



U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090  
Attention: Ms. Vanessa A. Countryman, Secretary

(Submitted by e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov))

May 18, 2026

**ICMA response to Request for Public Comments on Publication or Submission of Quotations Without Specified Information – Release No. 34-105004; File No. S7-2026-08**

The International Capital Market Association (ICMA) welcomes the opportunity to comment on the proposed amendments to Rule 15c2-11 under the Securities Exchange Act of 1934 (Exchange Act, ) as set out in Publication or Submission of Quotations Without Specified Information (Proposal) published by the U.S. Securities and Exchange Commission (Commission) on March 16, 2026. This letter is submitted in response to the Commission’s request for public comments on the Proposal.

ICMA promotes well-functioning cross-border capital markets, which are essential to fund sustainable economic growth. It is a not-for-profit membership association with offices in Zurich, London, Paris, Brussels, and Hong Kong, serving over 630 members in 71 jurisdictions globally. Its members include private and public sector issuers, banks and securities dealers, asset and fund managers, insurance companies, law firms, capital market infrastructure providers and central banks. ICMA provides industry-driven standards and recommendations, prioritising three core fixed income market areas: primary, secondary and repo and collateral, with cross-cutting themes of sustainable finance and FinTech and digitalisation. ICMA works with regulatory and governmental authorities, helping to ensure that financial regulation supports stable and efficient capital markets. See: [www.icmagroup.org](http://www.icmagroup.org).

This submission is given by the ICMA primary market constituency comprised of borrowers and banks that lead-manage syndicated debt securities issues throughout Europe and beyond and law firms that advise on those transactions, and the ICMA sell-side and buy-side constituency involved in securitization comprised of European based originators, arrangers and investors active in selling and investing in securitizations worldwide. The primary market constituency includes the [ICMA Legal and Documentation Committee](#) which gathers the heads and senior members of debt capital markets legal transaction management teams of a number of ICMA member banks active in lead managing syndicated debt securities offerings from Europe. On the securitisation side, the constituency includes the ICMA Securitisation Discussion Forum, which gathers members of the legal documentation/transaction management teams of various member banks focused on securitization transactions and certain member law firms that advise them, and the ICMA Securitisation Task Force, which comprises sell-side and buy-side members who focus on responding to regulatory change in the securitization market.

The comments in this letter reflect the views of ICMA's primary market and securitization constituencies on the benefits of the potential changes discussed in the Proposal, in particular from the perspective of their impact on syndicated debt securities that are jointly offered outside the United States pursuant to the safe harbor provided by Regulation S from the registration requirements of the US Securities Act of 1933, as amended (Securities Act), and into the US pursuant to the exemption provided by Rule 144A under the Securities Act, in which markets ICMA's members are active.

1. ICMA wishes to highlight that Rule 15c2-11 was promulgated 55 years ago in 1971, and for the first 50 years was only applied to OTC equity securities and their markets. The rule's premise and amendment history show a concern with protecting retail investors from potential fraudulent activity in retail OTC markets, which operate differently from the fixed income market (including the global Regulation S/Rule 144A fixed income market) which is overwhelmingly institutional, with Rule 144A fixed income primarily trading OTC (unlike equity securities which are primarily listed and traded on securities exchanges).
2. When the Commission announced in 2021 that Rule 15c2-11 would be enforced in fixed-income markets, this brought concerns in the markets in which our members operate as to the impact of compliance with a rule that was focused on equity securities and not drafted with fixed income securities in mind. For example, the application of the rule may be problematic in the context of certain Rule 144A fixed income securities where the issuer is not publicly listed and does not publish or file ongoing disclosures, leading to US broker dealers not being able to publish quotes in the secondary market, which would adversely affect secondary market liquidity. This in turn could impact potential future fungible issuances (taps) and/or the success of new Rule 144A or Rule 144A/Regulation S issuances. The exemptive relief granted to Rule 144A fixed-income securities in 2023 (Securities Exchange Act Release No. 98819, 88 FR 75343 (Nov. 2, 2023)) was welcomed by our members, but they are aware that no action and exemptive relief can be subject to change, and they therefore welcome a more permanent solution through the amendment of Rule 15c2-11 to limit its application to equity securities.
3. ICMA also requests that the Commission clarify that asset-backed securities (ABS) residual tranches are excluded from the scope of Rule 15c2-11 for the reasons set out in section 6 below. In addition, if the Commission does not expressly confirm in the rule text or adopting release that residual tranches of ABS remain outside Rule 15c2-11, we respectfully request that the exemptive relief for Rule 144A fixed income securities granted in 2023 not be withdrawn, so that the existing relief for residual tranches sold pursuant to Rule 144A can be preserved.
4. Our members are also concerned that Additional Tier 1 bonds (AT1 bonds), or contingent convertible bonds, could be "equity securities" under the definition in Rule 3a11-1 and therefore in-scope for the application of Rule 15c2-11. Many European banks issue AT1 bonds to help meet regulatory capital requirements. They are deeply subordinated debt instruments which sit just above equity in the capital structure. AT1 bonds convert into equity (or are written down) if a bank's capital falls below specified thresholds. For most AT1 bonds, the conversion may never happen. We wish to reiterate to the Commission that fixed-income markets (including AT1 bonds) are not sources of retail-focused fraud and manipulation, such as the pump-and-dump schemes that occur in penny stock markets. AT1 bonds or contingent convertibles are not the type of security that Rule 15c2-11 was intended to regulate. Moreover, most European AT1 bonds benefit

from the SEC’s [no-action relief](#) granted on November 22, 2024 for fixed income securities, as most European issuers of AT1 bonds also have a class of equity securities listed on a regulated European market and are exempt from the registration requirements of the Exchange Act pursuant to Rule 12g3-2(b) under the Exchange Act, one of the conditions set out in the November 2024 no-action letter for relief from Rule 15c2-11. Consequently, our members support an exclusion for convertible debt securities and similar debt instruments that are convertible into equity from the scope of “equity securities” that amended Rule 15c2-11 would apply to. ICMA believes this relief should be incorporated into any final rule or adopting release; to the extent it is not, ICMA respectfully requests that the staff extend the November 2024 no-action relief so that the Proposal does not reintroduce uncertainty for fixed-income securities

5. ICMA is aware that SIFMA and SIFMA’s Asset Management Group have submitted two letters on the Proposal: (i) the letter dated May 15 focused on fixed income securities (SIFMA May 15 Letter), and (ii) the letter dated May 18 focused on the use of the definition of “equity securities” from Rule 3a11-1 (SIFMA May 18 Letter). For the above reasons, ICMA supports the points made in Section II and III of the SIFMA May 15 Letter, and certain points made under the heading “Convertible debt securities” in Section II of the SIFMA May 18 Letter.
6. The relevant sections of those letters that ICMA supports are set out below:

**From the SIFMA May 15 Letter**

**II. The Proposal Is a Constructive and Important Correction for Fixed-Income Markets, And Should Be Finalized as Soon as Practicable for These Markets**

SIFMA vigorously supports the Commission’s proposal to revise Rule 15c2-11 so that it refers only to equity securities and no longer imposes a regulatory framework not fit for purpose in the fixed-income markets. The proposal would replace references to “security” and “securities” with “equity security” or “equity securities,” as defined in Rule 3a11-1, while leaving the existing substantive information-gathering and review framework otherwise unchanged.

That approach is consistent with Rule 15c2-11’s history and purpose. Rule 15c2-11 was designed to address manipulative and fraudulent trading schemes in OTC equity markets, not the institutional fixed-income markets.<sup>7</sup> The Commission previously recognized in the 1999 release that the issuer information required by Rule 15c2-11 is “much less relevant” to the pricing and trading of fixed-income securities, that microcap fraud and manipulation had not been evident in the fixed-income market, and that non-convertible debt securities and investment-grade ABS generally trade at prices, in denominations and with investors that make those securities less likely targets for manipulation.<sup>8</sup>

SIFMA’s March 2, 2026 letter explains in greater detail why Rule 15c2-11 is ill-suited to fixed-income markets, including the rule’s historic focus on OTC equity markets, the absence of comparable retail pump-and-dump concerns in fixed-income markets, the fundamental differences between fixed-income and equity market structure, and the burdens and inefficiencies caused by

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<sup>7</sup> Proposal, *supra* n.3, at 13244 (“Rule 15c2–11 was designed to prevent certain manipulative and fraudulent trading schemes that had arisen in connection with the distribution and trading of unregistered securities issued by shell corporations or other companies having outstanding but infrequently traded securities.”).

<sup>8</sup> *Id.* at 13246.

attempting to apply an equity-focused quotation rule to fixed-income instruments. SIFMA continues to believe that no-action relief and exemptive relief are not an adequate long-term substitute for a rule fix. The Commission's proposal is therefore a needed course correction and a welcome response to longstanding industry concerns.

SIFMA urges the Commission to finalize and make effective this proposal as it regards fixed-income markets as soon as possible. To the extent the Commission believes further deliberation is needed with respect to other aspects of the proposal, it should not delay the effectiveness of the changes that would remove fixed-income products from the scope of the Rule.

### III. The Commission Should Preserve the Existing Treatment of ABS, Including Residual Tranches

SIFMA supports the continued exclusion of ABS from Rule 15c2-11's scope, including ABS tranches that may be labeled "equity," "residual," or similar terms but that function as structured-finance interests rather than the type of equity security Rule 15c2-11 was designed to police. SIFMA urges the Commission to confirm in the rule text or adopting release that residual tranches of ABS remain outside Rule 15c2-11. While some market participants sometimes colloquially refer to these tranches as "equity" tranches, they do not resemble traditional equity securities in any way. They do not convey any special voting, management or information rights. They are simply the lowest tier in the set of tranches that comprise an asset-backed security, and pay interest (and repay principal) after the other tranches are paid (or repaid). Their trades are reported to TRACE, the trade reporting facility for fixed income securities. Their confirms are subject to the provisions of Rule 10b-10(a)(7) applicable to fixed income securities. They are issued pursuant to exactly the same offering documents; the purchasers are subject to exactly the same qualification requirements; and they give their holders exactly the same rights to information about the ABS pool as the other ABS tranches.

This clarification is important because the proposal incorporates the Rule 3a11-1 definition of "equity security," which is broad and includes, among other things, stock or similar securities, certificates of interest or participation in profit-sharing agreements, limited partnership interests, joint venture interests, and securities convertible into equity securities. Without clarification, that broad definition could create interpretive uncertainty for ABS residual tranches, even though those interests arise within the same securitization structures, are reported to TRACE, and trade in the same fixed-income market context limited to qualified institutional investors (QIBs) as the related senior and mezzanine ABS tranches. Although we do not think Rule 3a11-1 on its face should apply to these residual tranches, we request that the Commission confirm expressly that it does not intend to treat these securities as equity securities for the purposes of Rule 15c2-11.

Absent an express clarification, residual tranches could be treated differently from the rest of an ABS transaction solely because of nomenclature or structural position in the waterfall. That result would create an unnecessary disparity among tranches of the same securitization and would likely impair the ability of market participants to trade residual or equity tranches that are substantively part of the broader ABS offering. It also would be inconsistent with the Commission's rationale for narrowing Rule 15c2-11 to the markets, the investors, and instruments for which the rule was designed.

The Commission's existing Rule 144A exemptive order supports this conclusion. In that order, the Commission defined "fixed-income security" to include, among other instruments, notes, bonds, debentures, certificates of deposit, and asset-backed securities.<sup>9</sup> The Commission explained that

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<sup>9</sup> Securities Exchange Act Release No. 98819, 88 FR 75343 (Nov. 2, 2023).

Rule 144A fixed-income securities are limited to resales to qualified institutional buyers, an investor base the Commission described as sophisticated and able to obtain basic financial information concerning issuers.<sup>10</sup> The Commission further stated that the availability of Rule 144A information can help prospective investors which are QIBs make informed investment decisions and assess risks, and that, for ABS, the relevant information includes basic, material information concerning the structure of the securities, distributions, the nature and performance of the supporting assets, servicing, and credit enhancement.<sup>11</sup> The Commission expressly included all tranches of fixed income securities, including residual tranches, in its existing Rule 144A fixed income exemptive relief, and distinguished those securities from equity securities.<sup>12</sup>

Accordingly, SIFMA respectfully requests that the Commission expressly state, either in the final rule text or in the adopting release, that ABS residual or equity tranches are not within the scope of Rule 15c2-11 solely because they are labeled “equity,” “residual,” or similar terms. This clarification would prevent interpretive uncertainty, preserve consistent treatment across ABS capital structures, and ensure that the Commission’s fixed-income solution is complete.

#### **From SIFMA May 18 Letter**

### **II. Targeted Carve-Outs from the Rule 3a11-1 Equity Security Definition Are Necessary**

#### ***Convertible debt securities***

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For purposes of this request, SIFMA is focused on convertible bonds and similar debt instruments that are convertible into equity, rather than warrants, rights or other stand-alone equity-linked instruments that may raise separate considerations....

SIFMA therefore recommends that the Commission clarify that convertible debt securities are outside Rule 15c2-11. If and when conversion occurs, then the equity security received upon conversion should be analyzed under Rule 15c2-11 according to the ordinary rules applicable to that equity security. Absent this relief, we are concerned that convertible debt could be considered an equity security for the purposes of Rule 3a11-1, which we believe is not the result that the Commission should intend. Convertible debt securities were outside of the coverage of Rule 15c2-11 prior to 2020, and we recommend that the Commission return to that status quo ante.

We appreciate this opportunity to respond to the Commission on this Proposal and would be pleased to discuss our response with you at your convenience.

Yours faithfully,



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<sup>10</sup> *Id.* at 75344.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at n.3; *see also id.* at n.15 (distinguishing equity securities issued pursuant to Rule 144A).

cc: The Hon. Paul Atkins, Chairman  
The Hon. Hester M. Peirce, Commissioner  
The Hon. Mark T. Uyeda, Commissioner