibly making it costlier and more difficult for affected issuers to raise capital. To address this issue, as discussed above, brokers and dealers as well as issuers could decide to gather, review, and provide some information regarding non-equity securities to investors.

D. Reasonable Alternative

The Commission considered a reasonable alternative to the proposal and seeks public comments on the following alternative and on all other alternatives that the public believes are reasonable.

1. Except Crypto Securities that are Equity Securities

In addition to the proposed amendments, the Commission could also provide an exception for crypto securities that are equity securities or otherwise require tailoring of provisions, including the information provision in paragraph (b)(5). The Commission believes that to the extent a crypto asset is an equity security, as defined in Rule 3a11-1, Rule 15c2-11 applies to brokers and dealers publishing quotations for those equity securities in a quotation medium. The Commission seeks public comment on various aspects of the application of Rule 15c2-11 to equity securities that are "crypto assets."

E. Request for Comment

The Commission requests comment on all aspects of this initial economic analysis, including the potential benefits and costs, all effects on efficiency, competition, and capital formation, and reasonable alternatives to the proposed rule and amendments. We request and

encourage any interested person to submit comments regarding the proposed amendments, our analysis of the potential effects of the proposed amendments, and other matters that may have an effect on the proposed amendments. We request that commenters identify sources of data and information as well as provide data and information to assist us in analyzing the economic consequences of the proposed amendments and each reasonable alternative. We are also interested in comments on the qualitative benefits and costs we have identified and any qualitative benefits and costs we may have overlooked, including those associated with each reasonable alternative. In addition, we are interested in comments on any other reasonable alternative.

Q16. Are there any effects on market participants, including brokers and dealers, investors, and issuers, that have not been addressed?

Q17. Are there specific types of non-equity OTC securities that should be included within the scope of Rule 15c2-11? What is the aggregate market value of these other non-equity OTC securities, and are their investors retail or institutional?

Q18. How costly is it for issuers and brokers and dealers to determine whether or not a specific security is an "equity security" under Rule 3a11-1?

V. Paperwork Reduction Act

A. Introduction

Certain provisions of Rule 15c2-11 contain "collection of information requirements" within the meaning of the Paperwork Reduction Act of 1995 ("PRA").[122] The title for the information collection is "Publication or submission of quotations without specified

[122] 44 U.S.C. 3501 *et seq.* The burdens associated with the information collection requirements are referred to as "PRA burdens."

information." Responses to the collections of information are mandatory. The Office of Management and Budget ("OMB") has assigned control number 3235-0202 to the collection of information. The Commission is submitting the collections of information as proposed to be revised to OMB for review in accordance with 44 U.S.C. 3507(d) and 5 CFR 1320.11.[123] An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the agency displays a currently valid control number.[124]

B. Rule 15c2-11

Rule 15c2-11 requires that brokers and dealers give some measure of attention to financial and other information about the issuer of a security before they commence trading in that security.[125] To that end, the rule requires, subject to exceptions,[126] brokers and dealers, before initiating (or resuming) any quotation for a security in a quotation medium,[127] to gather specified information regarding the security and its issuer and,[128] based upon a review of such information, along with certain supplemental information,[129] to have a reasonable basis under the circumstances for believing that such information is accurate and is from a reliable source.[130] Alternatively, a broker or dealer may submit a quotation in a quotation medium that is a QIDQS[131] that has made a publicly available determination that it has performed certain

123 *See* 44 U.S.C. 3507; 5 CFR 1320.11.

124 *See* 5 CFR 1320.08.

125 *See* 1984 Release, 49 FR 45118.

126 *See* 17 CFR 240.15c2-11(f).

127 *See* 17 CFR 240.15c2-11(e)(8).

128 *See* 17 CFR 240.15c2-11(b).

129 *See* 17 CFR 240.15c2-11(c).

130 *See* 17 CFR 240.15c2-11(a).

131 *See* 17 CFR 240.15c2-11(e)(6).

information gathering and review requirements,[132] if certain conditions are met.[133] Rule 15c2-11 also includes certain exceptions[134] and record preservation requirements.[135]

C. Collection of Information

The proposed amendments would revise Rule 15c2-11 to replace the terms "security" and "securities" with the terms "equity security" or "equity securities," as defined in Rule 3a11-1,[136] but would not change Rule 15c2-11's information collection requirements as they relate to broker or dealer quotations for equity securities.[137] The availability of updated and supplemented OTC equities market data in the estimates, discussed below in Part V.F, result in some changes, including increases, to the PRA burden estimates compared to the PRA Analysis in the 2020 Release[138] and PRA Supporting Statement filed with and approved by OMB in 2023.[139] However, any such changes in PRA burden estimates are the result of changes to participation and activity in the OTC equity market, the use of updated and supplemented OTC equity market data, or changes to the calculation methodology, and are not the result of the proposed amendments.

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132 *See* 17 CFR 240.15c2-11(a)(1)(ii).

133 *See* 17 CFR 240.15c2-11(a)(2).

134 *See* 17 CFR 240.15c2-11(f).

135 *See* 17 CFR 240.15c2-11(d).

136 *See supra* note 34.

137 The changes to the estimated burdens based on the updated and supplemented data will be included in an upcoming extension request for OMB Control No. 3235-0202 and will be noticed for public comment in connection with that request.

138 *See* 2020 Release, 85 FR 68174–84 (containing the Paperwork Reduction Act Analysis of the 2020 Release).

139 *See* 2023 Supporting Statement for the Paperwork Reduction Act Information Collection Submission for Rule 15c2-11, OMB Control No. 3235-0202 ("2023 PRA Extension"), at 9, *available at* https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202303-3235-044.

D. Respondents

Respondents to Rule 15c2-11 include brokers and dealers who publish quotations for equity securities. Respondents also include any QIDQS that undertakes to satisfy the rule's information gathering and review requirements concerning an equity security and makes a publicly available determination regarding such review, as well as any QIDQS or RNSA that chooses to make a publicly available determination regarding the public availability of current paragraph (b) information or the availability of certain exceptions to Rule 15c2-11.

1. Respondents Related to Rule 15c2-11's Information Gathering and Review Requirements and Corresponding Record Preservation Requirements

The Commission estimates that approximately twelve brokers and dealers[140] and one QIDQS[141] would be subject to PRA burdens associated with gathering and reviewing paragraph (b) information and supplemental information in satisfying amended Rule 15c2-11's information gathering and review requirements, as well as with preserving corresponding records under paragraph (d).[142]

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140 Twelve brokers and dealers filed a Form 211 pursuant to FINRA Rule 6432(a) in 2024. The Commission uses this number as a proxy for the number of brokers and dealers that comply with Rule 15c2-11's information gathering and review requirements. FINRA Rule 6432, which similarly applies to equity securities, other than a Restricted Equity Security, that are not traded on a national securities exchange, sets forth the requirements for filing a Form 211.As discussed below, in Part V.F.3, any broker or dealer that initiates a quoted market in an equity security in reliance on a QIDQS's publicly available determination regarding its satisfaction of Rule 15c2-11's information gathering and review requirements would be required under paragraph (d)(1)(ii) of Rule 15c2-11 to preserve records of the name of the QIDQS that made the publicly available determination.

141 One QIDQS filed a Form 211 pursuant to FINRA Rule 6432(b) in 2024. The Commission uses this number as a proxy for the number of QIDQSs that comply with Rule 15c2-11's information gathering and review requirements.

142 The estimate of 13 respondents for this requirement is a significant decrease from the prior estimate of 88 respondents contained in the 2023 Supporting Statement. This updated estimate is based on the total number of brokers, dealers, and QIDQSs that filed a Form 211 in 2024, which should be more accurate than the estimated number of respondents included in the 2023 Supporting Statement, which included all

2. Respondents Related to Rule 15c2-11's Exceptions and Corresponding Record Preservation Requirements

The Commission estimates that approximately 196 brokers and dealers,[143] one QIDQS,[144] and one RNSA[145] would be subject to PRA burdens associated with documenting whether the conditions of an exception in paragraph (f) are met and with preserving corresponding records.

3. Respondents Related to Other Record Preservation Requirements

The Commission estimates that approximately 77 brokers and dealers would be subject to PRA burdens associated with preserving records related to their initiation of a quoted market in an equity security based on a QIDQS's publicly available determination that it satisfied Rule 15c2-11's information gathering and review requirements pursuant to paragraph (a)(1)(ii).[146] The Commission also estimates that approximately 196 brokers and dealers would be subject to PRA burdens associated with preserving records related to their publication or submission of quotations pursuant to paragraph (a)(3) for equity securities in reliance on a QIDQS's or an RNSA's publicly available determination described in paragraph (f)(2)(iii)(B), (f)(3)(ii)(A), or (f)(7).[147]

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brokers and dealers that published or submitted a quotation on OTC Markets Group's systems, plus one IDQS and one RNSA. *See* 2023 PRA Extension.

143 As of September 30, 2025, there were 77 brokers and dealer subscribers to OTC Link ATS. As of September 30, 2025, there were 119 brokers and dealers that trade on Global OTC. The Commission believes that most OTC equity securities are quoted on OTC Link ATS and Global OTC, to the extent the quotation is subject to Rule 15c2-11, and that the total amount of individual brokers and dealers trading on these systems reasonably estimates the number of brokers and dealers that may be subject to PRA burdens in satisfying Rule 15c2-11's requirements. *See* 2020 Release, 85 FR 68174 n.564.

144 *See supra* note 141.

145 Currently, FINRA is the only existing RNSA.

146 As of September 30, 2025, there were 77 broker and dealer subscribers to OTC Link ATS. The Commission believes that this number reasonably estimates the number of broker-dealers that may rely on a QIDQS's publicly available determination pursuant to paragraph (a)(1)(ii), because OTC Link ATS is the only QIDQS making such determinations and that would be subject to PRA burdens in preserving corresponding records.

147 *See supra* note 143.

4. Respondents Related to a QIDQS's or RNSA's Written Policies and Procedures

Additionally, the Commission estimates that one QIDQS would be subject to PRA burdens in establishing, maintaining, and enforcing reasonably designed written policies and procedures for making publicly available determinations pursuant to paragraph (a)(3) of Rule 15c2-11.

E. Use of Information

The information collected under Rule 15c2-11(a)'s information gathering and review requirements helps protect investors by deterring fraudulent or manipulative quotations for thinly-traded equity securities whose issuers are relatively unknown and helps brokers and dealers guard against becoming unwitting participants in fraudulent or manipulative schemes.[148] The information collected under Rule 15c2-11(f)'s exceptions helps to ensure that only those equity securities that are less likely to be the subject of fraudulent or manipulative activity are being quoted pursuant to an exception.

The information collected under Rule 15c2-11(d)'s applicable record preservation requirements helps to promote compliance with Rule 15c2-11's information gathering and review requirements, prevent abuse of the rule's exceptions, and facilitate the Commission in conducting examinations of brokers and dealers that publish quotations for OTC equity securities, any QIDQS that makes a publicly available determination pursuant to paragraph (a)(2)(iv), or any QIDQS or RNSA that makes a publicly available determination pursuant to paragraph (a)(3). The information collected under Rule 15c2-11(a)(3), which requires a QIDQS or RNSA to establish, maintain, and enforce reasonably designed written policies and procedures

148 *See supra* note 25.

for making publicly available determinations, similarly helps prevent brokers' or dealers' abuse of any Rule 15c2-11 exceptions for which publicly available determinations are made.

F. Collections of Information for Equity Quotations

The proposed amendments would revise Rule 15c2-11 to refer to only equity securities, as defined by Rule 3a11-1. Discussed below in this Part V.F, are the collections of information that would continue to apply to quotations for equity securities should the proposed amendments be adopted.

Any broker, dealer, or QIDQS that undertakes to satisfy Rule 15c2-11's information gathering and review requirements concerning an equity security would continue to be required to gather and review applicable paragraph (b) information and supplemental information for that equity security under paragraph (c). Such broker, dealer, or QIDQS would also continue to incur PRA burdens preserving paragraph (b) and (c) information under the recordkeeping requirements of paragraph (d). Additionally, respondents who determine whether the conditions of a Rule 15c2-11 exception are met pursuant to paragraph (f) or make publicly available determinations pursuant to paragraph (a)(3) would continue to incur PRA burdens in gathering and preserving applicable documentation concerning equity securities. Finally, any QIDQS or RNSA that makes a publicly available determination pursuant to paragraph (a)(3) would continue to incur PRA burdens in establishing, maintaining, and enforcing reasonably designed written policies and procedures concerning equity securities.

The following table summarizes the PRA burdens estimated in this Part V.F, all of which are estimated to have associated recordkeeping burdens. Any changes, including increases, in the below PRA burden estimates, when compared to the 2020 or 2023 PRA analyses,[149] are the

[149] *See supra* notes 138 and 139.

result of changes to participation and activity in the OTC equity market, the use of updated and supplemented OTC equity market data, or changes to the underlying calculation methodology, and are not a result of the proposed amendments.

PRA Summary Table 1—Estimated Burdens			
Information Collections	Type of Burden	Number of Respondents	Total Annual Industry Burden (Hours/Year)
IC1: 17 CFR 240.15c2-11(a)(1)(i), (d)(1)(i)(A), (a)(2) and (d)(1)(i)(B) (broker or dealer and QIDQS information gathering and review requirements; corresponding record preservation requirements)	Recordkeeping	13	1,558
IC2: 17 CFR 240.15c2-11(f)(2)(ii)(B), (f)(3)(i)(C), (d)(2)(i), (d)(2)(ii) (determining currentness of publicly available paragraph (b) information; corresponding record preservation requirements)	Recordkeeping	198	67,310
IC3: 17 CFR 240.15c2-11(f)(2), (d)(2)(ii) (determining availability of the unsolicited quotation exception and corresponding record preservation requirements)	Recordkeeping	196	1,007,683
IC4: 17 CFR 240.15c2-11(f)(3)(i)(A), (d)(2)(i), (d)(2)(ii) (determining the frequency of a priced bid or offer quotation and corresponding record preservation requirements)	Recordkeeping	198	327,124
IC5: 17 CFR 240.15c2-11(f)(3)(i)(B)(1), (d)(2)(i), (d)(2)(ii) (determining trading suspension status for availability of the piggyback exceptions and corresponding record preservation requirements)	Recordkeeping	198	40
IC6: 17 CFR 240.15c2-11(f)(3)(i)(B)(2), (d)(2)(i), (d)(2)(ii) (determining shell company status for availability of the piggyback exceptions and corresponding record preservation requirements)	Recordkeeping	198	35,555
IC7: 17 CFR 240.15c2-11(f)(5)(i), (d)(2)(i), (d)(2)(ii) (determining availability of the ADTV and asset test exception and corresponding record preservation requirements) – ADTV Test	Recordkeeping	198	6,542
IC8: 17 CFR 240.15c2-11(f)(5)(ii), (d)(2)(i), (d)(2)(ii) (determining availability of the ADTV and asset test exception and corresponding record preservation requirements) – Asset Test	Recordkeeping	198	1,558
IC9: 17 CFR 240.15c2-11(d)(1)(ii) (record preservation requirements for brokers and dealers relying on publicly available determinations described in paragraph (a)(2)(iv))	Recordkeeping	77	144
IC10: 17 CFR 240.15c2-11(d)(2)(ii) (record preservation requirements for brokers and dealers relying on publicly available determinations described in paragraph (a)(3))	Recordkeeping	196	323,819
IC11: 17 CFR 240.15c2-11(a)(3) (QIDQS or RNSA written policies and procedures for making publicly available determinations)	Recordkeeping	1	10
Total for All Information Collections			1,771,343

1. Burden Estimates Related to Rule 15c2-11(a)(1)(i), (a)(2), (d)(1)(i)(A), and (d)(1)(i)(B)—Broker or Dealer or QIDQS Information Gathering and Review Requirements and Corresponding Record Preservation Requirements

Under the proposed amendments, any broker or dealer that publishes a quotation for an equity security in a quotation medium pursuant to paragraph (a)(1)(i), or any QIDQS that undertakes to satisfy Rule 15c2-11's information gathering and review requirements pursuant to paragraph (a)(2), would continue to be required to gather and review specified information regarding that equity security.[150] Based on information provided by FINRA in 2024, 12 non-QIDQS brokers and dealers submitted a total of 154 Form 211 filings to initiate (or resume) a quoted market in an equity security, while one QIDQS submitted 112 Form 211 filings after making publicly available determinations that it had undertaken to satisfy Rule 15c2-11's information gathering and review requirements.[151]

Consistent with prior estimates,[152] the Commission estimates that, for purposes of satisfying Rule 15c2-11(a)(1)(i) and (a)(2)'s information gathering and review requirements for an equity security, it would take approximately three hours to gather, review,[153] and preserve the

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150 *See* 17 CFR 240.15c2-11(a)(1)(i), (a)(2).

151 Based on data from FINRA, in 2024, Form 211 filings were submitted pursuant to FINRA Rule 6432(b) for 266 equity securities, with corresponding information reviews conducted by using the following paragraph (b) information: 3 paragraph (b)(1), 0 paragraph (b)(2), 73 paragraph (b)(3), 163 paragraph (b)(4), and 27 paragraph (b)(5)(i).

152 *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68175.

153 The information gathering and review requirements under paragraphs (b)(1), (b)(2) or (b)(3) are dependent upon the issuer's regulatory status, including whether the issuer (1) filed a registration statement under the Securities of Act of 1933 (a "prospectus issuer"), (2) filed an offering statement under Regulation A (a "Reg. A issuer"), or (3) is subject to the periodic reporting requirements of the Exchange Act, Regulation A

information specified in paragraph (b)(1), paragraph (b)(2), or paragraph (b)(3), which generally is available on the Commission's Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") system, along with any applicable supplemental information.[154] The Commission estimates that it would take approximately seven hours to gather, review, and preserve the information specified in paragraph (b)(4) or paragraph (b)(5)(i),[155] which generally is not available on the EDGAR system, along with any applicable supplemental information.[156] The difference in these PRA burden estimates is intended to take account of any additional time a broker, dealer, or QIDQS may require in gathering the information required in paragraphs (b)(4) and (b)(5) from sources outside the EDGAR system. The Commission, therefore, estimates that, for the 12 brokers or dealers and one QIDQS, the total annual PRA burden resulting from Rule 15c2-11(a)'s information gathering and review requirements and corresponding record preservation requirements[157] would be 1,558 hours,[158] or approximately 120 hours per

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or Regulation Crowdfunding, or is the issuer of a security covered by section 12(g)(2)(G) of the Exchange Act (a "reporting issuer"). *See* 2020 Release, 85 FR 68129.

154 This preliminary estimate is consistent with the Commission's previous burden estimate of three hours to gather, review, and preserve the applicable documents and information specified in paragraph (b)(1), (b)(2), or (b)(3). The Commission does not believe that the amendments to the supplemental information in paragraph (c) affects the information gathering and review requirement itself because the amendments do not change the scope of securities for which a trading suspension must be reviewed and are not expected to have an impact on the overall time burden related to the information gathering and review requirement. *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68175 n.575.

155 The information gathering and review requirements under paragraphs (b)(4) and (b)(5) are dependent upon whether the issuer is a foreign private issuer that is exempt from registration under Exchange Act section 12(g) pursuant to Rule 12g3–2(b) (an "exempt foreign private issuer") or does not fall within any of the categories described in paragraphs (b)(1) through (b)(4) and is generally not subject to similar statute- or rule-based disclosure and reporting requirements under the Federal securities laws (a "catch-all issuer"). *See* 2020 Release, 85 FR 68129.

156 This preliminary estimate is consistent with the Commission's previous burden estimate of seven hours to gather, review, and preserve the applicable documents and information specified in paragraph (b)(4) or (b)(5)(i).

157 *See* 17 CFR 240.15c2-11(d)(1)(i)(A), (d)(1)(i)(B) (describing the relevant recordkeeping requirements).

158 ((76 Form 211 filings concerning information specified in paragraphs (b)(1), (b)(2), and (b)(3)) × 3 hours) + ((190 Form 211 filings concerning information specified in paragraphs (b)(4) and (b)(5)(i)) × 7 hours) = 1,558 hours.

respondent.[159]

2. Burden Estimates Related to Rule 15c2-11's Exceptions and Corresponding Record Preservation Requirements

The PRA burden estimates below, in this Part V.F.2, include estimates for preserving corresponding records for determining that the conditions of Rule 15c2-11(f)'s exceptions are met.[160]

Rule 15c2-11(f)(2)(ii)(B), (f)(3)(i)(C), (d)(2)(i), (d)(2)(ii)—Determining Currentness of Publicly Available Paragraph (b) Information and Corresponding Record Preservation Requirements

Certain of Rule 15c2-11's exceptions—the unsolicited quotation exception in paragraph (f)(2)(ii)(B) and the piggyback exception in paragraph (f)(3)(i)(C)—are conditioned, in part, upon the currentness of publicly available paragraph (b) information. The Commission estimates that there are 19,341 unique issuers of quoted OTC equity securities for which respondents would continue to be required to gather, review, and preserve documentation to establish that paragraph (b) information is current and publicly available.[161] Of those issuers, respondents would gather, review, and preserve documentation specified in paragraph (b)(1) for 5,091 issuers, in paragraph (b)(2) for 304 issuers, in paragraph (b)(3) for 352 issuers, in paragraph (b)(4) for 9,693 issuers; and in paragraph (b)(5)(i) for 3,901 issuers.[162]

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159 1,558 hours / (12 brokers and dealers that submitted a Form 211 to FINRA in 2024 + one QIDQS that submitted a Form 211 to FINRA in 2024) = 119.85 hours per respondent.

160 As discussed above, in Part II, the proposed amendments would not change any of the rule's requirements or conditions as they apply to quotations for equity securities. The Commission therefore does not expect that any broker, dealer, QIDQS, or RNSA would incur an initial PRA burden under the proposed amendments.

161 The estimated number of unique issuers of quoted OTC equity securities is based on data compiled by the Commission's Division of Economic and Risk Analysis as of Dec. 11, 2025.

162 *See supra* note 161.

The Commission estimates that, for purposes of determining the currentness of publicly available paragraph (b) information concerning an equity security, it would take respondents approximately one minute to create documentation to establish that paragraph (b) information is current and publicly available.[163] Respondents would gather, review, and preserve such documentation no more frequently than once for information specified in paragraph (b)(1) or paragraph (b)(2), quarterly for information specified in paragraph (b)(3), and no more frequently than annually for information specified in paragraph (b)(4) and paragraph (b)(5)(i).[164] The Commission estimates that for the 196 brokers or dealers, one QIDQS, and one RNSA who would determine the currentness of publicly available paragraph (b) information for purposes of Rule 15c2-11(f)'s exceptions, as well as comply with Rule 15c2-11's corresponding record preservation requirements,[165] the annual PRA burden per respondent would be approximately 340 hours,[166] or approximately 67,310 total annual industry burden hours.[167]

Rule 15c2-11(f)(2), (d)(2)(ii)—Determining Availability of the Unsolicited Quotation Exception and Corresponding Record Preservation Requirements

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163 *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68178–79.

164 The Commission estimates that, once a respondent has gathered, reviewed, and preserved the applicable paragraph (b) information concerning an equity security, the respondent would not need to do so again, during this timeframe, for the same equity security. For example, a respondent that determines, for purposes of satisfying the conditions of paragraph (f)(2)(ii)(B), that the paragraph (b) information concerning an equity security is current and publicly available would not again, during the applicable timeframe, need to determine, for purposes of satisfying the conditions of paragraph (f)(3)(i)(C), that the same paragraph (b) information is current and publicly available.

165 *See* 17 CFR 240.15c2-11(d)(2)(i), (d)(2)(ii) (describing the relevant recordkeeping requirements).

166 ((5,091 issuers for which information is specified in paragraph (b)(1) × 1 minute × 1 response per year) + (304 issuers for which information is specified in paragraph (b)(2) × 1 minute × 1 response per year) + (352 issuers for which information is specified in paragraph (b)(3) × 1 minute × 4 responses per year) + (9,693 issuers for which information is specified in paragraph (b)(4) × 1 minute × 1 responses per year) + 3,901 issuers for which information is specified in paragraph (b)(5)(i) × 1 minute × 1 response per year)) / 60 minutes per hour = 339.95 hours.

167 339.95 hours × (196 brokers and dealers + one QIDQS + one RNSA) = 67,310.10 hours.

Under the proposed amendments, the conditional exception in paragraph (f)(2) would continue to apply to brokers' or dealers' quotations that represent a customer's unsolicited order for an equity security. This exception would continue to be unavailable for unsolicited orders submitted on behalf of an insider or affiliate of the issuer of an equity security, unless the applicable paragraph (b) information were current and publicly available.[168] To submit an unsolicited quotation for an equity security in reliance on this exception, brokers and dealers would continue to be able to rely upon a written representation from the customer's broker that such customer is not a company insider or affiliate of the issuer if certain conditions are met.[169] According to data from OTC Markets Group Inc., there were 11,073,440 quotations published in reliance on the unsolicited quotation exception in 2024. According to data from Global OTC, there were 49,387,514 unsolicited quotations published in 2024.[170] The Commission therefore estimates that, annually, 60,460,954 quotations would be submitted in reliance on the unsolicited quotation exception and would require brokers and dealers to gather, review, and preserve[171] documentation demonstrating that the quotation does not represent an insider's or affiliate's unsolicited order. The Commission is including all unsolicited customer quotations in its estimate and estimates that the number would remain consistent on an annual basis for the purpose of this analysis.

Additionally, the Commission estimates that brokers and dealers would spend approximately one minute in gathering, reviewing, and preserving such documents and

168 *See* 17 CFR 240.15c2-11(f)(2)(ii)(B).

169 *See* 17 CFR 240.15c2-11(f)(2)(iii)(A).

170 *See supra* note 143.

171 *See* 17 CFR 240.15c2-11(d)(2)(ii) (describing the relevant recordkeeping requirements).

information.[172] The Commission estimates that, annually, 196 brokers and dealers, would spend an industry total of approximately 1,007,683 hours in determining whether the unsolicited quotation exception is available and in complying with its corresponding record preservation requirement,[173] or approximately 5,141 hours per broker or dealer.[174]

Rule 15c2-11(f)(3)(i)(A), (d)(2)(i), (d)(2)(ii)—Determining Frequency of a Priced Quotation for Availability of the Piggyback Exception and Corresponding Record Preservation Requirements

Under the proposed amendments, paragraph (f)(3)(i)(A) of Rule 15c2-11 would continue to require that, in order for a broker or dealer to rely on the rule's piggyback exception, there be no more than four business days in succession without a bid or offer priced quotation. To comply with this requirement, brokers and dealers relying on the piggyback exception, and each QIDQS or RNSA that makes publicly available determinations regarding the availability of the piggyback exception, must preserve documents and information regarding this frequency of priced bid or offer quotation requirement. Consistent with prior estimates, the Commission estimates that respondents would make determinations regarding the frequency of quotation requirement once per trading day and take approximately one second to create a record regarding the frequency of a priced bid or offer quotation, pursuant to paragraph (f)(3)(i) of the rule.[175] The Commission estimates that 198 respondents[176] would each have an annual burden of

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172 This preliminary estimate is consistent with the Commission's previous burden estimate of one minute to gather, review, and preserve the required documents and records. *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68179.

173 (60,460,954 quotations × 1 minute) / 60 minutes = 1,007,682.57 hours. Any change in this estimate from prior Rule 15c2-11 PRA burden estimates is due to changes in certain market metrics over time and/or changes in data collection methods, and not from the proposed amendments.

174 1,007,682.57 hours / 196 brokers and dealers = 5,141.24 hours per broker or dealer.

175 *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68180.

176 196 brokers and dealers + 1 QIDQS + 1 RNSA= 198 respondents.

approximately 1,652 hours per year,[177] for an industrywide annual burden of approximately 327,124 hours per year.[178]

Rule 15c2-11(f)(3)(i)(B)(1), (d)(2)(i), (d)(2)(ii)—Determining Trading Suspension Status for Availability of the Piggyback Exception and Corresponding Record Preservation Requirements

Under the proposed amendments, paragraph (f)(3)(i)(B)(1) of Rule 15c2-11 would continue to limit the ability of a broker, dealer, QIDQS, or RNSA to rely on the piggyback exception with respect to a security that is the subject of a trading suspension order issued by the Commission pursuant to section 12(k) of the Exchange Act until 60 calendar days after the expiration of such order. The Commission estimates that respondents would create records only for securities that have been the subject of a trading suspension issued by the Commission pursuant to section 12(k). In 2025, the Commission issued trading suspensions for twelve securities. Consistent with prior estimates, the Commission estimates that it would take respondents one minute to create a record regarding whether a security has been subject to a trading suspension.[179] Therefore, the Commission estimates that 198 respondents[180] would spend a total of approximately 40 hours[181] per year complying with this recordkeeping requirement, resulting in an annual burden of approximately .2 hours per respondent.[182]

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177 1/3600 (one second) × 252 (trading days per year) × 23,602 (total quoted OTC securities as of Dec. 11, 2025) = 1,652.14 hours per respondent.

178 198 respondents × 1,652.14 hours = 327,123.72 hours.

179 *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68181.

180 196 broker and dealers + 1 QIDQS + 1 RNSA = 198 respondents.

181 198 respondents × (1/60 hour) × 12 securities = 39.6 hours.

182 39.6 hours / 198 respondents = .2 hours.

Rule 15c2-11(f)(3)(i)(B)(2), (d)(2)(i), (d)(2)(ii)—Determining Shell Company Status for Availability of the Piggyback Exception and Corresponding Record Preservation Requirements

Under the proposed amendments, paragraph (f)(3)(i)(B)(2) of Rule 15c2-11 would continue to eliminate eligibility for the piggyback exception for quotations for securities of shell companies that are published or submitted 18 months following the publication or submission of the initial priced quotation for such issuer's security in an IDQS. Consistent with prior estimates, the Commission estimates that how often respondents would determine whether the issuer of an equity security is a shell company, as required by paragraph (f)(3)(i)(B)(*2*) of the piggyback exception, depends on how frequently the applicable paragraph (b) information is filed (in the EDGAR system) or made current and publicly available. The Commission estimates that each respondent would continue to spend, on average, one minute per issuer in making a shell company determination and preserving applicable documentation.[183] Accordingly, the Commission estimates that each respondent would spend approximately 180 hours, annually, in determining whether an equity security's issuer is a shell company,[184] or approximately 35,555 hours across all respondents.[185]

Rule 15c2-11(f)(5)(i), (d)(2)(i), (d)(2)(ii)—Determining Availability of the ADTV and Asset Test Exception and Corresponding Record Preservation Requirements – ADTV Test

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183 *See* 17 CFR 240.15c2-11(d)(2)(i), (d)(2)(ii) (describing the relevant recordkeeping requirements). This preliminary estimate is consistent with the Commission's previous burden estimate of one minute per determination. *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68180.

184 ((2,503 issuers for which information is specified in paragraph (b)(1), paragraph (b)(2), paragraph (b)(3), or paragraph (b)(4) × 1 minute × 4 responses per year) + (654 issuers for which information is specified in paragraph (b)(5)(i) × 1 minute × 1 responses per year)) / 60 minutes = 179.57 hours.

185 179.57 hours × (196 brokers and dealers + one QIDQS + one RNSA) = 35,554.86 hours. Any change in this estimate from prior Rule 15c2-11 PRA burden estimates is due to changes in certain market metrics over time and/or changes in data collection methods, and not from the proposed amendments.

Under the proposed amendments, paragraph (f)(5) of Rule 15c2-11 would continue to except securities with (i) a worldwide average daily trading volume value of at least $100,000 reported during the 60 calendar days immediately before the publication of the quotation of such security ("ADTV Test") and (ii) the issuer of such security has at least $50 million in total assets and $10 million in shareholders' equity as reflected in the issuer's publicly available audited balance sheet issued within six months after the end of its most recent fiscal year ("Asset Test"). The Commission estimates that there are approximately 472 securities that meet the paragraph (f)(5) ADTV and Asset tests.[186] The Commission estimates that, through an automated process needing minimal direct human intervention, it would take approximately one second for a respondent to gather, review, and preserve documents and information that demonstrate that the requirements of the ADTV Test have been met,[187] and that each respondent would do this 252 times a year (i.e., each trading day).[188] Accordingly, each respondent would spend approximately 33 hours[189] in determining whether the ADTV Test is met, or approximately 6,542 hours across all respondents.[190]

Rule 15c2-11(f)(5)(ii), (d)(2)(i), (d)(2)(ii)—Determining Availability of the ADTV and Asset Test Exception and Corresponding Record Preservation Requirements – Asset Test

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186 *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68181, 68190 n.684. The Commission estimates that approximately 472 (2%) of quoted OTC securities would be eligible for the ADTV and assets exception. 23,602 total quoted OTC securities as of Dec. 11, 2025 × 2% = 472 securities eligible for the ADTV value and asset test exception.

187 This preliminary estimate differs from the Commission's previous burden estimate of one minute per record. *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68181. This decrease in estimated burden per response is explained by the increased automation and accessibility of global trade volume data for OTC securities and is not a product of the proposed amendments.

188 Respondents would likely make such determination as often as each trading day on which a quotation for an equity security could be published (or 252 times per year) because the test would require that the ADTV value be calculated for a specified period immediately preceding the publication of a quotation of the equity security. *See* 17 CFR 240.15c2-11(f)(5)(i).

189 (252 trading days per year × 472 equity securities × 1 second) / 3,600 seconds = 33.04 hours.

190 33.04 hours × (196 brokers and dealers + one QIDQS + one RNSA) = 6,541.92 hours.

As stated above, the Commission estimates that there are approximately 472 securities that meet the paragraph (f)(5) ADTV and Asset Tests.[191] Consistent with prior estimates, the Commission estimates it would take one minute to create documentation supporting respondents' reliance on the Asset Test prong of the exception and that a respondent would do this once annually per issuer.[192] Accordingly, each respondent would spend approximately 8 hours[193] on this information collection annually, for an annual industrywide burden of approximately 1,558 hours per year.[194]

Under the proposed amendments to Rule 15c2-11, paragraph (f)(7) would continue to provide an exception for any broker's or dealer's quotation that is published pursuant to a QIDQS's or an RNSA's publicly available determination that an exception in paragraph (f)(1), paragraph (f)(3)(i), or paragraph (f)(5) is available with respect to an equity security. As discussed above, in this Part V.F.2, any respondent that determines whether the conditions of the exception in paragraph (f)(3)(i) or paragraph (f)(5) are met would continue to incur PRA burdens in compiling documents to reach that determination and in preserving corresponding records.[195] Accordingly, any QIDQS or RNSA that makes a publicly available determination that the exception in paragraph (f)(3)(i) or paragraph (f)(5) is available for an equity security would incur PRA burdens consistent with the discussion above, in this Part V.F.2. The PRA burdens that would be incurred by brokers and dealers in publishing quotations for equity securities in

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191 *See* 2020 Release, 85 FR 68181, 68190 n.684. The Commission estimates that approximately 472 (two percent) of quoted OTC securities would be eligible for the ADTV and assets exception. 23,602 total quoted OTC securities as of Dec. 11, 2025 × 2 percent = 472 securities eligible for the ADTV value and asset test exception (rounded to the nearest whole number).

192 *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68181.

193 472 securities × 1 minute / 60 minutes = 7.87 hours.

194 7.87 hours × 198 respondents = 1,558.26 hours.

195 *See* 17 CFR 240.15c2-11(d)(2)(i), (d)(2)(ii) (describing the applicable recordkeeping requirements).

reliance on any such publicly available determination concerning an equity security are discussed below, in Part V.F.3.

3. Burden Estimates Related to Other Record Preservation Requirements

Under the proposed amendments, Rule 15c2-11's record preservation requirements would continue to apply to records concerning brokers' or dealers' quotations for equity securities and any QIDQS's or RNSA's publicly available determinations (made pursuant to paragraph (a)(2)(iv) or paragraph (a)(3)) regarding equity securities. The estimates discussed herein address PRA burden estimates not already discussed above, in Parts V.F.1 and V.F.2. These estimates are for PRA burdens incurred by brokers or dealers in preserving records related to their (1) initiation of a quoted market in an equity security based on a QIDQS's publicly available determination that it satisfied Rule 15c2-11's information gathering and review requirements pursuant to paragraph (a)(1)(ii) and (2) publication or submission of quotations pursuant to paragraph (a)(3) for equity securities in reliance on a QIDQS's or an RNSA's publicly available determination described in paragraph (f)(2)(iii)(B), paragraph (f)(3)(ii)(A), or paragraph (f)(7).[196]

Rule 15c2-11(d)(1)(ii)—Record Preservation Requirements for Brokers and Dealers Relying On Publicly Available Determinations Described in Paragraph (a)(2)(iv)

Under the proposed amendments to Rule 15c2-11, any broker or dealer that initiates (or resumes) a quoted market in an equity security in reliance on a QIDQS's publicly available determination regarding its satisfaction of Rule 15c2-11's information gathering and review requirements pursuant to paragraph (a)(1)(ii) would continue to be required under paragraph

[196] As discussed above, in Part II, the proposed amendments would not change any of the rule's requirements or conditions as they apply to quotations for equity securities. The Commission therefore does not expect that any broker, dealer, QIDQS, or RNSA would incur an initial PRA burden under the proposed amendments.

(d)(1)(ii) to preserve records of the name of the QIDQS that made the publicly available determination. Because the information required to satisfy this requirement must be publicly available, the Commission estimates that each broker or dealer publishing an initial quotation in reliance on a QIDQS's publicly available determination made pursuant to paragraph (a)(2)(iv) would incur a PRA burden by spending approximately one minute in creating each record[197] (or 1.87 hours annually per broker and dealer).[198] The Commission estimates that the aggregate annual PRA burden related to this information collection would be approximately 144 hours across 77 brokers and dealers.[199]

Rule 15c2-11(d)(2)(ii)—Record Preservation Requirements For Brokers and Dealers Relying On Publicly Available Determinations Described in Paragraph (a)(3)

Under the proposed amendments to Rule 15c2-11, any broker or dealer that relies on a QIDQS's or an RNSA's publicly available determination described in paragraph (f)(2)(iii)(B), paragraph (f)(3)(ii)(A), or paragraph (f)(7) to quote an equity security would continue to be required to preserve the name of the QIDQS or RNSA that made the determination. Any broker or dealer that relies on a publicly available determination pursuant to paragraph (f)(7) to quote an equity security would also continue to be required to preserve a record of the exception provided in paragraph (f)(1), paragraph (f)(3)(i), or paragraph (f)(5) for which the publicly available determination was made. The Commission estimates that brokers and dealers would compile,

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197 This preliminary estimate is consistent with the Commission's previous burden estimate of one minute per record. *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68182.

198 112 equity securities for which a QIDQS filed a Form 211 pursuant to FINRA Rule 6432(b) in 2024 × 1 minute / 60 minutes = 1.87 hours.

199 112 equity securities for which a QIDQS filed a Form 211 pursuant to FINRA Rule 6432(b) in 2024 ×1 minute × 77 brokers and dealers that may rely on a QIDQS's publicly available determination) / 60 minutes = 143.73 hours. Any change in this estimate from prior Rule 15c2-11 PRA burden estimates is due to changes in certain market metrics over time and/or changes in data collection methods, and not from the proposed amendments.

through an automated process needing minimal direct human intervention, if any, records required by paragraph (d)(2)(ii) each trading day, spending approximately one second per record. This preliminary estimate is consistent with the Commission's previous burden estimate of one second per record.[200] The 196 brokers and dealer respondents therefore would have an estimated aggregate annual information collection burden of approximately 323,819 hours,[201] or approximately 1,652 hours per respondent.[202]

4. Burden Estimates Related to Rule 15c2-11(a)(3)—QIDQS or RNSA Written Policies and Procedures for Making Publicly Available Determinations

Under the proposed amendments to Rule 15c2-11, any QIDQS or RNSA that makes a publicly available determination pursuant to paragraph (a)(3) of Rule 15c2-11 would continue to be required to update its written policies and procedures to address equity securities as defined in Rule 3a11-1.[203] The Commission has preliminarily estimated, for the purposes of this release, that its previous annual burden estimate of 10 hours per respondent to review and update these written policies and procedures continues to be reasonable and takes account of any updates that would be needed to address the proposed amendments.[204]

Based on available data that was submitted to FINRA pursuant to Supplementary Material .02 to FINRA Rule 6432, in 2024, one QIDQS made publicly available determinations

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200 *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68183.

201 (196 brokers and dealers) × (1/3600 hour (one second)) × (252 trading days per year) × (23,602 unique OTC securities with at least one published quotation) = 323,819.44 hours. Any change in this estimate from prior Rule 15c2-11 PRA burden estimates is due to changes in certain market metrics over time and/or changes in data collection methods, and not from the proposed amendments.

202 323,819.44 hours / 196 brokers and dealers = 1,652.14 hours.

203 *See supra* note 82.

204 *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68182.

pursuant to paragraph (a)(3) of Rule 15c2-11, while the one RNSA has not made any publicly available determinations pursuant to paragraph (a)(3) of Rule 15c2-11. The Commission therefore estimates that the total annual PRA burden of the information collection associated with satisfying paragraph (a)(3)'s requirements for making publicly available determinations would be 10 hours.[205]

G. Collection of Information Would Be Mandatory

Under the proposed amendments to Rule 15c2-11, the information collections for the information gathering and review requirements pursuant to paragraph (a)(1) and record preservation requirements pursuant to paragraph (d) would continue to be mandatory if a broker or dealer publishes a quotation for an equity security, or if a QIDQS makes a publicly available determination pursuant to paragraph (a)(2)(iv). Additionally, the information collections involving documentation supporting the conditions of an exception would continue to be mandatory if a broker or dealer publishes any quotation for an equity security in reliance on an exception in paragraph (f) of Rule 15c2-11 or if a QIDQS or RNSA makes a publicly available determination pursuant to paragraph (a)(3).

H. Confidentiality of Responses to Collection of Information

The Commission typically would not receive confidential information as a result of these information collections. To the extent that the Commission receives, through its examination and oversight program, through an investigation, or by some other means, records or disclosures that are not publicly available, from any respondent supporting, as applicable, its satisfaction of the information gathering and review requirements, reliance on an exception or a publicly available

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[205] One QIDQS × 10 hours = 10 hours. As discussed above, in Part II, the proposed amendments would not change any of the rule's requirements or conditions as they apply to quotations for equity securities. The Commission therefore does not expect that the QIDQS would incur an initial PRA burden under the proposed amendments.

determination, or making of a publicly available determination, such information would be kept confidential, subject to the provisions of applicable law.

I. Retention Period for Record Preservation Requirement

Under the proposed amendments to paragraph (d)(1) of Rule 15c2-11, any broker or dealer that initiates (or resumes) a quoted market in an equity security, or any QIDQS that undertakes to satisfy Rule 15c2-11's information gathering and review requirements concerning an equity security, would continue to be required to preserve the applicable documents and information, for a period of not less than three years, the first two years in an easily accessible place. Under paragraph (d)(2) of Rule 15c2-11, any broker or dealer publishing or submitting any quotation for an equity security, or any QIDQS or RNSA making a publicly available determination pursuant to proposed paragraphs (f)(2)(iii)(B), (f)(3)(ii)(A), or (f)(7) of Rule 15c2-11, would continue to be required to preserve the applicable documents and information, for a period of not less than three years, the first two years in an easily accessible place.[206]

J. Request for Comment

Pursuant to 44 U.S.C. 3506(c)(2)(B), the Commission solicits comments to (1) evaluate whether the proposed collections of information are necessary for the proper performance of the functions of the Commission, including whether the information would have practical utility; (2) evaluate the accuracy of the Commission's estimate of the burden of the proposed collections of information; (3) determine whether there are ways to enhance the quality, utility, and clarity of the information to be collected; and (4) determine whether there are ways to minimize the burden

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206 The proposed amendments would revise Rule 15c2-11 to refer to only "equity securities," as defined in Rule 3a11-1, but would not otherwise change the existing retention periods required under existing Rule 15c2-11(d)(1) and (d)(2).

of the collections of information on those who are to respond, including through the use of automated collection techniques or other forms of information technology.

Q19. Do the Commission's estimates in Part V.D accurately capture the number of respondents who would be subject to PRA burdens under Rule 15c2-11 if it is amended to refer to only equity securities, as defined in Rule 3a11-1? Please explain.

Q20. Do the Commission's estimates in Part V.F accurately estimate the number of PRA burden hours for respondents under Rule 15c2-11 if it is amended to refer to only equity securities, as defined in Rule 3a11-1? Are any PRA burden estimates too low or too high? Please explain.

Q21. How would Rule 15c2-11 compliance tools or data products be updated to address the proposed amendments? If the section 3(a)(11) definition of "equity securities" were instead referenced, how would these tools or products be updated? Would having to update these tools or products increase or decrease the PRA burden estimates included in Part V.F? Would reliance on these updated tools increase or decrease the PRA burden estimates included in Part V.F? Please explain.

Q22. Are there any additional costs or burdens that respondents would incur under the proposed amendments? Please explain.

Q23. The Commission recognizes that some respondents may choose to utilize third-party vendors for purposes of complying with Rule 15c2-11's information gathering and review requirements or making certain determinations, such as whether paragraph (b) information is current and publicly available or whether certain rule exceptions are available, rather than conduct these activities

themselves. The PRA burden estimates included in this release are based on respondents gathering applicable documents and information to conduct these activities, internally, without the use of third-party vendors, because the Commission lacks information from which to form a more precise estimate of the proportion of respondents who would use third-party vendors. The Commission welcomes comments on this approach, including the likelihood, burdens, and costs of using third-party vendors for these purposes.

Persons submitting comments on the collection of information requirements should direct them to the Office of Management and Budget, Attention: Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Washington, DC 20503, and should also send a copy of their comments to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090, with reference to File Number S7-2026-08. Requests for materials submitted to OMB by the Commission with regard to this collection of information should be in writing, with reference to File Number S7-2026-08 and be submitted to the Securities and Exchange Commission, Office of FOIA/PA Services, 100 F Street NE, Washington, DC 20549-2736. As OMB is required to make a decision concerning the collection of information between 30 and 60 days after publication, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication.

VI. Present Values and Annualized Values of Monetized Benefits and Costs

In addition to discussing the benefits, costs, and reasonable alternatives in the Economic Analysis in Part IV, consistent with the requirements of Executive Order 12866, and estimating burdens under the PRA in Section V, the Commission reports estimated total monetized benefits

and costs for all affected entities in two ways specified in OMB Circular A-4.[207] These additional analyses include only benefits and costs that are monetized in the Economic Analysis and thus do not encompass all of the proposed amendments' benefits and costs. The two presentations are intended to address the fact that the various benefits and costs of the proposed amendments would not accrue at the same point in time; rather, benefits and costs that accrue sooner are generally more valuable than those that occur later in time.[208]

We report below (1) the present values of expected benefits and costs that are monetized in our economic analysis over a 10-year time horizon, starting in 2026, as well as (2) the annualized values over the same time horizon that are derived from the present values. This 10-year time horizon represents the period over which the principal benefits and costs that are monetized in the Economic Analysis are expected to accrue.[209] The present values and annualized values account for the timing of benefits and costs through discounting, which is a procedure that accounts for the time value of money.[210]

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207 *See* Exec. Order No. 12866 (Sept. 30, 1993), 58 FR 51735, 51741 (Oct. 4, 1993) (requiring agencies to provide an analysis of benefits, costs, and regulatory alternatives to OIRA for significant regulatory actions); OMB, CIRCULAR A-4, at 31–34, 45 (Sept. 17, 2003) (providing guidance to agencies regarding compliance with Executive Order 12866). *See also* Exec. Order No. 14215 (Feb. 18, 2025), 90 FR 10447, 10448 (Feb. 24, 2025) (requiring independent agencies to comply with Exec. Order No. 12866). In addition, Executive Order 14192 requires agencies to provide their best approximation of the total costs or savings associated with each new regulation or repealed regulation consistent with the analyses required by Executive Order 12866. *See* Exec. Order No. 14192 (Jan. 31, 2025), 90 FR 9065, 9066 (Feb. 6, 2025). Although Circular A-4 applies to only significant regulatory actions under section 3(f) of Executive Order 12866 and OIRA has determined this rulemaking is not significant, we are providing these additional analyses in this release to promote transparency and comparability of aggregated monetized benefits and costs across our rulemakings. *See supra* Part IV.

208 *See* OMB, CIRCULAR A-4, at 32.

209 *See id.* at 31 (stating that "[t]he ending point should be far enough in the future to encompass all the significant benefits and costs likely to result from the rule"). For the purposes of this analysis, we assume the effective date of the proposed amendments, as well as the start year for the analysis's 10-year time horizon, is the present year.

210 *See id.* at 32 ("The Rationale for Discounting") & 45 ("Treatment of Benefits and Costs over Time"). *See also* OIRA, REGULATORY IMPACT ANALYSIS: A PRIMER, at 11 (Aug. 15, 2011), *available at* https://www.reginfo.gov/public/jsp/Utilities/circular-a-4_regulatory-impact-analysis-a-primer.pdf ("To provide an accurate assessment of benefits and costs that occur at different points in time or over different

Table 1 reports the discounted present values of monetized benefits and costs, combining one-time and recurring monetized benefits and costs, for all affected entities. This analysis uses annual real discount rates of 3 percent and 7 percent over a 10-year time horizon, starting in 2026.[211] As discussed above, the Commission does not estimate any monetized benefits or costs because the Commission is unable to quantify the expected effects because it lacks data necessary to fully quantify effects for securities that are not equity securities as defined in Rule 3a11-1.

Table 1: Present Discounted Value of Monetized Benefits and Costs over 10 Years from 2026 to 2035 (2025 Dollars)[a]

Estimated Effects	3% real discount rate	7% real discount rate
Benefits	Not monetized	Not monetized
Costs	Not monetized	Not monetized

Notes:

[a] This Table includes only benefits and costs that are monetized. As discussed in Economic Analysis, in Part IV, there are other benefits and costs that the Commission is not able to monetize.

Table 2 reports annualized monetized benefits and costs using real discount rates of 3 percent and 7 percent over a 10-year horizon.[212] The lump sum present values of monetized benefits and costs reported in Table 1 are converted in Table 2 into a constant stream of

time horizons, an agency should use discounting. Agencies should provide benefit and cost estimates using both 3 percent and 7 percent annual discount rates expressed as a present value as well as annualized."); HARVEY S. ROSEN & TED GAYER, PUBLIC FINANCE 151 (8th ed. 2008) (defining present value as "the value today of a given amount of money to be paid or received in the future").

211 This approach is consistent with OMB Circular A-4. *See* CIRCULAR A-4, at 31–34 (stating that, "[f]or regulatory analysis, [agencies] should provide estimates of net benefits using both 3 percent and 7 percent" discount rates and discussing why those rates are reasonable default rates). Also, we use a mid-year discount rate. *See* OMB, CIRCULAR A-94, at 21–22 (Oct. 19, 1992) (stating that, "When costs and benefits occur in a steady stream, applying mid-year discount factors is more appropriate.").

212 This approach is consistent with the recommended treatment of benefits and costs over time in Circular A-4. *See id.* at 45 ("You should present annualized benefits and costs using real discount rates of 3 and 7 percent").

annualized benefits and costs over a 10-year time horizon, starting in 2026.[213] Annualized benefits and costs may differ from the recurring monetized annual benefits and costs discussed earlier in this economic analysis because they incorporate the timing of benefits and costs, through discounting, and combine one-time and recurring benefits and costs.[214]

Table 2: Annualized Monetized Benefits and Costs over 10 Years from 2026 to 2035 (2025 Dollars)[a]

Estimated Effects	3% real discount rate	7% real discount rate
Benefits	Not monetized	Not monetized
Costs	Not monetized	Not monetized

Notes:

[a] This Table includes only benefits and costs that are monetized. As discussed in the Economic Analysis in Part IV, there are other benefits and costs that the Commission is not able to monetize.

In sum, Tables 1 and 2 report in two alternative ways expected total benefits and costs, across all affected entities, which are monetized in our Economic Analysis in Part IV, using real discount rates of 3 percent and 7 percent over a 10-year time horizon.

VII. Regulatory Flexibility Act Certification

The Regulatory Flexibility Act of 1980 ("RFA") requires the Commission, when issuing a rulemaking proposal, to prepare and make available for public comment an initial regulatory flexibility analysis ("IRFA") that describes the impact of the proposed rule on small entities,[215] unless the Commission certifies that the rule, if adopted, would not have a significant economic impact on a substantial number of small entities.[216] Pursuant to 5 U.S.C. 605(b), the Commission

[213] For each discount rate, the annualized monetized benefits (costs, respectively) in Table 2 represent the constant annual stream of benefits (costs, respectively) whose present value over the 10-year horizon equates the corresponding present value in Table 1.

[214] The annualized benefits and costs present these values over the 10-year time horizon, starting in present year, even if recurring annual benefits and costs would actually start to be incurred at a later date due to compliance periods.

[215] 5 U.S.C. 603(a).

[216] 5 U.S.C. 605(b).

hereby certifies that the proposed amendments to Rule 15c2-11 would not, if adopted, have a significant economic impact on a substantial number of small entities.

Small entities include broker-dealers with total capital (net worth plus subordinated liabilities) of less than $500,000 on the date in the prior fiscal year as of which its audited financial statements were prepared pursuant to Rule 17a-5(d) under the Exchange Act,[217] or, if not required to file such statements, a broker-dealer who had total capital (net worth plus subordinated liabilities) of less than $500,000 on the last day of the preceding fiscal year (or in the time it has been in business, if shorter), and is not affiliated with any person (other than a natural person) who is not a small business or small organization.[218] A small business or small organization, for purposes of "issuers" or "person" other than an investment company, is defined as a person who, on the last day of its most recent fiscal year, had total assets of $5 million or less.[219]

The proposed amendments to Rule 15c2-11 impact brokers and dealers that publish or submit quotations for securities in a quotation medium. Based on a review of available data involving those broker and dealers, the Commission does not believe that any of them are small entities because they either exceed $500,000 in total capital or are affiliated with a person that is not a small entity as defined in Rule 0-10. It is possible that in the future a small entity may become impacted by the rule and the proposed amendments. Based on experience with broker-dealers that participate in this market, however, the Commission preliminarily believes that this scenario will be unlikely because firms that enter the market are likely to exceed $500,000 in total capital or be affiliated with a person that is not a small entity.

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217 *See* 17 CFR 240.17a-5(d).

218 *See* 17 CFR 240.0-10(c).

219 17 CFR 242.0-10(a).

The Commission encourages written comments on the certification. The Commission solicits comment as to whether the proposed rule could have an effect on small entities that has not been considered. The Commission asks that commenters describe the nature of any impact on small entities and provide empirical data to support the extent of the impact.

VIII. Congressional Review Act

For purposes of Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (also known as the Congressional Review Act),[220] the Commission must seek OMB's determination as to whether a final regulation constitutes a "major" rule. Under the Congressional Review Act, a rule is considered "major" where, if adopted, it results in or is likely to result in:

- An annual effect on the economy of $100 million or more;
- A major increase in costs or prices for consumers or individual industries; or
- Significant adverse effects on competition, investment, or innovation.[221]

To help inform OMB's determination as to whether any final rule that results from the proposal would be a "major rule", the Commission requests comment and data on:

- The potential effect on the U.S. economy on an annual basis;
- Any potential increase in costs or prices for consumers or individual industries; and
- Any potential effect on competition, investment, or innovation.

Commenters are requested to provide empirical data and other factual support for their views to the extent possible.

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220 *See* 5 U.S.C. chapter 8.

221 See 5 U.S.C. 804(2) defining "major rule."

IX. Other Matters

The Office of Management and Budget has determined that this action is not a significant regulatory action as defined in Executive Order 12866, as amended, and therefore it was not subject to Executive Order 12866 review.

Statutory Authority

The rule amendments contained in this release are being proposed under the authority set forth in sections 3, 10(b), 15(c), 15(h), 17(a), 23(a), and 36 of the Securities Exchange Act of 1934 [15 U.S.C. 78c, 78j(b), 78*o*(c), 78o(g), 78q(a), 78w(a), and 78mm].

List of Subjects in 17 CFR Part 240

Brokers; Fraud; Reporting and recordkeeping requirements; Securities.

Text of Rule Amendments

For the reasons set forth in the preamble, the Commission is proposing to amend title 17, chapter II of the Code of Federal Regulations as follows:

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

1. The authority citation for part 240 continues to read as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z-2, 77z-3, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78c-3, 78c-5, 78d, 78e, 78f, 78g, 78i, 78j, 78j-1, 78j-4, 78k, 78k-1, 78*l*, 78m, 78n, 78n-1, 78*o*, 78*o*-4, 78*o*-10, 78p, 78q, 78q-1, 78s, 78u-5, 78w, 78x, 78dd, 78*ll*, 78mm, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4, 80b-11, 1681w(a)(1), 6801-6809, 6825, 7201 *et seq.*, and 8302; 7 U.S.C. 2(c)(2)(E); 12 U.S.C. 5221(e)(3); 18 U.S.C. 1350; and Pub. L. 111-203, 939A, 124 Stat. 1376 (2010); and Pub. L. 112-106, sec. 503 and 602, 126 Stat. 326 (2012), unless otherwise noted.

* * * * *

Section 240.15c2-11 also issued under 15 U.S.C. 78j(b), 78*o*(c), 78q(a), and 78w(a).

* * * * *

1. Amend § 240.15c2-11 by revising paragraphs (a)(1), (b)(3)(v), (b)(4), (b)(5)(i)(D), (b)(5)(i)(E), (b)(5)(i)(F), (b)(5)(i)(P), (b)(5)(ii), (c), (d)(1)(i)(A), (d)(1)(i)(B), (d)(2)(ii), (e)(5), (f)(1), (f)(3)(i)(A), (f)(3)(i)(B), (f)(3)(i)(B)(*2*), (f)(3)(i)(C), (f)(3)(ii), (f)(4), (f)(5)(i), (f)(5)(ii), (f)(6) and (f)(7) to read as follows:

§ 240.15c2-11 Publication or submission of quotations without specified information.

(a) * * *

(1) *Brokers or dealers.* A broker or dealer to publish any quotation for an equity security as defined in § 240.3a11-1 of this chapter or, directly or indirectly, to submit any such quotation for publication, in any quotation medium, unless:

* * * * *

(b)(3) * * *

(v) An annual statement referred to in section 12(g)(2)(G)(i) of the Act (in the case of an issuer of an equity security that falls within the provisions of section 12(g)(2)(G) of the Act); or

(4) A copy of the information that, since the first day of its most recently completed fiscal year, the issuer has published as required to establish the exemption from registration under section 12(g) of the Act pursuant to § 240.12g3-2(b) of this chapter, which the broker or dealer must make available upon the request of a person expressing an interest in a proposed transaction in the issuer's equity security with the broker or dealer, such as by providing the requesting person with appropriate instructions regarding how to obtain the information electronically; or

(b)(5)(i) * * *

(D) The title, class, and ticker symbol (if assigned) of the equity security;

(E) The par or stated value of the equity security;

(F) The number of shares or total amount of the equity securities outstanding as of the end of the issuer's most recent fiscal year;

* * *

(P) Whether the quotation is being submitted or published, directly or indirectly, by or on behalf of the issuer or a company insider and, if so, the name of such person and the basis for any exemption under the Federal securities laws for any sales of such equity securities on behalf of such person.

(ii) The broker or dealer must make the documents and information specified in paragraph (b)(5)(i) of this section available upon the request of a person expressing an interest in a proposed transaction in the issuer's equity security with the broker or dealer, such as by providing the requesting person with appropriate instructions regarding how to obtain such publicly available documents and information electronically. If such information is made available to others upon request pursuant to this paragraph, such delivery, unless otherwise represented, shall not constitute a representation by such broker or dealer that such information is accurate but shall constitute a representation by such broker or dealer that the information is current in relation to the day the quotation is submitted, the broker or dealer has a reasonable basis under the circumstances for believing the information is accurate in all material respects, and the information was obtained from sources that the broker or dealer has a reasonable basis under the circumstances for believing are reliable. The documents and information specified in paragraph (b)(5) of this section must be reviewed where paragraphs (b)(1) through (4) of this section do not apply to such issuer. For purposes of compliance with paragraph (a)(1)(i)(B) or

(a)(2)(ii) of this section, the documents and information specified in paragraph (b)(5) of this section must be reviewed for an issuer for which the documents and information specified in paragraph (b)(1), (2), (3), or (4) of this section regarding such issuer are not current.

(c) *Supplemental information*. With respect to any equity security the quotation of which is within the provisions of this section, the broker or dealer submitting or publishing such quotation, or any qualified interdealer quotation system that makes known to others the quotation of a broker or dealer pursuant to paragraph (a)(2) of this section, shall have in its records the following documents and information:

* * *

(d) * * *

(1)(i) * * *

(A) Any broker or dealer that publishes or submits a quotation pursuant to paragraph (a)(1) of this section for an equity security; or

(B) Any qualified interdealer quotation system that makes known to others the quotation of a broker or dealer pursuant to paragraph (a)(2) of this section for an equity security;

* * *

(d) * * *

(2) * * *

(ii) Any broker or dealer that publishes or submits a quotation pursuant to paragraph (f) of this section; *Provided, however,* That any broker or dealer that relies on a publicly available determination described in paragraph (f)(2)(iii)(B) or (f)(3)(ii)(A) of this section shall preserve only a record of the name of the qualified interdealer quotation system or registered national securities association that determined whether the documents and information specified in

paragraph (b) of this section are current and publicly available in addition to the documents and information that demonstrate that the other requirements of the exception provided in paragraph (f)(2) or (3), respectively, are met; and that any broker or dealer that relies on a publicly available determination described in paragraph (f)(7) of this section shall preserve only a record of the exception provided in paragraph (f)(1), (f)(3)(i), or (f)(5) for which the publicly available determination is made and the name of the qualified interdealer quotation system or registered national securities association that determined that the requirements of that exception are met.

* * *

(e) * * *

(5) *Publicly available* shall mean available on EDGAR; on the website of a state or Federal agency, a qualified interdealer quotation system, a registered national securities association, an issuer, or a registered broker or dealer; or through an electronic information delivery system that is generally available to the public in the primary trading market of a foreign private issuer as defined in § 240.3b-4 of this chapter; *Provided, however,* that *publicly available* shall mean where access is not restricted by user name, password, fees, or other restraints.

* * *

(f) * * *

(1) The publication or submission of a quotation for an equity security that is admitted to trading on a national securities exchange and that is traded on such an exchange on the same day as, or on the business day next preceding, the day the quotation is published or submitted.

* * *

(3)(i)(A) The publication or submission, in an interdealer quotation system that specifically identifies as such unsolicited customer indications of interest of the kind described in paragraph (f)(2) of this section, of a quotation for an equity security that has been the subject of a bid or offer quotation (exclusive of any identified customer interests) in such a system at a specified price, with no more than four business days in succession without such a quotation;

(B) Provided, however, that this paragraph (f)(3) shall not apply to a quotation that is published or submitted by a broker or dealer for the equity security of an issuer that:

* * *

(*2*) Such broker or dealer, or any qualified interdealer quotation system or registered national securities association, has a reasonable basis under the circumstances for believing is a shell company, unless such quotation is published or submitted within the 18 months following the initial quotation for such issuer's equity security that is the subject of a bid or offer quotation in an interdealer quotation system at a specified price;

(C) Provided further, that this paragraph (f)(3) shall apply to the publication or submission of a quotation for an equity security of an issuer only if the documents and information regarding such issuer that are specified in:

* * *

(ii) If the documents and information specified in paragraph (b) of this section (excluding paragraphs (b)(5)(i)(N) through (P)) regarding an issuer are no longer current and publicly available, timely filed, or filed within 180 calendar days, as specified in paragraph (f)(3)(i)(C) of this section, a broker or dealer may continue to publish or submit a quotation for such issuer's equity security in an interdealer quotation system during the time frame specified in paragraph (f)(3)(ii)(C) if:

* * *

(4) [Reserved]

* * *

(5) * * *

(i) An equity security with a worldwide average daily trading volume value of at least $100,000 reported during the 60 calendar days immediately before the publication of the quotation of such equity security; and

(ii) The issuer of such equity security has at least $50 million in total assets and $10 million in shareholders' equity as reflected in the issuer's publicly available audited balance sheet issued within six months after the end of its most recent fiscal year.

(6) The publication or submission of a quotation for an equity security by a broker or dealer that is named as an underwriter in a registration statement for an offering of that class of equity security referenced in paragraph (b)(1) of this section or in an offering statement for an offering of that class of equity security referenced in paragraph (b)(2) of this section; *Provided, however,* that this paragraph (f)(6) shall apply only to the publication or submission of a quotation for such equity security within the time frames specified in paragraph (b)(1) or (2) of this section.

(7) The publication or submission of a quotation by a broker or dealer that relies on a publicly available determination by a qualified interdealer quotation system or registered national securities association that the requirements of an exception provided in paragraph (f)(1), (f)(3)(i), or (f)(5) of this section are met; *Provided, however,* that any qualified interdealer quotation system or registered national securities association that makes a publicly available determination that the requirements of the exception provided in paragraph (f)(3)(i) of this

section are met must subsequently make a publicly available determination under paragraph (f)(3)(ii)(A) of this section, as applicable.

* * * * *

By the Commission.

Dated: March 16, 2026.

Sherry R. Haywood,

Assistant Secretary.