



DIVISION OF
TRADING AND MARKETS

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

November 22, 2024

Ms. Racquel Russell
Senior Vice President and
Director of Capital Markets Policy
Office of General Counsel
Financial Industry Regulatory Authority, Inc.
1700 K Street, NW
Washington, DC 20006

Re: Amended Rule 15c2-11 in Relation to Fixed Income Securities

Dear Ms. Russell:

On November 30, 2022, the Division of Trading and Markets (“Division”) issued a no-action letter stating that the Division would not recommend enforcement action to the Securities and Exchange Commission (“Commission”) under the amendments to Rule 15c2-11 (“Amended Rule”)¹ under the Securities Exchange Act of 1934 (“Exchange Act”) for brokers or dealers that publish or submit quotations, including continuous quotations, in a quotation medium, for fixed income securities if the broker or dealer has determined that the fixed income security or its issuer meets one of the criteria in Appendix A included in that letter, or that there is current and publicly available financial information (consistent with Rule 15c2-11(b)) about the issuer.²

The November 2022 Letter stated that this position of the Division is temporary and shall expire on January 4, 2025. In response to discussions with industry representatives regarding the operational and systems changes necessary to comply with the Amended Rule for certain fixed income securities, the Division will not recommend enforcement action to the Commission under the Amended Rule for brokers or dealers that publish or submit quotations, including continuous quotations,³ in a quotation

¹ 17 CFR 240.15c2-11. All terms from Rule 15c2-11 that are used in this letter have the same meanings as in the rule. For example, “current” and “publicly available” are defined terms in paragraphs (e)(2) and (e)(5), respectively, of Rule 15c2-11.

² See Letter from Josephine Tao, Assistant Director, Office of Trading Practices, Division of Trading and Markets to Racquel Russell, Senior Vice President and Director of Capital Markets Policy, Office of the General Counsel, FINRA (Nov. 30, 2022) (“November 2022 Letter”), available at: <https://www.sec.gov/files/fixed-income-rule-15c2-11-nal-finra-113022.pdf>.

³ We understand that fixed income securities are often quoted on quotation mediums rather than on interdealer quotation systems. Rule 15c2-11 applies to any broker or dealer that publishes or submits

medium, for fixed income securities if the broker or dealer publishing or submitting the quotation for the fixed income security reasonably has determined that the fixed income security or its issuer meets one of the following criteria:

1. The issuer of the fixed income security also has a class of securities that is listed on a national securities exchange;
2. The issuer is subject to the requirement to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act and has filed all required periodic reports under Section 13 or 15(d) of the Exchange Act, as applicable, during the preceding 12 months (or for such shorter period that the issuer was required to file such reports);
3. The issuer of the fixed income security has a class of equity securities that is exempt from registration pursuant to Rule 12g3-2(b) under the Exchange Act;
4. The fixed income security is issued by an issuer where a qualified interdealer quotation system makes a publicly-available determination (in accordance with the requirements in Rule 15c2-11(a)(3)) that there is current and publicly available information about the issuer for any class of security of the issuer that is eligible for an exception in paragraphs (f)(2)(iii)(B), (f)(3)(ii)(A), or (f)(7) of Rule 15c2-11;
5. There is current and publicly available information (consistent with Rule 15c2-11(b))⁴ about the issuer of the subject security;
6. The issuer of the fixed income security is a bank as defined in Section 3(a)(6) of the Exchange Act, a bank holding company, or a credit union regulated by the National Credit Union Association (“NCUA”) that reports information to the

quotations in a quotation medium. “Quotation medium” is defined in Rule 15c2-11(e)(8) as “any device that is used by brokers or dealers to make known to others their interest in any security.” Brokers or dealers that publish or submit quotations in a quotation medium that is an “interdealer quotation system” (“IDQS”), defined as a system of general circulation that regularly disseminates quotations of “identified brokers or dealers,” may become eligible for the piggybacking exception of Rule 15c2-11(f)(3) (*see* subparagraphs (e)(3) and (e)(8)). The piggyback exception allows brokers or dealers to publish or submit continuous quotations without complying with the information review requirements before publishing or submitting each quotation. The piggyback exception is not available for quotations in a quotation medium that is not an IDQS (i.e., does not identify brokers or dealers) and, thus, continuous quotations are generally not permitted in such quotation mediums. The Division would not recommend enforcement action if brokers or dealers quoted certain fixed income securities without complying with the information review requirements for each such quotation (upon determining eligibility in accordance with this Letter).

⁴ For purposes of this no-action letter, the Division would consider the Information Requirement discussed in Section II.D. of the Rule 144A Adopting Release, Release No. 33-6862 (Apr. 30, 1990), 55 FR 17933, 17939, to be consistent with Rule 15c2-11(b). In addition, for purposes of this no-action letter, the Division would not recommend enforcement action to the Commission with respect to any broker or dealer relying on information that satisfies the requirement in Rule 144A(d)(4) and acts consistently with relevant written Division of Corporation Finance No Action statements. *See, e.g.*, Division of Corporation Finance no-action letters to British Aerospace Public Limited Co. and British Aerospace Holdings, Inc. (May 9, 1990); Schering-Plough Corp. (Nov. 21, 1991); and [Fédération des caisses Desjardins du Québec \(Apr. 29, 2021\)](#). This no-action position covers the fixed income securities of a wholly owned subsidiary of a company (1) for which the applicable Rule 15c2-11(b) information is current and publicly available and (2) whose guarantee of such securities of the wholly owned subsidiary is full and unconditional.

Federal Financial Institutions Examination Council or files call reports with the NCUA; or

7. The issuer of the subject security is an asset-backed issuer covered by the 2011 no-action position from the Division of Corporation Finance regarding its reporting requirements in respect of its outstanding asset-backed securities.⁵

In addition to the no-action position expressed above, the Division will not recommend enforcement action to the Commission under the Amended Rule for brokers or dealers that publish or submit quotations, including continuous quotations, in a quotation medium, for any fixed income security if the broker or dealer reasonably has determined that the fixed income security is foreign sovereign debt or a debt security guaranteed by a foreign government.

Furthermore, the November 2022 Letter is hereby withdrawn.

The position of the Division concerns enforcement action only and does not represent a legal conclusion with respect to the applicability of statutory or regulatory provisions of the federal securities laws.⁶ Furthermore, this no-action position does not apply to the anti-fraud and anti-manipulation provisions of the Exchange Act, including without limitation Sections 9(a) and 10(b), and Rule 10b-5 thereunder. Broker-dealers must continue to comply with these and other applicable provisions of the federal securities laws.

Sincerely,


Josephine J. Tao
Assistant Director

⁵ Letter from Steven Hearne, Special Counsel, Division of Corporation Finance, SEC (Jan. 6, 2011), available at <https://www.sec.gov/divisions/corpfin/cf-noaction/2011/asf010611-15d.htm>.

⁶ This letter represents the views of the staff of the Division. It is not a rule, regulation, or statement of the Commission. The Commission has neither approved nor disapproved its content. This letter, like all staff statements, has no legal force or effect: it does not alter or amend applicable law, and it creates no new or additional obligations for any person. Further, this letter does not address any FINRA rules applicable to the OTC market.