

MARCH 17, 2026

PROPOSED AMENDMENTS TO RULE 15C2-11

AMENDMENTS WOULD LIMIT RULE'S APPLICABILITY TO EQUITY SECURITIES

On March 16, 2026, the Securities and Exchange Commission (the "SEC") proposed for comment amendments to Securities Exchange Act Rule 15c2-11.

Rule 15c2-11 is intended to promote transparency. The rule generally requires that, subject to certain exceptions, a broker or dealer, before initiating any quotations for a security on an interdealer quotation system, gather information regarding the security and the issuer and based on its review have a reasonable basis under the circumstances to believe that information is accurate and from a reliable source. Exceptions apply to certain activities, such as quotes relating to securities listed on a national securities exchange or unsolicited indications of interest.

In 2020, Rule 15c2-11 was amended to require that specified information be current and publicly available in order for brokers to publish a quote, or maintain a continuous quoted market, in a security. Commissioner Peirce, in her comments on the proposed amendments summed up best the confusion after the 2020 amendments, stating, "By its terms, the text of Rule 15c2-11 always has applied to quotations of a "security." Market participants and other observers including me, however, understood the rule to apply only to quotations of over-the-counter equity securities. This tension between the rule's text and its application came to a head after the Commission amended Rule 15c2-11 in 2020. As the compliance date of those amendments approached, the Commission began signaling that the rule encompassed fixed-income securities and surprised market participants sought clarity from the Commission." Compliance with the information and other requirements of the amendments was unduly burdensome for fixed income securities and market participants felt it was inappropriate for fixed income securities. In 2023, the SEC provided an exemption from the rule for fixed income securities sold in reliance on Rule 144A under the Securities Act of 1933. The Staff of the SEC issued no-action letter relief that is not time-barred in 2024 (following the expiration of prior time-limited relief) that addresses various categories of fixed income securities. However, the relief does not address all fixed income securities.

The proposed amendments would replace the terms "security" and "securities" in the rule with the term "equity security" or "equity securities" as defined in Securities Exchange Act Rule 3a11-1. The information gathering and review requirements would not change.

The proposing release notes that to the extent a crypto asset is an equity security under Rule 3a11-1, the rule would apply to brokers initiating quotes.

The proposed compliance date for the proposed amendments is the same as the effective date, and the proposed effective date is 60 days after publication of the proposed amendments in the Federal Register. The proposing release requests comment on the definition of "equity security" as well as on other targeted aspects of the proposal. The public comment period will remain open for 60 days after the date of publication in the Federal Register.

Of course, were the proposed amendments to be adopted, which would be welcome, broker-dealers once again would be required to review and update all of their Rule 15c2-11 policies and procedures and their related systems to address these changes.



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CONTACTS

For more information about the topics raised in this Legal Update, please contact any of the following lawyers.

RYAN CASTILLO

+1 212 506 2645

RCASTILLO@MAYERBROWN.COM

STEFFEN HEMMERICH

+1 212 506 2129

SHEMMERICH@MAYERBROWN.COM

JERRY MARLATT

+1 212 506 2539

JMARLATT@MAYERBROWN.COM

ANNA PINEDO

+1 212 506 2275

APINEDO@MAYERBROWN.COM