

SEC Staff Delays Enforcement of New Public Information Requirements for the Quotation of Fixed-Income Securities

November 30, 2022

On November 30, 2022, the staff of the U.S. Securities and Exchange Commission's (the "SEC") Division of Trading and Markets (the "Staff") issued a no-action letter delaying the implementation of Rule 15c2-11 under the Securities Exchange Act of 1934, as amended. The Staff noted in the no-action letter that it would not recommend enforcement action for quotations published by broker-dealers that are compliant with Phase 1 of the SEC's Rule 15c2-11 phased compliance regime for fixed-income securities ("Phase 1") through January 4, 2025. Further, the Staff confirmed that where securities are fully and unconditionally guaranteed, information concerning the guarantor may be relied upon in satisfaction of Rule 15c2-11.

As we have previously reported,¹ Rule 15c2-11 requires a broker-dealer that wishes to publish a quotation for an issuer's securities in a quotation medium other than a national securities exchange (*i.e.*, over-the-counter, or "OTC") to first establish that certain information about the issuer is current and publicly available.² In 2021, the SEC for the first time interpreted Rule 15c2-11 to apply to fixed-income securities and on December 16, 2021 published a no-action letter introducing the phased compliance regime for fixed-income securities. Under Phase 1, which was to initially expire on January 3, 2023, regular practices required for securities to trade among qualified institutional buyers under Rule 144A ("Rule 144A") under the Securities Act of 1933, as amended, were also deemed to satisfy Rule 15c2-11 (*i.e.*, it was sufficient for an issuer of Rule 144A securities to undertake to make certain financial information about the issuer available to current and prospective investors on request).

We will continue to monitor developments on this front and will provide updates as they become available.

¹ Refer to Debevoise & Plimpton Updates dated September 17, 2021 (accessible [here](#)), September 27, 2021 (accessible [here](#)) and November 10, 2022 (accessible [here](#)).

² Similar requirements apply to a qualified interdealer quotation system that wishes to disseminate broker-dealer quotations.



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