



March 31, 2026

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-1090

RE: Request for Immediate Extension of Tick Size and Access Fee Compliance Dates and Comments on MEMX’s Request for Temporary Exemptive Relief from Rule 610 (File Number S7-2026-10)

Dear Ms. Countryman:

The Securities Industry and Financial Markets Association¹ (“SIFMA”) appreciates the opportunity to submit this letter to request that the U.S. Securities and Exchange Commission (the “Commission”) take immediate action to issue an order extending the compliance dates of the amendments to Rules 612 (minimum quoting increment/tick size) and 610(c) (access fee caps) of Regulation NMS (“Reg NMS”) the Commission adopted in September 2024.² In addition, SIFMA provides responses to certain questions posed by the Commission in its call for comments on MEMX LLC’s (“MEMX”) exemptive relief request to temporarily delay the implementation of certain amendments to the access fee cap requirements in Rule 610(c) of Reg NMS.³

Background

On October 14, 2025, the D.C. Circuit denied a petition for review of the Commission’s amendments to Rules 610 and 612.⁴ On October 31, 2025, the SEC issued an order granting temporary exemptive relief (“Order”) from the then-existing

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 one million employees, we advocate on 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).

² Release No. 34-101070 (Sept. 18, 2024), 89 FR 81620 (Oct. 8, 2024).

³ Release No. 34-105058 (Mar. 20, 2026), 91 FR 14602 (Mar. 25, 2025).

⁴ *Cboe Global Markets, Inc., et al. v. SEC*, No. 24-1350 (D.C. Cir. Oct. 14, 2025), available at <https://media.cadc.uscourts.gov/opinions/docs/2025/10/24-1350-2139991.pdf>.

compliance dates for the amendments to Rules 612 and 610(c) of Reg NMS.⁵ At the time of the Commission’s Order, the amendments to these rules were set to take effect on November 3, 2025. The temporary exemptive relief extended the compliance dates for the amendments until November 2, 2026. SIFMA appreciates the Commission’s extension of the original compliance dates given that they were to take effect shortly after the D.C. Circuit’s decision.

Since the date of the Order, the Commission has held two public roundtables to explore changing or repealing Rule 611 (prohibition on trade throughs) of Reg NMS.⁶ A few clear themes emerged from these roundtables. In the first roundtable, the theme was that market structure involves many moving, interconnected pieces, with Rule 611 as the keystone. If you move or change one piece, other parts could move as well. As such, before making any changes, it is important to identify and analyze interconnected market structure pieces and study what corresponding changes could stem from any intentional change, as well as the cumulative net effect of changes. The second roundtable delved further into what else would need to change along with changes to Rule 611. Given time constraints, the focus was on access fee caps, best execution, the National Best Bid and Offer (NBBO), and market data revenue allocation.

The assessment from that roundtable was that changes to on access fee caps in Rule 610 would be under consideration with changes to Rule 611. Just as Rules 611 and 610 are closely connected, Rules 610 and the tick size requirement in 612 are closely connected. The Commission itself acknowledged this when it adopted changes to the access fee cap and tick sizes in 2024, noting “an access fee that is too high when compared to the tick size can create pricing distortions.”⁷ As such, the Commission should analyze these interconnected rules together, including consideration of potential downstream effects of any market structure changes that result from its review of Rule 611.

Executive Summary

We respectfully request that the Commission act now to further extend the compliance dates for Rules 610 and 612 until after it has completed its ongoing review of Rule 611 and corresponding Reg NMS rules. Rule 611 is the foundation of many other rules and regulations, with exchange protected quote status inextricably linked to access fee caps, tick sizes, and more. If the Commission proceeds with proposing amendments to, or rescinding, Rule 611, it is likely that corresponding changes to access fee caps and tick sizes may also be necessary.

⁵ Release No. 34-104172 (Oct. 31, 2025), 90 FR 51418 (Nov. 17, 2025).

⁶ Roundtable on Trade-Through Prohibitions (Sept. 18, 2025) (<https://www.sec.gov/newsroom/meetings-events/roundtable-trade-through-prohibitions>); Roundtable on Rule 611 of Reg NMS (Dec. 16, 2025) (<https://www.sec.gov/newsroom/meetings-events/roundtable-rule-611-regulation-nms>).

⁷ 89 FR at 81651.

The Commission Should Delay Implementation of the Amendments to Rules 612 and 610(c) and Align These Changes With Any Future Changes to Rule 611/Reg NMS

An immediate delay in the approaching November 2026 deadline is needed to prevent the industry from incurring significant costs and potential investor confusion that will result from duplicating work. To update tick sizes and access fees by the current deadline, market participants are already planning, budgeting, and initiating changes to be in position to comply with new access fee caps and tick sizes that are scheduled to be effective eight months from now (along with multiple other regulatory implementation projects throughout 2026⁸). SIFMA members and other market participants will need to make significant updates to their existing processes and technology systems, which will require time, capital, and labor to successfully complete. The tick size changes will require coordinated development work across various broker-dealer systems involved in the order and trade lifecycle. Given the close connections among the various rules contained in Reg NMS, and in particular between access fee caps and Rule 611's prohibition on trade-throughs, SIFMA member firms are concerned they may be investing in changes for implementation in November 2026 only to be faced with additional changes to the exact same processes and systems shortly thereafter, depending on the results of the Commission's review of Rule 611 and other parts of Reg NMS.

The Commission should address these concerns now by immediately delaying the compliance dates of the Rule 610 and 612 amendments until after it finalizes its review and any potential changes to Rule 611 and corresponding Reg NMS rules.⁹ It would be unnecessarily costly for market participants and investors to repeat the required upgrades. These unnecessary costs can and should be avoided. If additional changes to Rules 610 and 612 are necessary based on the Commission's review of Rule 611, those changes should be implemented in alignment with any changes the Commission may make to Rule 611 and other rules. The implementation should be all inclusive, not a phased approach.

⁸ In addition to the November 2026 compliance dates for the amendments to Rule 610 and 612, there are various other regulatory implementation projects slated throughout 2026 that require careful planning for market participants to successfully manage, including: fractional shares reporting and display on the consolidated tape (February); FINRA TRF reporting expansion to 4:00 a.m. opening (March); best-odd lot quotes and top-of-book odd lot quotes on the consolidated tape (May); Rule 605 (August for data gathering and September for reporting, now inclusive of fractional shares).

⁹ Typically, SIFMA would recommend a specific extension period based on the estimated amount of time it will take for members to make the required systems changes following a rule's effective date. However, in this instance, it is difficult for us to do so without knowing what other changes will result from the Commission's ongoing review of Rule 611 and Reg. NMS or the timeframe for the effectiveness of those changes.

The Commission Should Reevaluate the Changes to Rules 610/612 Given its Ongoing Review of Rule 611 and Reg NMS

When the changes to Rules 610/612 were originally proposed, SIFMA generally supported a minimum tick size of \$0.005 – as a quotation increment but not as a trading increment – for tick-constrained stocks. However, SIFMA believed that the Commission did not establish the appropriate methodology for determining which stocks were tick constrained. SIFMA continues to believe that the current universe of stocks identified as tick constrained is entirely too broad. We also note that there is a disconnect between groups of stocks covered by the tick size and access fee changes, with the lower access fee cap applied to all stocks but the updated tick sizes applied to only a smaller subset of stocks. Further, SIFMA had concerns that the rules did not reduce both tick sizes and access fees for the same groups of stocks by the same ratio to maintain proportionality.¹⁰

Moving forward, as a starting point, SIFMA continues to believe the Commission should adopt a methodology that identifies a more limited universe of stocks that are truly tick constrained, incorporating both quoted spread and liquidity characteristics, and assess what the appropriate proportional relationship between tick sizes and access fee caps—assuming the Commission retains access fee caps going forward following its review of Rule 611—should be to promote optimal market structure outcomes.¹¹ Since the SEC may consider reviewing the Rule 610/612 amendments along with the Rule 611/other NMS review, market participants are beginning to share their views on potential new approaches. SIFMA members also have views regarding the correct approach.

One potential new methodology to identify tick-constrained stocks could involve a targeted initial application, for example, by first applying the new half penny tick increment to a smaller group of stocks that market participants agree are tick constrained, e.g., the most liquid symbols within the rule’s overly broad average quoted spread used in the Commission’s definition of tick constrained. Correspondingly, assuming the maximum access fee cap remains at 30 mils for stocks with a penny tick increment, access fee caps would only be reduced for this same set of tick-constrained stocks, ideally in proportion with the 50% reduction in the quoting increment, i.e. to 15 mils from the current 30 mils access fee cap (as in the MEMX proposal). One example of a new methodology would be to define tick-constrained symbols, initially, as the most liquid symbols with (1) an average quoted spread \leq \$0.015 and (2) a quoted notional at

¹⁰ See SIFMA comment letter dated Mar. 31, 2023 at pp. 44-45 which noted that “the Commission did not provide any quantitative basis for why it selected the proposed access fees of \$0.0005 and \$0.001...The proposed access fees are particularly problematic when considered as a percentage of the tick size and the potential distortive effect on trading where the access fee is too large a percentage of the tick size.” The letter is available at <https://www.sifma.org/wp-content/uploads/2023/03/Market-Structure-Proposals.pdf>.

¹¹ SIFMA previously urged the SEC to study the results of the updated Rule 605 execution quality measurements before deciding whether to make changes to equity market structure. See SIFMA comment letter dated Aug. 13, 2024, available at <https://www.sifma.org/wp-content/uploads/2024/08/SIFMA-Comment-Letter-605-first-final-version-8-14-24.pdf>.

the NBBO \geq \$500,000. Incorporating a quoted notional threshold would reduce the universe of tick-constrained stocks to around 200-300¹² from over 2,400.¹³ This is just an example, and SIFMA is open to discussing with Commission staff methods for accurately identifying tick constrained stocks.¹⁴

After it selects an appropriate methodology, SIFMA further recommends that the Commission analyze and evaluate the effects of a targeted change and then consider whether further modifications to the methodology would be warranted, including lowering the quoted notional threshold. After each phase, the Commission should reassess the market impact based on data, before expanding the universe of stocks with reduced quoting increments. We note that if the Commission were to adopt a phased implementation and review approach for just Rules 610/612, the Commission should align implementation of phase one with the timeline for changes to Rule 611 and other parts of Reg NMS. SIFMA members are still finalizing their views on the appropriate methodology to identify tick-constrained stocks and will share those in a subsequent letter.

SIFMA’s Responses to MEMX’s Request for Exemptive Relief

We have analyzed the MEMX proposal and, as discussed above, agree that a delay is necessary and appropriate given other market structure rule changes currently contemplated under the Commission’s Rule 611 review, including changes that would directly impact the amendments to Rules 610 and 612 that have not been implemented yet. We appreciate MEMX’s acknowledgement that “changes to the minimum increment, access fees and tick sizes are inextricably linked.” We also agree with MEMX’s request for an access fee of up to \$0.0015 for stocks with a half-penny tick increment, which would preserve the existing relationship between access fees and the 50% reduction in the minimum increment for tick constrained stocks (from \$0.01 to \$0.005).

However, our thoughts diverge from MEMX’s recommended approach that would move forward with changes to Rule 612 and focus only on delaying the amendments to Rule 610 for stocks with a penny tick increment. In response to the Commission’s questions in the MEMX filing, SIFMA recommends:

¹² Final count subject to change based on final methodology and updated calculations on current market data.

¹³ Under the amendments to Rules 610 and 612, about 74% of share volume in all NMS stocks, or 2,420 stocks, were identified as tick-constrained. The SEC evaluated all NMS stocks priced at or above \$1 using historical spread data, labeling a stock tick-constrained if its time-weighted average quoted spread (TWAQs) was \leq \$0.015. See the SEC’s adopting release: <https://www.sec.gov/files/rules/final/2024/34-101070.pdf>.

¹⁴ For example, in SIFMA’s March 31, 2023 comment letter on the prior Commission’s equity market structure proposals, we suggested that the methodology for determining the universe of tick-constrained stocks should consider the ratio of quote-size-to-trade size and daily notional turnover, concepts proposed by Cboe to use objective measures to identify tick-constrained stocks. See SIFMA Comment Letter, supra n. 10, at pp. 40-41.

- The implementation deadlines for both Rules 610 and 612 should be immediately delayed for all market participants and aligned with the timing for changes – and implementation of these changes – to Rule 611. The changes should be analyzed together. Market participants should not be required to implement and investors should not be required to adapt to these significant market structure changes in November 2026 when the Commission is currently reviewing whether to make additional changes to the same rules.
- The Commission should adopt a methodology that identifies a more limited universe of tick-constrained stocks, incorporating both quoted spread and liquidity characteristics, and apply corresponding changes to tick sizes and access fee caps to the same universe within aligned implementation time frames.
- The reduction in both tick sizes and access fees for this same group of stocks should be decreased by the same ratio to maintain proportionality (as in the MEMX proposal).
- An initial starting point could include identifying the most liquid symbols of tick-constrained stocks, among those with (1) an average quoted spread \leq \$0.015 and (2) a quoted notional at the NBBO \geq \$500,000. Access fee caps would be reduced for this same set of stocks in proportion with the 50% reduction in the quoting increment, to 15 mils from 30 mils.
- The Commission should analyze and evaluate the effects of the targeted change one to determine if further modifications to the methodology would be warranted. After each phase, should there be multiple phases, market impact should be assessed before expanding the universe of stocks.

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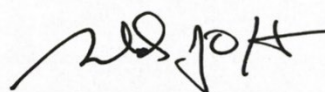
Conclusion

SIFMA urges the Commission to delay the compliance dates for the changes to Rules 610 and 612 while the Commission conducts its review of Rule 611. We look forward to continuing to engage with the Commission regarding potential methodological refinements to identify the appropriate universe of tick-constrained stocks, as well as continuing engagement as it undergoes its review of Rule 611 and potentially other parts of Reg NMS. Please feel free to reach out to the undersigned with any questions regarding these comments.

Respectfully Submitted,



Katie Kolchin, CFA
 Managing Director, Head of
 Equity & Options Market
 Structure
 SIFMA



Gerald O'Hara
 Vice President & Assistant
 General Counsel
 SIFMA