



April 4, 2016

Via email to pubcom@finra.org

Marcia E. Asquith
Office of the Corporate Secretary
Financial Industry Regulatory Authority
1735 K Street, N.W.
Washington, D.C. 20006-1506

Re: FINRA Regulatory Notice 16-09: Shortening the Settlement Cycle for Securities to T+2

Dear Ms. Asquith:

Fidelity Investments¹ ("Fidelity") appreciates the opportunity to comment on the Financial Industry Regulatory Authority's ("FINRA") Regulatory Notice 16-09 (the "Proposed Amendments").² The Proposed Amendments seek comment on changes to FINRA rules relating to the industry-led initiative to transition from a three-day to a two-day settlement period for secondary market transactions in equities, corporate and municipal bonds, unit investment trusts, and financial instruments comprised of these products ("T+2 Initiative" or "T+2").

Fidelity supports the T+2 Initiative. We are an active industry participant in the T+2 Initiative across our broker-dealer and asset management business channels because we agree that a shortened settlement cycle will yield important benefits to retail investors, financial services firms, and the U.S. financial system as a whole. Among other items, the move to T+2 will reduce counter-party risk and pro-cyclical and liquidity demands; decrease clearing capital requirements; and harmonize the global settlement process as many world economies already operate on a T+2 settlement cycle. Retail investors, among others, will benefit from a shorter settlement cycle through reduced risk in the settlement process.

Fidelity supports the Proposed Amendments. We observe that the Proposed Amendments take into consideration changes proposed by the financial services industry in a

¹Fidelity Investments is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing and many other financial products and services. Fidelity submits this letter on behalf of National Financial Services LLC, a Securities and Exchange Commission ("SEC") registered clearing firm and FINRA member, and its affiliate, Fidelity Brokerage Services LLC, a SEC registered introducing retail broker-dealer and FINRA member. Fidelity's comments reflect the views of both a clearing broker-dealer and an introducing broker-dealer that will be affected by the Proposed Amendments.

²See FINRA Regulatory Notice 16-09 (March 2016) available at: http://www.finra.org/sites/default/files/notice_doc_file_ref/Regulatory-Notice-16-09.pdf

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letter to SEC Chair White in support of the T+2 Initiative.³ We encourage FINRA to adopt the Proposed Amendments in a manner and timeline that is consistent with the SEC and other self-regulatory organizations in an effort to provide the regulatory certainty necessary for an efficient transition to T+2 by the industry target date of September 5, 2017.⁴ Fidelity intends to work with industry trade groups to provide information to regulatory agencies that addresses the economic impact of a shortened settlement cycle.

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Fidelity thanks FINRA for considering our comments. We would be pleased to provide any further information and respond to any questions that you may have.

Sincerely,



Norman L. Ashkenas
Chief Compliance Officer
Fidelity Brokerage Services, LLC



Richard J. O'Brien
Chief Compliance Officer
National Financial Services, LLC

cc:

Mr. Richard Ketchum, Chairman and Chief Executive Officer, FINRA
Mr. Robert Colby, General Counsel, FINRA

Mr. Stephen Luparello, Director, Division of Trading and Markets, SEC
Mr. Gary Goldsholle, Associate Director, Division of Trading and Markets, SEC

³See Letter from the Securities Industry and Financial Markets Association and the Investment Company Institute to Mary Jo White, Chair, SEC (June 18, 2015) available at: <http://www.ust2.com/pdfs/SSCregfinal.pdf>

⁴See US T+2 ISC Recommends Move to Shorter Settlement Cycle on September 5, 2017 available at: <http://www.ust2.com/pdfs/T2-ISC-recommends-shorter-settlement-030716.pdf>