



May 18, 2026

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

VIA EMAIL to rule-comments@sec.gov

Re: Proposed Amendments to Rule 15c2-11, File Number S7-2026-08

Dear Secretary Countryman:

The Commercial Real Estate Finance Council (“CREFC”) respectfully submits this letter in response to the above-referenced request for comment by the U.S. Securities and Exchange Commission (“Commission”) to the Proposed Amendments to Exchange Act Rule 15c2-11, Publication or Submission of Quotations Without Specified Information¹ (“Proposed Amendments”). CREFC writes in support of the proposed amendments to Exchange Act Rule 15c2-11 and urges prompt adoption of the Commission’s proposal to clarify that Rule 15c2-11 applies solely to equity securities, and not to fixed-income securities.

CREFC is the trade association for the commercial real estate (“CRE”) finance industry. CREFC comprises over 400 institutional members representing U.S. commercial and multifamily real estate investors, lenders, and service providers—a market with over \$6 trillion of commercial real estate debt outstanding.

Commercial mortgage-backed securities (“CMBS”), including Single-Asset, Single-Borrower, Commercial Real Estate Collateralized Loan Obligations, and related fixed-income products are important sources of financing for commercial and multifamily real estate. In these markets, liquidity depends on the ability of institutional participants to obtain quotations and transact efficiently. Adopting the Proposed Amendments would help preserve that liquidity while refocusing Rule 15c2-11 on the concerns it was originally designed to address.

By providing needed clarity about the scope of Rule 15c2-11, the Proposed Amendments will help ensure uniform application of the Rule. Limiting the Rule to equity securities will also better align it with the Commission’s focus on preventing manipulative schemes in over-the-counter (“OTC”) equity markets. Fixed-income markets are vital in supporting economic growth, job creation, and financial stability, and the Proposed Amendments will avoid placing unnecessary

¹ Publication or Submission of Quotations Without Specified Information, 91 Fed. Reg. 13243 (proposed Mar. 19, 2026) (to be codified at 17 C.F.R. pt. 240).

burdens on these markets, which are structurally different from OTC equity markets and less susceptible to the same types of manipulative schemes.

I. Exchange Act Rule 15c2-11 background

Exchange Act Rule 15c2-11 was adopted in 1971 to address fraudulent and deceptive business practices related to OTC equity market manipulation and, for five decades, the Rule was generally understood to apply only to those markets.² When the Commission amended the Rule in 2020 to require that the information brokers and dealers reviewed before they publish a quotation for a security be current and publicly available, industry participants raised concerns about whether the Rule applied to fixed income securities.³ In response to these concerns, the Commission provided exemptive relief and the staff issued a non-action letter addressing the vast majority of fixed-income securities.⁴

As Commissioner Peirce explained in her 2021 statement supporting a longer period of no-action relief: “[n]othing in the adopting release [of Rule 15c2-11] suggests that the Commission considered the application of these rules to the fixed-income markets.” She emphasized that the policy analysis in the release focused on protecting retail shareholders and preventing fraud in the OTC equity markets.⁵

In its 2023 exemptive order, the Commission distinguished Rule 144A fixed-income securities from OTC equity securities, emphasizing that Rule 144A fixed-income resales are limited to qualified institutional buyers, an investor base the Commission described as sophisticated and able to obtain basic issuer financial information.⁶ But this order provided relief only for broker-dealers quoting fixed-income securities sold in compliance with Rule 144A; it did not create a blanket exemption for all fixed-income securities quoted in the OTC market. In 2024,

² See Hester M. Peirce, *Statement on Staff No-Action Letter Regarding Amended Rule 15c2-11 in Relation to Fixed Income Securities*, U.S. Securities and Exchange Commission (Sep. 24, 2021), <https://www.sec.gov/newsroom/speeches-statements/peirce-nal-rule-15c2-11-2021-09-24> (“[T]here appears to have been limited, if any, application of the rule to fixed income markets prior to the Commission’s 2020 adopting release.”).

³ *Publication or Submission of Quotations Without Specified Information*, 91 Fed. Reg. at 13244. The Commission approved FINRA’s rule implementing the amendments and applying its rule to equity securities not traded on a national securities exchange. 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)*, 86 Fed. Reg. 51700 (Sep. 16, 2021).

⁴ Financial Industry Regulatory Authority, Inc., SEC Staff No-Action Letter (Sep. 24, 2021), <https://www.sec.gov/files/rule-15c2-11-fixed-income-securities-092421.pdf>; see *Publication or Submission of Quotations Without Specified Information*, 91 Fed. Reg. at 13245.

⁵ Peirce, *supra* note 2.

⁶ See *Publication or Submission of Quotations Without Specified Information*, 91 Fed. Reg. at 13245; *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*, 88 Fed. Reg. 75343, 75344 (Nov. 2, 2023).

SEC staff provided no-action relief for qualifying public fixed-income securities, recognizing that “operational and systems changes” would be necessary to comply with amended Rule 15c2-11.⁷

II. Rule 15c2-11 is not a fit for fixed-income securities markets

a. *The rationale for Rule 15c2-11 does not carry the same force in fixed-income securities markets*

The Commission originally adopted Rule 15c2-11 to prevent “manipulative schemes observed in the OTC equity markets.”⁸ The Commission has recognized that comparable “fraud and manipulation ... has not been evident in the fixed-income market” and that structural features of those markets “make them less likely targets for manipulation.”⁹ Fixed-income securities also tend to trade in larger blocks among more sophisticated market participants, and many segments of those markets are subject to robust transaction reporting and regulatory oversight.¹⁰ These markets are “among the most closely regulated sectors of the financial system.”¹¹ Major market participants, for example, are required to report their trades in real time to FINRA or the MSRB.¹² And regulatory oversight of fixed-income markets and products has “increased notably” over the past ten years, with oversight of specific products conducted by various agencies.¹³

Investors in fixed-income markets also have less need for additional safeguards and protections. While the OTC equity markets have a substantial number of retail investors, investors in fixed-income securities are largely sophisticated or qualified institutional investors. “Smaller investors generally do not purchase directly fixed-income securities.”¹⁴ And sophisticated or qualified institutional investors are less likely to be deceived by manipulative schemes because they “have a high degree of financial sophistication” and are “in the position to appreciate the risks” associated with the securities in which they invest.¹⁵ That was a significant part of the

⁷ Financial Industry Regulatory Authority, Inc., SEC Staff No-Action Letter (Nov. 22, 2024), at 1, <https://www.sec.gov/files/investment/no-action/fixed-income-rule-15c2-11-no-action-letter-finra-112224.pdf>.

⁸ Publication or Submission of Quotations Without Specified Information, 91 Fed. Reg. at 13246.

⁹ *Id.*

¹⁰ Securities Industry & Financial Markets Ass’n, *Best Execution Guidelines for Fixed-Income Securities*, at 7, 9-10 (2008), <https://www.sifma.org/wp-content/uploads/2017/05/sifma-amg-white-paper-best-execution-guidelines-for-fixed-income-securities.pdf>.

¹¹ Securities Industry & Financial Markets Ass’n, *Fixed Income Market Structure*, <https://www.sifma.org/issues/market-structure/fixed-income-market-structure> (last visited May 4, 2026).

¹² Kevin McPartland, *Understanding Fixed-Income Markets in 2023* (May 9, 2023), <https://www.greenwich.com/fixed-income/understanding-fixed-income-markets-2023>.

¹³ *Id.*

¹⁴ Securities Industry & Financial Markets Ass’n, *Best Execution Guidelines for Fixed-Income Securities*, *supra* note 10, at 10.

¹⁵ 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, 86 Fed. Reg. 2311, 2315 (proposed Jan. 12, 2021) (to be codified at 17 C.F.R. pt. 240).

rationale behind the “Expert Market” exemption for Rule 15c2-11 proposed by the Commission in 2020.¹⁶

b. *There are significant operational and institutional barriers to applying Rule 15c2-11’s requirements to fixed-income markets*

There are far more fixed-income securities than OTC equities, and relatively few are exchange listed.¹⁷ Many fixed-income securities are infrequently quoted or traded, and accurate volume data may not be readily available, which can make the Rule’s existing exceptions difficult to use in practice.¹⁸ In addition, fixed-income securities markets do not have a comparable infrastructure to the qualified interdealer quotation system (“QIDQS”) that enables the OTC equity markets to make publicly available the information required by Rule 15c2-11, and that information may be “nonexistent” or “burdensome to locate” for fixed-income securities.¹⁹ Nor is it clear how broker-dealers could readily satisfy the Rule’s requirement that they have a “reasonable basis” for believing that required information is both accurate and from a reliable source. The Rule requires the broker-dealer either to review the required documents for accuracy and reliability, or to rely on a QIDQS determination of their accuracy and reliability.

While broker-dealers could look to EDGAR filings for the required information for reporting issuers, a broker-dealer must still review that information, together with any required supplemental information, and consider whether any red flags call into question the information’s material accuracy or the reliability of its sources.²⁰ Broker-dealers also generally would not have the same practical ability to rely on a QIDQS-like determination in the fixed-income markets, because the infrastructure that supports consolidated, public determinations for OTC equities has not developed in the same way for fixed-income securities. The absence of a QIDQS-style determination would generally require broker-dealers to conduct the required information review and reasonable-basis assessment themselves before initiating or resuming quotations. But broker-dealer initiated reviews would be difficult in the fixed-income markets for structural reasons: the information needed to perform the review may not exist or may be burdensome to locate in a form that is current, publicly available, and susceptible to a reasonable-basis assessment. These market features create substantial operational challenges for broker-dealers attempting to satisfy the Rule’s requirements in the fixed-income context.

¹⁶ *Id.* The Commission has re-proposed expert market exemptions and requested comments in Questions 11 and 12 of the proposal. Publication or Submission of Quotations Without Specified Information, 91 Fed. Reg. at 13249.

¹⁷ Publication or Submission of Quotations Without Specified Information, 91 Fed. Reg. at 13244, 13251 (noting difficulty with estimating the number of fixed income securities affected but that TRACE shows “over 53,100 bond issues from over 3,300 issuers in the first quarter of 2025”); OTC Markets, *OTC Markets Totals*, <https://www.otcmarkets.com> (last visited May 4, 2026) (showing less than 12,500 OTC equity securities on its company directory as of May 4, 2026).

¹⁸ Publication or Submission of Quotations Without Specified Information, 91 Fed. Reg. at 13246-47; 17 C.F.R. § 240.15c2-11(f) (1)-(7).

¹⁹ Publication or Submission of Quotations Without Specified Information, 91 Fed. Reg. at 13247.

²⁰ See 17 C.F.R. § 240.15c2-11(a)(1)(i)(C)(1-2) & (a)(1)(ii)(A-B).

III. The Proposed Amendments will provide certainty and promote efficiency in the fixed-income markets

Adopting the proposed amendments will enable the fixed-income markets to continue trading efficiently without unnecessary infrastructure burdens. These markets are a critical channel for capital formation and credit intermediation and their liquidity “plays a crucial role” in stabilizing financial systems.²¹ The economic impact of the fixed-income markets is significant. In the first quarter of 2026, total U.S. fixed-income issuance reached \$3.2 trillion, including \$775 billion of corporate bond issuance, \$541 billion of mortgage-backed securities issuance, and \$125 billion of asset-backed securities issuance. Average daily trading volume across U.S. fixed-income markets was approximately \$1.8 trillion, with corporate bonds, MBS, and ABS together accounting for nearly \$490 billion of average daily volume.²² The United States has the largest fixed-income markets, which are the “lifeblood of the global economy.”²³

IV. The definition of equity security from 17 C.F.R. § 240.3a11-1 provides clarity but specific exclusions might be warranted

The Proposed Amendments would replace the terms “security” and “securities” with “equity security” and “equity securities,” which provides needed clarity on Rule 15c2-11’s scope. Applying the definition of “equity security” from Rule 3a11-1 to Rule 15c2-11 provides a familiar point of reference for market participants and more clearly identifies which securities remain subject to Rule 15c2-11. Given the breadth of that definition, however, the Commission should consider whether any targeted exclusions or carve-outs are warranted for instruments that may have both equity and debt-like features. We anticipate other market participants addressing this point.

V. Clarification is requested on the effective date of the Proposed Amendments

The Proposed Amendments identify the effective date as “60 days after publication of the *proposed amendments* in the Federal Register.”²⁴ This effective date would coincide with the close of the comment period, which would not permit the Commission time to consider public comments or vote on any final rule amendments. CREFC understands that staff in the Division of Trading and Markets has confirmed that “any changes would not become effective unless and until the Commission were to adopt a final rule.”²⁵ CREFC supports an effective date that runs from the

²¹ Committee on the Global Financial System, *Fixed Income Market Liquidity*, Bank for International Settlements, at iii (Jan. 2016), <https://www.bis.org/publ/cgfs55.pdf>; see also Nina Boyarchenko, Richard K. Crump, Anna Kovner, & Or Shachar, *Corporate Bond Market Distress*, Federal Reserve Bank of Richmond (Sep. 2024), at 24-25, https://www.richmondfed.org/-/media/RichmondFedOrg/publications/research/working_papers/2024/wp24-09.pdf (emphasizing that stress in the corporate bond market affects broader economic outcomes).

²² Securities Industry & Financial Markets Ass’n, *Research Quarterly: Fixed Income – Issuance and Trading* (Apr. 15, 2026), <https://www.sifma.org/research/statistics/research-quarterly-fixed-income-issuance-and-trading>.

²³ McPartland, *supra* note 12.

²⁴ Publication or Submission of Quotations Without Specified Information, 91 Fed. Reg. at 13246.

²⁵ Div. of Trading and Mkts., Comment Letter on Proposed Rule on Publication or Submission of Quotations Without Specified Information (Apr. 22, 2026), <https://www.sec.gov/comments/S7-2026-08/s7202608-763767-2345014.pdf>.

adoption of any final rule and that allows the rule to take effect expeditiously given its importance to the fixed-income securities markets.

VI. Conclusion

Adopting the amendments to Rule 15c2-11 would provide greater certainty and help preserve the efficiency of the fixed-income markets while continuing to focus the Rule on the market concerns it was designed to address. CREFC therefore supports adoption of the Proposed Amendments.

If the Staff of the Commission has any questions, please feel free to contact Sairah Burki at SBurki@crefc.org.

Sincerely,

A handwritten signature in cursive script, reading "Lisa A. Pendergast". The signature is written in dark ink and includes a long horizontal flourish extending to the right.

President & CEO
CRE Finance Council
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