



May 15, 2026

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

Re: Publication or Submission of Quotations Without Specified Information (S7-2026-08)

Dear Ms. Countryman:

The U.S. Chamber of Commerce (“Chamber”) appreciates the opportunity to comment on the proposed rule from the Securities and Exchange Commission (“SEC”) regarding amendments to Rule 15c2-11 under the Securities Exchange Act of 1934 (“Proposal”).

The Chamber strongly supports the Proposal, which clarifies the original intent of Rule 15c2-11 and addresses misapplication of the rule to fixed-income markets. The Chamber has previously expressed its concerns that applying Rule 15c2-11 to fixed-income securities adversely impacts market liquidity and efficiency, reduces price transparency, and inhibits electronic trading.

Background

Rule 15c2-11 was adopted in 1971 to protect retail investors from fraud in the over-the-counter (“OTC”) equities market. The rule barred broker-dealers from publishing quotations for an equity security traded in the OTC market unless the broker-dealer received from the issuer certain specified information about the security and the issuer.¹

Rule 15c2-11 was amended in 1991 to impose additional obligations on broker-dealers, requiring them to review the required information submitted by issuers and to have a reasonable basis for believing that the information was obtained from reliable

¹ Initiation or Resumption of Quotations by a Broker or Dealer Who Lacks Certain Information, 36 Fed. Reg. 18,641 (Sept. 18, 1971).

sources and was accurate in all material respects.² In promulgating the 1991 amendments, the SEC focused entirely on the risks to retail investors from “penny stocks.”³ Indeed, for most of its more than 50-year history, Rule 15c2-11 applied only to the equity markets and generally required that brokers “gather specified information regarding [a] security and its issuer and, based upon a review of such information... have a reasonable basis under the circumstances for believing such information is accurate and from a reliable source.”⁴

In 2020, the SEC amended Rule 15c2-11 to require that information about an issuer be current and publicly available for brokers to publish a quotation for that issuer’s stock or to maintain a continuous quoted market in the stock. The 2020 amendments require broker-dealers to maintain up-to-date issuer information and for the first time mandate that the issuer information be made “publicly available.”⁵

The SEC’s justification for the 2020 amendments again focused entirely on the characteristics of equity securities purchased on retail OTC markets.⁶ However, the SEC further interpreted Rule 15c2-11 as applying to fixed-income securities, despite not soliciting public feedback on changing the rule in such a manner⁷ and notwithstanding that the rule has always been intended for equity securities.

Because there is not a qualified interdealer quotation system of publicly available data for fixed income, brokers-dealers would face a significant challenge in complying with the operational burdens of Rule 15c2-11. As a result, broker-dealers would find themselves broadly deterred from offering a wide range of fixed-income securities to investors.

To date, the SEC’s response to address market concerns over Rule 15c2-11 has been to issue a series of staff no-action letters, including permanent exemptive relief to address the rule’s effect on Rule 144A securities and an indefinitely extended no-

² Initiation or Resumption of Quotations Without Specified Information, 56 Fed. Reg. 19,148 (Apr. 25, 1991).

³ See *id.* at 19,148 (“[T]he Commission focused on the role of market makers in facilitating the trading of certain penny stocks where, for example, available information about the issuer suggests that a fraudulent or manipulative scheme may be present.”).

⁴ Securities and Exchange Commission, [Publication or Submission of Quotations Without Specified Information](#) (March 19, 2026), at 13244.

⁵ Publication or Submission of Quotations Without Specified Information, 85 Fed. Reg. 68,124 (Oct. 27, 2020).

⁶ *Id.* at 68,125.

⁷ In the 2021 [Statement on Staff No-Action Letter Regarding Amended Rule 15c2-11 in Relation to Fixed Income Securities](#) (September 24, 2021), SEC Commissioner Hester Peirce commented: “Nothing in the adopting release suggests that the Commission considered the application of these rules to the fixed-income markets.” The statement also noted that the policy and economic analyses of the 2020 proposal focused on the OTC equity markets, not the fixed income markets.

action relief for the rest of fixed-income securities. However, as SEC Commissioner Hester Peirce pointed out, “by then, [the SEC] had fostered uncertainty in this market and wasted the resources of the industry, and our staff, for multiple years with no good reason.”⁸

A durable solution that clarifies the rule’s intent and embeds the substance of existing exemptive orders and no-action relief is necessary to bring needed certainty for businesses and investors accessing fixed-income markets. We commend the SEC for advancing this Proposal and urge its swift adoption.

Proposal

The Proposal addresses the unnecessary expansion of Rule 15c2-11 to fixed income by replacing the terms “security” and “securities” within the rule with the terms “equity security” or “equity securities.” The Chamber fully supports preventing any type of future confusion about the type of securities for which Rule 15c2-11 is intended.

In our view, the Proposal could benefit from additional clarification over the types of securities to which Rule 15c2-11 will apply going forward.

Questions 1-4 of the Proposal focus on whether the use of the term “equity security” or “equity securities” under Rule 3a11-1 is appropriate. As currently drafted, there is the potential that those terms could be interpreted broadly and in a way that does not reflect the core purpose of Rule 15c2-11 as discussed above: to protect retail investors from fraud. Therefore, we suggest below minor refinements to the terms “equity security” and “equity securities,” in order to expressly exclude certain securities that we believe ought not to be included.

Debt Securities Potentially Covered by the Proposal

The Proposal could be interpreted as potentially applying to convertible debt securities. As with other fixed income securities, convertible debt does not raise the type of market manipulation and fraud concerns that Rule 15c2-11 is intended to address.

In addition, there are various specific types of convertible or exchangeable securities that should expressly be excluded, such as certain regulatory capital instruments issued by financial institutions. These would include contingent convertible capital securities or Additional Tier One (“AT1”) contingent convertible

⁸ SEC Commissioner Hester Peirce, [Traveling Back from the Road Wrongly Taken: Statements on the Proposed Amendments to Exchange Act Rule 15c2-11](#) (March 16, 2026).

securities, which are akin to debt securities, in other SEC rule contexts. For example, when the SEC staff has considered the character of such regulatory capital instruments, such as in the context of Rule 144A, or in the context of Regulation M, the staff has concluded that these should be treated as fixed-income debt securities priced and traded by investors as such.⁹

The Chamber shares the same concern about potential application of the rule to asset-backed securities and certain non-convertible preferred securities which have historically been treated by the SEC as debt securities.¹⁰¹¹ Accordingly, the SEC should make clear in its final rule that these types of debt securities and therefore not covered by Rule 15c2-11.

Options

The existing definition of “equity securities” also includes options, despite Rule 15c2-11 being intended for the underlying security of an issuer, not the options market. The SEC should consider clarifying that the amendments to Rule 15c2-11 do not apply to the options market.

These clarifications could help the SEC fully achieve the purpose of the Proposal.

Conclusion

The Chamber commends the SEC for addressing this critical issue through notice and comment rulemaking. We look forward to working with commissioners and staff on implementing the new amendments.

⁹ See, for example, in the context of Rule 144A, a March 2019 no-action letter, SEC No-Action Letter Re: Eligibility of Contingent Convertible Capital Securities for an Offering Under Rule 144A (Mar. 28, 2019). Similarly, in SEC Release No. 34-82575 dated January 23, 2018, the staff issued an order granting limited exemptions from Rules 101 and 102 of Regulation M in connection with distributions of AT1 contingent convertible securities.

¹⁰ See 17 CFR 230.902(a)(2).

¹¹ In the adopting release for its latest amendments to Regulation M in 2023, the SEC referred to both non-convertible debt securities and non-convertible preferred securities as “fixed income securities” that “trade primarily on the basis of yield and creditworthiness traditionally measured by credit ratings” rather than the identity of a particular issuer

Sincerely,

A handwritten signature in black ink that reads "K. Malinconico". The signature is written in a cursive style with a large initial "K" and a long, sweeping tail.

Kristen Malinconico
Executive Director
Center for Capital Markets Competitiveness
U.S. Chamber of Commerce