



**Marcia E. Asquith**  
Corporate Secretary and EVP  
Board and External Relations

May 20, 2026

Ms. Vanessa Countryman  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Via Email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

**Re: Publication or Submission of Quotations Without Specified Information  
(File No. S7-2026-08)**

Dear Ms. Countryman:

The Financial Industry Regulatory Authority, Inc. (“FINRA”) appreciates this opportunity to comment on the Securities and Exchange Commission’s (“Commission” or “SEC”) proposed amendments to Rule 15c2-11 (“Rule”) of the Securities Exchange Act of 1934 (“Exchange Act” or “SEA”)<sup>1</sup> to limit the Rule’s application to equity securities.<sup>2</sup> FINRA supports the Commission’s Proposal and believes that focusing the Rule on equity securities, and excluding fixed income securities from the scope of the Rule is appropriate given the differences between the fixed income markets and the over-the-counter (“OTC”) equity securities market. In particular, differences in the nature of quoting activity for fixed income securities and the types of mediums on which this activity occurs make application of the Rule to fixed income securities complex and difficult. These differences create significant burdens for broker-dealers—concerns that have been emphasized by FINRA members for years.<sup>3</sup>

Rule 15c2-11 was originally adopted in 1971 in response to the fraudulent and manipulative trading of shell corporations for which financial or other information concerning the security and issuer was not readily available to broker-dealers and the

---

<sup>1</sup> See File No. S7-2026-08, Exchange Act Release No. 105004 (March 16, 2026), 91 FR 13243 (March 19, 2026) (Publication or Submission of Quotations Without Specified Information) (“Proposal”).

<sup>2</sup> The Proposal would define “equity security” by reference to Exchange Act Rule 3a11-1.

<sup>3</sup> The Proposal would not change Rule 15c2-11’s substantive requirements for broker-dealers initiating or resuming quotations in equity securities in a quotation medium. See Proposal, 91 FR 13243, 13245.

investing public.<sup>4</sup> At that time, recognizing that the potential for fraud was not limited to the equity securities of shell corporations, the Commission drafted Rule 15c2-11 to cover any security.<sup>5</sup> However, broker-dealers believed that the focus of the Rule was on equity securities, the express purpose of the Rule.<sup>6</sup> In 2020, the SEC adopted substantial amendments to modernize Rule 15c2-11, reduce unnecessary burdens on broker-dealers, and enhance transparency of information and the efficiency of the OTC market. In adopting the 2020 amendments, the SEC emphasized the continued importance of the Rule “to prevent fraud and manipulation by requiring that broker-dealers review key, basic information about an issuer before initiating a quoted market in an OTC [over-the-counter] security,” noting that broker-dealers “serve an important gatekeeper function” when facilitating access to OTC securities, which are primarily owned by retail investors.<sup>7</sup>

As part of the 2020 Amendments, the Commission established several mechanisms that streamline member compliance with the information review requirements of the Rule—both the initial review requirements for the initiation of quoting, as well as the daily requirements for ongoing quoting. Specifically, the Commission added new exceptions to the Rule and introduced the role of a “qualified inter-dealer quotation system” (“QIDQS”)<sup>8</sup>—a designation that, for the first time, permitted certain alternative trading systems to make publicly available determinations regarding the quotability of a security on which broker-dealers could rely in complying with the Rule.<sup>9</sup> Members’ ability to rely on an QIDQS’s publicly available determination for its initial information review has simplified compliance obligations for initiating quotations in OTC equity securities.<sup>10</sup> However, these efficiencies are largely unavailable for members with respect to quotation activity in fixed income securities because of the absence of QIDQS determinations in the fixed income space. Relatedly, compliance with the Rule for ongoing quotations is significantly complicated for any quotation activity occurring on a quotation medium that does not meet the definition of an

---

<sup>4</sup> See Securities Exchange Act Release No. 9310 (September 13, 1971), 36 FR 18641 (September 18, 1971) (Initiation or Resumption of Quotations by a Broker or Dealer Who Lacks Certain Information) (“Adopting Release”).

<sup>5</sup> See Adopting Release, 36 FR 18641, 18641.

<sup>6</sup> See Proposal, 91 FR 13243, 13244 (explaining that, following the 2020 Amendments, “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”).

<sup>7</sup> See Securities Exchange Act Release No. 89891 (September 16, 2020), 85 FR 68124, 68125 (October 27, 2020) (Initiation or Resumption of Quotations by a Broker or Dealer Who Lacks Certain Information) (“2020 Amendments”).

<sup>8</sup> See Rule 15c2-11(e)(6) (defining “qualified interdealer quotation system”).

<sup>9</sup> Because Rule 15c2-11 generally applies independently to each quoting broker-dealer, an QIDQS’s publicly available determination simultaneously could relieve dozens of broker-dealers from individually replicating information review efforts.

<sup>10</sup> Members must submit a Form 211 to FINRA pursuant to FINRA Rule 6432 (Compliance with the Information Requirements of SEA Rule 15c2-11). Since the implementation of the 2020 Amendments and the commencement of QIDQS initial reviews, there has been a notable reduction in the number of FINRA Form 211s filed by market makers for equity securities (FINRA’s Form 211 filing requirements do not apply to fixed income).

“interdealer quotation system”<sup>11</sup> (“IDQS”) because the piggyback exception is only available under the Rule for quotations on an IDQS.<sup>12</sup>

As a result, the Rule presents significant burdens for FINRA members seeking to quote fixed income securities. The impact of these challenges is compounded by the sheer number of individual, unlisted fixed income securities—a number that is multiple times that of OTC equity securities. Companies often issue multiple debt instruments with different maturities, coupons and other structural aspects (e.g., callable versus noncallable). Thus, even if an issuer’s debt trades regularly, quoting in any particular instrument may be episodic or on demand, such that the quotations may not qualify for the “piggyback” exception (even if quotations were made available on an IDQS).<sup>13</sup> Together, these features of the fixed income markets make compliance with Rule 15c2-11 substantially more burdensome for members quoting fixed income securities as compared to OTC equity securities.

At the same time, the investor landscape for fixed income market participation contrasts with the OTC equities market. As the Commission noted in its Proposal, fixed income securities are frequently held by institutional investors and do not appear to have been the subject of the same abuses that Rule 15c2-11 was intended to address for OTC equities.<sup>14</sup>

While the SEC has previously granted exemptive and no-action relief for fixed income quotation activity,<sup>15</sup> there remained confusion and compliance challenges regarding Rule 15c2-11’s application to fixed income securities; challenges that do not appear to be counterbalanced by a corresponding benefit to investors or the markets. In addition, even where relief has been provided, members nonetheless are required to expend resources to track which fixed income securities qualify for the exemptive and no-action relief and to confirm that any applicable conditions are met. For these

---

<sup>11</sup> See Rule 15c2-11(e)(3) (defining “interdealer quotation system”).

<sup>12</sup> Compliance with Rule 15c2-11 for ongoing quotations is highly dependent on the availability of the “piggyback” exception, which generally relieves members of the obligation to make daily determinations regarding a quotation’s compliance with the Rule’s information review requirements if there has been consistent quotation activity on an IDQS in the security.

<sup>13</sup> Many fixed income securities trade infrequently in the absence of a credit event as investors hold the security and collect the interest payments, sometimes until maturity. For example, while there are over 300,000 active, unique corporate debt CUSIPs in FINRA’s Trade Reporting and Compliance Engine (“TRACE”), only approximately 80,000 traded on the secondary market in 2025, with approximately 14,000 unique CUSIPs trading daily on average.

<sup>14</sup> See Proposal, 91 FR 13243, n.33.

<sup>15</sup> 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); 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, FINRA (Nov. 22, 2024), available at <https://www.sec.gov/files/investment/no-action/fixed-income-rule-15c2-11-no-action-letter-finra112224.pdf>.

reasons, FINRA supports the Commission's proposal to fully exclude fixed income securities from the scope of the Rule.

FINRA encourages the Commission to consider similar compliance challenges in connection with the application of the Rule to certain classes of equity securities,<sup>16</sup> including those that do not typically trade on an IDQS.<sup>17</sup> For example, FINRA recommends that the Commission consider whether "equity securities" that are security futures, options, and convertible debt should be excluded from the scope of the Rule. As noted by the Commission, security futures are required to be traded on an exchange pursuant to Section 6(h)(1) of the Exchange Act,<sup>18</sup> and the listed options generally available to retail investors are exchange-listed.<sup>19</sup> The Commission should also consider excluding convertible debt from Rule 15c2-11, which would be consistent with the treatment of unlisted convertible debt as fixed income for purposes of trade reporting.

FINRA also encourages the Commission to consider refining or providing additional guidance regarding the application of the Rule to quotations in crypto asset securities. The Proposal states that, to the extent a crypto asset is an equity security, as defined in Rule 3a11-1, Rule 15c2-11 would apply.<sup>20</sup> The application of the Rule could present challenges in some instances. For example, there may be uncertainty regarding the scope of the definition of "quotation medium" as applied to distributed ledger systems, and FINRA understands that the platforms on which crypto asset securities trade may not meet the definition of an IDQS, making the piggyback exception and QIDQS determinations unavailable. In addition, the Commission should consider and provide additional guidance regarding the information review requirements for crypto asset securities that are equity securities subject to the Rule (and what documents and information are subject to review under the Rule). FINRA recommends that the Commission also consider whether the expected day-to-day compliance obligations under the Rule in the growing crypto asset security space are reasonable for members or whether an alternative approach (e.g., expansion of the piggyback exception to these systems, or another measure) would be appropriate.<sup>21</sup>

---

<sup>16</sup> The Proposal defines "equity security" by reference to SEA Rule 3a11-1. Rule 3a11-1 broadly defines "equity security" to include "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."

<sup>17</sup> FINRA believes that starting with the existing definition of "equity security" in SEA Rule 3a11-1, as proffered in the Proposal, is appropriate as a baseline for evaluation, as it leverages existing understanding and familiarity with the current definition.

<sup>18</sup> See Proposal, 91 FR 13243, 13247.

<sup>19</sup> OTC options are typically negotiated directly between sophisticated counterparties.

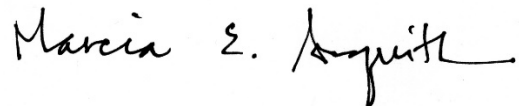
<sup>20</sup> See Proposal, 91 FR 13243, 13245.

<sup>21</sup> FINRA notes that the conditions to the piggyback exception were significantly strengthened in the 2020 Amendments in that the SEC required that current information be publicly available to rely on

## Conclusion

FINRA supports the Commission's Proposal, which would reduce unnecessary compliance burdens for members and bring much needed certainty regarding the application of Rule 15c2-11 to fixed income securities. If you have any questions or would like to further discuss FINRA's views and comments, please contact Racquel Russell, Senior Vice President and Director of Capital Markets Policy, FINRA, at (202) 728-8363 ([racquel.russell@finra.org](mailto:racquel.russell@finra.org)).

Sincerely,

A handwritten signature in black ink that reads "Marcia E. Asquith". The signature is written in a cursive, flowing style.

Marcia E. Asquith  
Corporate Secretary, EVP  
Board and External Relations

---

the exception. In adopting these amendments, the Commission stated that it was seeking to further protect retail investors from fraud and manipulation in the OTC market. See Proposal, 91 FR 13243, 13246. See also 2020 Amendments, 85 FR 68124, 68128.