



July 12, 2007

Barbara Z. Sweeney
NASD
Office of the Corporate Secretary
1735 K Street, NW
Washington, D.C. 20006-1500

William Jannace
Director of Rule and Interpretive Standards
Member Firm Regulation
New York Stock Exchange
20 Broad Street, 23rd Floor
New York, NY 10005

**Re: NASD Notice to Members 07-30; NYSE Information Memo 7-54
Request for Comment on Proposed Joint Guidance Regarding
the Review and Supervision of Electronic Communications**

Dear Ms. Sweeney and Mr. Jannace:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ is pleased to comment on the above-referenced NASD Notice to Members (“*Notice*”) and New York Stock Exchange Information Memo (“*IM*”), which seek input on proposed Joint Guidance regarding the supervision and review of electronic communications. The Joint Guidance sets forth principles for members to consider when developing supervisory systems and procedures for electronic communications that are reasonably designed to achieve compliance with applicable securities laws and self-regulatory organization rules.

SIFMA commends and greatly appreciates the considerable effort by the New York Stock Exchange and NASD (collectively, the “SROs”) to develop the Joint Guidance. In particular, we thank the SROs’ staff for their continued commitment to

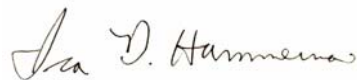
¹ The Securities Industry and Financial Markets Association brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members’ interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

work with industry representatives in formulating the Joint Guidance so as not to create unnecessary burdens for member firms, while still preserving the overriding investor protection objectives. SIFMA believes that the collaborative process used to develop the Joint Guidance should be a model for rulemaking and guidance in the new Financial Industry Regulatory Authority ("FINRA"). This constructive interaction and dialogue serves as an excellent example of a positive working relationship that ultimately yields well-informed, cost-effective regulation. Indeed, it is our sincere hope that FINRA will embrace this type of consultative process in the new regulatory regime.

Overall, the proposed Joint Guidance is balanced, flexible and provides a sound template for member firm supervision and review of electronic communications. In fact, we believe that the Joint Guidance, in large measure, reflects best practices already integrated within many firms' supervisory practices and procedures. As such, SIFMA endorses the Joint Guidance and, in particular, the ability of firms to adopt a risk-based approach to electronic communications supervision. SIFMA also would be pleased to provide further comment to the SROs as they further refine and finalize the Joint Guidance.

Again, we thank the SROs for the opportunity to provide comments on this important proposal. If you have any questions or require further information, please contact the undersigned or Amal Aly, SIFMA Managing Director and Associate General Counsel.

Sincerely,



Ira D. Hammerman
Senior Managing Director &
General Counsel

CC: Christopher Cox, Chairman, U.S. Securities and Exchange Commission
Paul S. Atkins, Commissioner, U.S. Securities and Exchange Commission
Roel C. Campos, Commissioner, U.S. Securities and Exchange Commission
Kathleen L. Casey, Commissioner, U.S. Securities and Exchange Commission
Annette L. Nazareth, Commissioner, U.S. Securities and Exchange Commission
Mary Schapiro, Chairman and Chief Executive Officer, NASD
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Marc Menchel, Executive Vice President and General Counsel, NASD
Richard G. Ketchum, Chief Executive Officer, NYSE Regulation
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