



July 1, 2026

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

Re: ***Notice of Request for Exemptive Relief from the Institute of International Bankers (Release No. 34-104944; File No. S7-2026-07) and Notice of Request for Exemptive Relief from the Securities Industry and Financial Markets Association (Release No. 34-105262; File No. S7-2026-11)***

Dear Ms. Countryman:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ appreciates the opportunity to provide comment on the above-captioned notices of request from exemptive relief issued by the Securities and Exchange Commission (“SEC”), one from SIFMA (the “SIFMA Request”),² and the other in relation to a request from the Institute of International Bankers (“IIB”, and the request, the “IIB Request”)³, each requesting an exemption pursuant to Section 36 of the Securities Exchange Act of 1934 (“Exchange Act”) from the application of certain aspects of the

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

² Notice of Request for Exemptive Relief, Pursuant to Section 36(a) of the Securities Exchange Act of 1934, From Certain Aspects of Rule 17ad-22(e)(18)(iv) of the Securities Exchange Act of 1934 and Request for Comment [Release No. 34-105262; File No. S7-2026-11], 91 Fed. Reg. 21533 (Apr. 22, 2026). Terms capitalized but not defined herein have the meaning given to them in the letter underlying the SIFMA Request, available [here](#).

³ Notice of Request for Exemptive Relief, Pursuant to Section 36(a) of the Securities Exchange Act of 1934, from Certain Aspects of Rule 17ad-22(e)(18)(iv) of the Securities Exchange Act of 1934 and Request for Comment [Release No. 34-104944; File No. S7-2026-07], 91 Fed. Reg. 12030 (Mar. 11, 2026).

inter-affiliate exemption in the SEC’s Treasury clearing rule (“Clearing Rule”).⁴ This letter is submitted in support of the SIFMA Request, and provides additional commentary on the interaction of the SIFMA Request with the IIB Request and the need for a holistic solution to the treatment of repurchase transactions on U.S. Treasury securities (“Repo Transactions”) that are between two non-U.S. entities.

I. Background

The SIFMA Request asked the SEC to, among other things, disapply the Outward-Facing Condition to the Inter-Affiliate Exemption so as not to include Repo Transactions between non-U.S. affiliates and non-U.S. counterparties (including between two non-U.S. affiliates) to the extent the firm is able to meet a certain Proposed Condition, described further in the SIFMA Request. This request was termed the “SIFMA 10 Percent Non-U.S. Affiliate Relief”.

The IIB Request asked the SEC to grant an exemption (the “Non-U.S. Transactions Exemption”) from the clearing requirement for Eligible Secondary Market Transactions between (i) a Direct Participant that is not a U.S. person (as defined by Exchange Act Rule 3a71-3), a U.S. branch of a non-U.S. person, or non-U.S. person whose obligations under the transaction are guaranteed by a U.S. person (a “Non-U.S. Direct Participant”) and (ii) a counterparty that is not a Direct Participant, a U.S. person, a U.S. branch of a non-U.S. person, or a non-U.S. person whose obligations under the transaction are guaranteed by a U.S. person (a “Non-U.S. Client”). In a subsequent comment letter submitted on April 10, 2026 (the “April 10 IIB Letter”), the IIB further proposed exempting those Repo Transactions between a Non-U.S. Client and a foreign affiliate of a Direct Participant from the Outward-Facing Condition, as well as Repo Transactions between a foreign branch of a U.S. Direct Participant and a non-U.S. Client from the clearing requirement.⁵

On May 29, 2026, the IIB submitted a comment letter (the “May 29 IIB Letter”) relating to the SIFMA Request and the IIB Request that reiterated its position that an activity limit or volume-based cap for the Non-U.S. Transactions Exemption was inappropriate.⁶ It also stated that if the SEC deemed an activity limit or volume-based condition to be appropriate, the SEC should implement a volume cap on the aggregate amount of transactions qualifying for the Non-U.S. Transactions Exemption (“Qualifying Non-U.S. Transactions”) entered into by a firm and its affiliates over a specified period. The May 29 IIB Letter proposed the cap for each firm be set at the greater of a (i) firm-specific ratio-based cap, described as a certain specified percentage (the “firm-specific ratio”), or (ii) a fixed dollar threshold, defined as the same specified percentage of market-wide U.S. Treasury repo transactions activity *divided by* the number of corporate groups having one or more subsidiaries that participate as direct participants at U.S. Treasury CCAs (the “market-wide ratio”).

⁴ Standards for Covered Clearing Agencies for U.S. Treasury Securities and Application of the Broker-Dealer Customer Protection Rule with Respect to U.S. Treasury Securities, 89 Fed. Reg. 2714 (Jan. 16, 2024).

⁵ Letter from Stephanie Webster, General Counsel, IIB (Apr. 10, 2026), available [here](#).

⁶ Letter from Stephanie Webster, General Counsel, IIB (May 29, 2026), available [here](#).

II. Discussion and Commentary

SIFMA supports the SIFMA Request and urges the SEC to act quickly to grant it in full to permit firms to prepare their business and operations for the clearing requirement to go into effect. SIFMA also emphasizes the need for a holistic solution to the treatment of non-U.S. Repo Transactions, especially given that the IIB Request's Non-U.S. Transactions Exemption (as modified by the April 10 IIB Letter) is much broader than the SIFMA 10 Percent Non-U.S. Affiliate Relief request.

SIFMA believes the May 29 IIB Letter's approach of providing a cap that would be the greater of the firm-specific ratio or the market-wide ratio could be an appropriate holistic solution to the issues raised by both the SIFMA Request and the IIB Request, as it may balance the interests of market participants who operate in the Treasury market globally through different structures. We respectfully submit the following general comments for the SEC to consider as stakeholders discuss the relevant issues.

First, we support making the Non-U.S. Transactions Exemption available to foreign branches of U.S. banks, as the IIB proposed in its comment letter dated April 10, 2026. This would help facilitate participation by non-U.S. counterparties in the Treasury Repo market and promote competitive equality between non-U.S. Direct Participants and U.S. Direct Participants.

Second, we believe these ratios should be designed to prevent regulatory bifurcation and arbitrage, and the SEC should periodically review market data and the ratios to ensure that the ratios are properly calibrated, and that the policy objectives of the Clearing Rule and the granted relief continue to be met. On the one hand, if the SEC were to observe that a very large portion of Repo Transaction activity moved overseas in a short time period, that may weigh in favor of reducing one or both ratios. On the other hand, if the SEC were to observe that firms are consistently being limited by the ratios to the detriment of market liquidity, that may weigh in favor of increasing one or both ratios.

Third, we emphasize that if the SEC adopts a volume-based cap, it must adopt both the firm-specific ratio and market-wide ratio (as refined). Adopting only the market-wide ratio would impose a serious limitation on Direct Participants with larger books of Repo Transaction activity, with immediate disruptive consequences for the broader U.S. Treasury market. Conversely, adopting only the firm-specific ratio would limit the activity that a Direct Participant with a smaller book of Repo Transaction activity could engage in, making it difficult for those Direct Participants to compete.

SIFMA respectfully requests that the SEC consider the comments above, and we would be

happy to discuss our thoughts in more detail. Please feel free to contact the undersigned, Robert Toomey (rtoomey@sifma.org or 212-313-1124), and we thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Toomey", written in a cursive style.

Robert Toomey
Head of Capital Markets
Managing Director/Associate General Counsel, SIFMA

cc: The Hon. Paul S. Atkins, SEC Chairman
The Hon. Heister M. Peirce, SEC Commissioner
The Hon. Mark T. Uyeda, SEC Commissioner
Jamie Selway, Director, Division of Trading and Markets
Elizabeth Fitzgerald, Assistant Director, Division of Trading and Markets