



June 26, 2026

Submitted via SEC.gov

U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-0213
Attn: SEC Complaint Center

Re: Draft Strategic Plan for Fiscal Years 2026–2030

Dear Chairman Atkins:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ appreciates the opportunity to comment on the Securities and Exchange Commission’s (“Commission” or “SEC”) Draft Strategic Plan for Fiscal Years 2026–2030 (“Draft Plan”). SIFMA strongly supports the Draft Plan’s focus on the SEC’s three-part mission: protecting investors; maintaining fair, orderly, and efficient markets; and facilitating capital formation. We also support the Draft Plan’s emphasis on modernizing the regulatory framework, enhancing stakeholder engagement, facilitating compliance, grounding regulation in rigorous cost-benefit analysis, and ensuring that enforcement is focused on clear violations of established law. SIFMA has a strong interest in ensuring that the Commission’s strategic objectives are implemented in a way that promotes these goals.

The Draft Plan rightfully recognizes that the U.S. capital markets are evolving rapidly due to emerging technologies, changing investor expectations, new business models, and global competition. It also recognizes that legacy rules must be reassessed to ensure that they remain fit for purpose and do not impose unnecessary burdens or needless friction. SIFMA urges the Commission to use the Draft Plan as a roadmap for concrete action.

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 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. For more information, visit <http://www.sifma.org>.

I. Executive Summary

SIFMA urges the Commission to use the Draft Plan as a roadmap for concrete action across the following priorities:

- **Regulatory Modernization** (Objectives 1.3, 2.3, 3.2). The Commission should: establish electronic delivery as the default standard for investor documents; recalibrate communications retention to focus on records with genuine regulatory value; modernize fixed income cross-trading under Rule 17a-7; and review mutual fund quorum rules to reduce unnecessary shareholder costs.
- **Stakeholder Engagement** (Objective 2.1). SIFMA appreciates the Commission’s industry engagement and recommends that the SEC institutionalize engagement before, during, and after rulemaking — including roundtables, implementation guidance, and post-implementation reviews — with particular attention to rapidly evolving areas such as AI, digital assets, and cybersecurity.
- **Enforcement Discipline** (Objective 2.2). The Commission should confine enforcement to clear violations of established law. In unsettled or evolving areas, the Commission should proceed through notice-and-comment rulemaking with rigorous economic analysis and adequate implementation periods and providing interpretive guidance rather than regulation by enforcement.
- **Retrospective Review** (Objective 2.3). SIFMA urges the Commission to prioritize review of communications retention requirements, the statutory disqualification waiver process, Regulation NMS market structure rules — including Rule 611 and related best execution frameworks — and the Consolidated Audit Trail (“CAT”), among other areas, to streamline or eliminate outdated, duplicative, or disproportionate obligations.
- **SEC Cybersecurity and Data Protection** (Objective 3.2). The Commission should: be held to the same cybersecurity standards it expects of regulated entities; minimize collection and retention of sensitive firm data; and establish clear incident response procedures for any breach of regulatory data.

II. Regulatory Modernization Should Be a Core Implementation Principle

SIFMA strongly supports Goal 1 of the Draft Plan, which calls for the Commission to renew its regulatory policy focus to support innovation, capital formation, market efficiency, and investor protection. This goal should guide the Commission’s regulatory agenda across rulemaking, guidance, examinations, enforcement, and oversight of self-regulatory organizations.

Many SEC and SRO requirements were designed for a paper-based, branch-office, manually supervised marketplace. Today’s markets operate through electronic communications, digital platforms, cloud infrastructure, automated workflows, mobile

access, and increasingly sophisticated data analytics. The Commission's regulatory framework should reflect those realities. Modernization does not mean weakening investor protection. To the contrary, properly designed modernization can improve investor access to information, allow firms to focus compliance resources on higher-risk activity, reduce operational complexity, and strengthen the ability of regulators and firms to identify misconduct.

This is particularly true for electronic delivery. The SEC should establish electronic delivery as the default standard for delivering investor documents without further delay.² The delivery framework should allow firms to deliver investor documents electronically, subject to clear investor notice, the ability to opt into paper delivery, and appropriate protections for accessibility, privacy, cybersecurity, and records integrity. Such an approach would further Objective 1.3 by reducing needless friction and costs, Objective 2.3 by reassessing outdated policy, and Objective 3.2 by aligning regulatory delivery expectations with modern technology.

Similarly, the Commission should modernize communications retention requirements.³ Current requirements can require firms to retain vast volumes of communications that provide little or no investor-protection or examination value. The Commission should recalibrate these obligations to focus on substantive, business-related communications involving securities or investment advice, rather than ministerial, duplicative, internal, or low-value communications. The Commission should also provide a reasonable policies-and-procedures framework that recognizes good-faith compliance systems and avoids strict-liability outcomes for immaterial failures. This would advance Objective 1.3, Objective 2.1, Objective 2.3, and Objective 3.2.

The Commission should also move forward with modernizing cross-trading for fixed income instruments under Rule 17a-7. Cross-trading remains unfinished business after Rule 2a-5 was adopted in 2020. Benefits from reduced transaction costs accrue directly to shareholders and clients. Availability of fixed income data has increased since Rule 17a-7 was originally adopted in 1981. In addition, the inability of fund managers to engage in fixed income cross-trading diminishes their options to manage liquidity needs and adds friction to the market's operation. Modernizing cross-trading for fixed income instruments would advance Objective 1.3.

Quorum rules for mutual funds are also ripe for review and modernization. At present, proxy rules reduce agility and directly impose costs on shareholders for relatively routine matters. Reform would advance Objective 1.3 and Objective 2.3.

² SIFMA Letter to Chairman Atkins re: Modernizing Delivery Requirements Under the Federal Securities Laws (Sept. 15, 2025) <https://www.sifma.org/advocacy/letters/modernizing-delivery-requirements-under-the-federal-securities-laws-sifma-and-sifma-amg>

³ *Id.*

III. Stakeholder Engagement Should Be Embedded Throughout the Regulatory Lifecycle

SIFMA strongly supports Objective 2.1, which calls for increased staff engagement with business and industry groups. SIFMA greatly appreciates and encourages engagement with the SEC on behalf of its member firms. Effective engagement improves rulemaking, compliance, supervision, and investor protection. It allows Commission staff to understand how rules work in practice, identify unintended consequences, and develop guidance that is operationally feasible.

The Commission should institutionalize engagement at several points in the regulatory lifecycle. Before proposing significant rules, the Commission should conduct outreach with investors, regulated firms, infrastructure providers, academics, and other regulators. During rulemaking, the Commission should use roundtables, data requests, and targeted questions to develop a stronger factual record. Before compliance deadlines, the Commission should provide implementation guidance, FAQs, and staff-level engagement to identify and resolve common interpretive issues. After implementation, the Commission should formally conduct post-implementation reviews to assess whether rules or rule amendments are meeting their intended objectives. While the Commission and Commission Staff may informally be aware, a formal review brings rigor to the process and builds a critical feedback loop to inform Commission priorities and lessons learned that can be applied more broadly.

This approach is especially important for areas involving new technology, including AI, digital assets, cloud infrastructure, electronic communications, cybersecurity, and tokenization. In those areas, the Commission should avoid prescriptive requirements that quickly become outdated. Instead, it should rely on principles-based, technology-neutral frameworks that preserve firm flexibility while maintaining appropriate investor protection and supervisory standards.

IV. Enforcement Should Not Substitute for Rulemaking or Guidance

SIFMA supports Objective 2.2, which calls for restoring the Commission's enforcement approach to one that polices violations of established law, with a particular focus on fraud and manipulation. Strong enforcement is essential to investor protection and market confidence. At the same time, enforcement should not be used to announce new regulatory expectations, particularly in areas where the law is unsettled, where technology and market practices are evolving, or where good faith compliance practices vary across the industry.

Market participants should be able to understand their obligations before they are subject to enforcement action. This is particularly important in areas such as digital assets, AI, communications retention, recordkeeping, cybersecurity, and supervision. Where the Commission believes new obligations are necessary – particularly when they involve significant market structure reforms – it should proceed through notice-and-comment rulemaking, supported by economic analysis and adequate implementation periods, and supplemented by guidance where appropriate.

A predictable enforcement framework will strengthen, not weaken, compliance. Firms are more likely to invest in durable compliance systems when expectations are clear, grounded in law, and consistently applied.

V. The Commission Should Use Retrospective Review to Identify Outdated, Duplicative, or Inefficient Requirements

SIFMA strongly supports Objective 2.3, which calls for formal retrospective reviews of regulatory policies and practices to ensure that they meet current objectives. Such reviews should examine whether existing rules continue to advance investor protection, market integrity, capital formation, and competition; whether they impose costs that are disproportionate to their benefits; whether they create duplicative or inconsistent obligations across SEC, FINRA, MSRB, CFTC, NFA, banking, state, or international regimes; and whether alternative approaches would better serve investors and the public interest.

First, as previously mentioned, the Commission should review its communications retention requirements to ensure that they are risk-based, technology-neutral, and targeted to records that have meaningful regulatory value.⁴ The Commission should amend its delivery rules to allow for a default electronic delivery standard to modernize investor communications, reduce duplicative paper-based processes, and improve investor comprehension and access.

Second, the Commission should focus on reforming the waiver process and tailoring the scope of certain existing disqualification rules under the federal securities laws.⁵ Firms often face disqualifications that are unrelated to the conduct at issue in the underlying regulatory action. Nevertheless, to obtain a waiver, firms are forced to engage in a lengthy and cumbersome process, which lacks a procedural framework and requires the expenditure of substantial firm and Commission resources. By addressing these issues, the Commission can bring much-needed efficiency, transparency, and predictability to the waiver process, align collateral consequences with their intended purpose, and ensure that both Commission and firm resources are focused on matters of true concern.

Third, as part of its consideration of whether to eliminate Rule 611 of Regulation NMS (the trade-through rule), related market structure and trading rules should be reviewed, including FINRA's best execution rule, to ensure that the regulatory framework reflects current market practices and does not impair liquidity, competition, or innovation. The rules governing the trading of fixed income products should be

⁴ SIFMA Letter to Chairman Atkins re: Modernizing Communications and Record Retention Rules for Broker-Dealers, Investment Advisers, and Security-Based Swap Dealers (Oct. 15, 2025), <https://www.sifma.org/advocacy/letters/modernizing-communications-and-record-retention-rules-for-broker-dealers-investment-advisers-and-security-based-swap-dealers-sifma-and-sifma-amg>.

⁵ SIFMA Letter to Chairman Atkins re: Improving the Waiver Process and Rules Governing Certain Disqualifications Under the Federal Securities Laws (Oct. 31, 2025), <https://www.sifma.org/advocacy/letters/improving-the-waiver-process-and-rules-governing-certain-disqualifications-under-the-federal-securities-laws>.

reviewed as well. The recent focus on digital assets and tokenization has created questions as to how these market structure rules should apply in potentially new trading models.

Finally, the Commission should review implementation burdens associated with major rulemakings, including whether compliance timelines are realistic, whether guidance is adequate and issued sufficiently in advance of implementation deadlines, and whether overlapping rulemakings create cumulative operational risk.

While long overdue, the Commission's recent CAT Concept Release is a prime example of the type of retrospective review regulators should conduct to ensure regulations are appropriately tailored to achieve their intended purpose. The CAT has grown far beyond its original scope. Prior to the SEC and SROs implementing cost savings measures over the past year, CAT operating costs reached \$272 million in 2025, more than five times the SEC's original estimate. Under the current structure, industry members who fund the majority of those costs continue to have no meaningful role in governance or spending decisions. The Commission should: (i) immediately eliminate the current funding model and assume sole responsibility for CAT costs through its annual Congressional budget appropriation; (ii) eliminate the CAT NMS Plan and directly control the CAT; (iii) enact cost saving measures that do not result in cost-shifting to market participants or that would undermine retirement of redundant systems; (iv) retire Electronic Blue Sheets for equities and listed options and implement a secure, centralized request-response system; and (v) revisit the 2020 CAT Data Security Proposal and implement meaningful data protection standards.⁶

Objective 2.3 also appropriately recognizes that retrospective review applies not only to the SEC, but also to self-regulatory and other organizations supervised by the SEC. SIFMA strongly supports this approach. SRO rules can impose significant costs and operational burdens, and the Commission should ensure that those rules are subject to rigorous review, cost-benefit discipline, and continued relevance.⁷

VI. Modernize SEC Technology While Protecting Sensitive Regulatory Data

SIFMA also supports Objective 3.2's focus on modernizing the SEC's technology infrastructure to, among other things, address vulnerabilities in legacy systems and strengthening operational resilience. As noted in the introduction to Goal 3, "the adoption of secure, scalable infrastructure will enhance data integrity, reduce operational risk, and support advanced analytics." We urge the Commission to examine and enhance its own cybersecurity and data protection practices as a core part of achieving that objective.

⁶ SIFMA Letter to Vanessa Countryman re: Concept Release on Consolidated Audit Trail and Other Audit Trails and Data Sources; File No. S7-2026-12 (June 22, 2026), <https://www.sifma.org/advocacy/letters/concept-release-on-cat-and-other-audit-trails-and-data-sources>.

⁷ SIFMA Letter to Piorko Mitchell re Regulatory Notice 25-04: Rule Modernization (June 11, 2025), <https://www.sifma.org/advocacy/letters/regulatory-notice-25-04-rule-modernization>.

Regulated firms routinely provide the SEC and other financial regulators with highly sensitive supervisory, business, customer, security, and operational information. As a threshold matter, regulatory reporting should serve a compelling public policy purpose. Any proposed or existing regulatory reporting should meet this standard, especially when confidential data is involved. Once reported, the burden shifts to the SEC and other regulators to safeguard sensitive data for all market participants that has been gathered and centralized in one place. As SIFMA and other trade associations recently explained in our joint 2025 letter on cybersecurity risk management practices at federal regulatory agencies, regulators should be held to the same or substantively similar cybersecurity, data protection, and incident response standards that they expect financial institutions to maintain, including strong baseline cyber hygiene, multi-factor authentication, data minimization, least-privilege access, secure enterprise platforms, and modern resilience practices.⁸

As part of its work towards achieving Goal 3, SIFMA also encourages the Commission to minimize the collection and retention of sensitive firm data, including CAT data as mentioned above (i.e., regulatory reporting should serve a compelling public policy purpose), allow firms to retain sensitive materials on their own secure systems when appropriate, and establish clear incident response and notification procedures if regulated entity information is compromised. Modernizing the SEC's own systems and guidelines in this manner would reduce systemic risk, better protect confidential supervisory and business information, and ensure that the supervisory process does not inadvertently introduce the very cyber risks that the regulatory framework is designed to mitigate.

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SIFMA is ready to work with the Commission and staff to advance these shared objectives and to help ensure that the U.S. capital markets remain the deepest, most liquid, most innovative, and most trusted markets in the world. Please contact me at 202-962-7300 if you have any questions or wish to discuss these issues further.

Respectfully submitted,



Kenneth E. Bentsen, Jr.
President & CEO

⁸ Joint Trades Letter to Sec. Todd Bessent, US Dept of Treasury (June 9, 2025), <https://www.sifma.org/advocacy/letters/data-security-joint-trades>