



January 13, 2020

Via Electronic Mail (rule-comments@sec.gov)

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

Re: ***File Nos. SR-BOX-2019-19 and SR-BOX-2019-37***

Dear Ms. Countryman:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ appreciates the opportunity to comment on the above-referenced filings (the “Filings” or the “BOX Filings”) made by BOX Exchange LLC (“BOX” or “Exchange”) with the Securities and Exchange Commission (“Commission”) and respectfully requests more time to provide feedback on the Filings. In the Filings, SR-BOX-2019-19 and SR-BOX-2019-37, BOX seeks approval to Adopt Rules Governing the Trading of Equity Securities on the Exchange Through a Facility of the Exchange Known as the Boston Security Token Exchange LLC (“BSTX”) and a Proposed Rule Change in Connection With the Proposed Commencement of Operations of Boston Security Token Exchange LLC as a Facility of the Exchange, respectively.²

BOX has proposed two separate filings with the Commission, which collectively, would allow the Exchange to commence operations of BSTX. BSTX “would be a facility of the Exchange that will operate a market for the trading of digital security tokens. BSTX would operate a fully automated, price/time priority execution system for the trading of “security tokens,” which would be equity securities that meet BSTX listing standards and for which ancillary records of ownership would be able to be created and maintained using distributed ledger (or “blockchain”) technology. The security tokens would qualify as “NMS Stocks”

¹ SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry’s nearly 1 million employees, we advocate for legislation, regulation and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. 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>.

² See Securities Exchange Act Release No. 34-87287 (September 27, 2019); File No. SR-BOX-2013-019 (October 11, 2019); Securities Exchange Act Release No. 34-87868 (December 30, 2019); File No. SR-BOX-2013-037 (January 3, 2019).

pursuant to Regulation NMS. All transactions in security tokens would clear and settle in accordance with the rules, policies and procedures of registered clearing agencies³”.

Despite the initial filing of SRO-BX-2019-19 last fall, along with the companion filing SRO-BX-2019-37, filed on December 30, 2019, the Filings were only recently brought to the attention of SIFMA’s Equity Markets & Trading Committee attention given that SIFMA did not anticipate that a filing by an options exchange to create a facility that could impact the U.S. equity markets. While we appreciate management of BOX discussing their filings with us last Friday, SIFMA remains concerned that approval of the collective filings could be a significant change for the equities markets and would like more time to consider the implications of security tokens characterized as NMS Stocks, the related blockchain aspect and any impact from an unlisted trading privileges (UTP) standpoint. Accordingly, SIFMA requests an extension of the comment period of each filing to allow time for further dialogue and to consider any potential implications from these filings.

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SIFMA greatly appreciates the Commission’s consideration of SIFMA’s request and would be pleased to discuss it in greater detail. If you have any questions or need any additional information, please contact me at 212-313-1287 or egreene@sifma.org.

Sincerely,



Ellen Greene
Managing Director

cc: The Honorable Jay Clayton, Chairman
The Honorable Robert J. Jackson, Jr., Commissioner
The Honorable Allison Herren Lee, Commissioner
The Honorable Hester M. Peirce, Commissioner
The Honorable Elad L. Roisman, Commissioner

³ Securities Exchange Act Release No. 34-87868; Volume 85; Page 345.

Ms. Vanessa Countryman, Securities and Exchange Commission
SIFMA Comment Letter on File Nos. SR-BOX-2019-19; SR-BOX-2019-37
January 13, 2020
Page 3

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