



October 19, 2016

**By Electronic Mail ([rule-comments@sec.gov](mailto:rule-comments@sec.gov))**

Brent J. Fields  
Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C.20549-1090

**Re: Release No. 34-79055; File Nos. SR-NYSEMKT-2016-52 and SR-NYSEArca-2016-103: Order Instituting Proceedings to Determine Whether to Approve or Disapprove Proposed Rule Changes to Extend the Time Within Which a Member, Member Organization, an ATP Holder, an OTP Holder, or an OTP Firm Must File a Uniform Termination Notice for Securities Industry Registration**

Dear Mr. Fields:

The Securities Industry and Financial Markets Association (“SIFMA”)<sup>1</sup> appreciates the opportunity to comment on NYSE MKT and NYSE Arca (collectively, the “Exchanges”) proposals to change the filing time for Form U5s from within 10 days of the date of termination of an employee to a requirement that the Form U5 be filed promptly but not later than 30 calendar days after the date of termination (the “Proposal”).<sup>2</sup>

---

<sup>1</sup> SIFMA is the voice of the U.S. securities industry, representing the broker-dealers, banks and asset managers whose 889,000 employees provide access to the capital markets, raising over \$2.4 trillion for businesses and municipalities in the U.S., serving clients with over \$16 trillion in assets and managing more than \$62 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

<sup>2</sup> SEC Release No. 34-79055 (Oct. 5, 2016) (the “SEC Notice”).

## **I. Overview of the Proposal**

NYSE MKT<sup>3</sup> and NYSE Arca<sup>4</sup> rules require member firms to file a Form U5 or any amendment thereto within 10 business days of the termination or occurrence requiring the amendment. The Exchanges propose to replace the 10-day deadline with a requirement that the Form U5 be filed promptly but not later than 30 calendar days after the date of termination.

The Exchanges state that the proposed rule changes would harmonize their rules with similar requirements of other exchanges and FINRA. The Exchanges also state that they believe that by adding a requirement that Form U5 be filed promptly, the proposals may lead to Form U5s being filed sooner than the current 10-day requirement.

## **II. SIFMA Comments on the Proposal**

### ***A. SIFMA Supports 30-Day Standard***

SIFMA applauds regulatory efforts to minimize inconsistencies in complying with similar requirements and strongly supports the Exchanges' proposal to harmonize Form U-5 filings deadline to a uniform 30-day standard. The current 10-day period creates significant challenges for firms to collect and review relevant information. For example, Form U-5 filings that may require a reason for termination with an explanation or disclosure reporting pages can take longer to process. Depending on the circumstances, firms may need to conduct internal reviews, perform background investigations and receive legal approval of disclosure answers and language to ensure accuracy of the filing. A 30-day period is much more reasonable and aligns with the more broadly applicable FINRA standard.

SIFMA believes that creating uniformity among the various self-regulatory organization ("SRO") and Securities and Exchange Commission ("SEC") filing requirements will benefit investors, regulators and the industry. Currently, various SRO and SEC filing requirements are tied to a 30-day filing requirement.<sup>5</sup>

---

<sup>3</sup> See Commentary .01 to NYSE MKT Rule 340, NYSE MKT Rule 359(a) and Commentary .09 to NYSE MKT Rule 341.

<sup>4</sup> See NYSE Arca Rule 2.17(c) and NYSE Arca Rule 2.23(i).

<sup>5</sup> See, e.g., <http://www.finra.org/industry/update-individuals-registration>.

***B. SIFMA has Concerns Regarding Language in the SEC Notice***

The SEC Notice includes the following sentence:

[T]he Exchanges believe that by adding a requirement that Form U5 be filed promptly, the proposals may lead to Form U5s being filed sooner than the current 10-day requirement.<sup>6</sup>

SIFMA believes this statement adds unnecessary ambiguity and uncertainty to the move to a 30-day filing requirement. The current proposed requirement stipulates that filings must be made “promptly but not later than 30 calendar days after the date of termination.” SIFMA interprets this language as requiring prompt filings and that “promptly” is defined as 30-days or less. The above quoted language from the SEC Notice seems to indicate that promptly could mean less than 10-days. The sentence injects the risk that an individual examiner or other regulatory official could misinterpret, or otherwise use, the language in the SEC Notice to impose a filing requirement other than within 30-days.

SIFMA strongly recommends that if the SEC approves the Proposal that the SEC remove the above quoted language, and not include any similar language that states or implies a filing requirement other than the proposed 30-day requirement, in the notice announcing the approval of the Proposal.

**III. Conclusion**

SIFMA appreciates the opportunity to comment on the Proposal. Subject to the comments in this letter, SIFMA supports the proposed move to a uniform 30-day filing requirement. SIFMA, however, strongly recommends that the SEC remove the following sentence from the SEC notice approving the Proposal: “The Exchanges also state that they believe that by adding a requirement that Form U5 be filed promptly, the proposals may lead to Form U5s being filed sooner than the current 10-day requirement.”

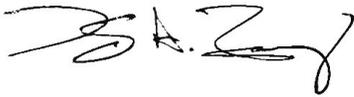
---

<sup>6</sup> SEC Notice at pp. 3-4.

Mr. Brent Fields  
October 19, 2016  
Page 4 of 4

If you have any questions or would like additional information, please contact Kevin Zambrowicz, Managing Director & Associate General Counsel, SIFMA, at (202) 962-7386 ([kzambrowicz@sifma.org](mailto:kzambrowicz@sifma.org)).

Very truly yours,

A handwritten signature in black ink, appearing to read 'K. Zambrowicz', with a stylized flourish at the end.

Kevin Zambrowicz  
Managing Director &  
Associate General Counsel