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May 22, 2020

Mr. Christopher J. Kirkpatrick  
Secretary  
Commodity Futures Trading Commission  
1155 21st Street NW  
Washington, DC 20581

Re: RIN 3038-AE60: Real-Time Public Reporting Requirements

Dear Mr. Kirkpatrick:

The FIA Principal Traders Group (“FIA PTG”)<sup>1</sup> appreciates the opportunity to comment on the Commodity Futures Trading Commission’s (“Commission”) Notice of Proposed Rulemaking on Real-Time Public Reporting Requirements (the “Proposal”), specifically as it pertains to the implementation of a proposed 48-hour time delay for disseminating swap block transaction and pricing data. FIA PTG has a long history of advocacy and support for increased market transparency across the full spectrum of asset classes. On June 11, 2019, FIA PTG commented in opposition<sup>2</sup> to FINRA’s Proposed Pilot Program to Study Recommended Changes to Corporate Bond Block Trade Dissemination<sup>3</sup> which would have tested delaying the reporting of corporate bond block trades for up to 48-hours. We are pleased that to date, FINRA has not moved forward with the Proposed Pilot Program. On April 22, 2016, FIA PTG responded<sup>4</sup> to the U.S. Department of the Treasury Notice Seeking Public Comment on the Evolution of the Treasury Market

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<sup>1</sup> FIA PTG is an association of firms who trade their own capital on exchanges in futures, options and equities markets worldwide. FIA PTG members engage in manual, automated and hybrid methods of trading, and they are active in a wide variety of asset classes, including equities, fixed income, foreign exchange and commodities. FIA PTG member firms serve as a critical source of liquidity, allowing those who use the markets, including individual investors, to manage their risks and invest effectively. The presence of competitive professional traders contributing to price discovery and the provision of liquidity is a hallmark of well-functioning markets. FIA PTG advocates for open access to markets, transparency and data-driven policy.

<sup>2</sup> See [FIA PTG Response](#) to Regulatory Notice 19-12 Trade Reporting and Compliance Engine (TRACE); FINRA Proposed Pilot Program to Study Recommended Changes to Corporate Bond Block Trade Dissemination.

<sup>3</sup> See [FINRA Regulatory Notice 19-12](#).

<sup>4</sup> See [FIA PTG Response](#) to Notice Seeking Public Comment on the Evolution of the Treasury Market Structure Docket No. TREAS-DO-2015-0013.

Structure,<sup>5</sup> and advocated for real-time public reporting for all U.S. Treasury cash transactions executed in the secondary market. Accordingly, we disagree with any delay in the dissemination of swap block transaction and price data and oppose the changes to swap block transaction reporting contained in the Proposal.

As liquidity providers across multiple asset classes, it is the experience of FIA PTG members that transparent markets are more efficient, competitive, and liquid. Any perceived difficulty in hedging large swap transactions is more likely due to other elements of market structure, such as an incomplete transition to electronic trading (including all-to-all platforms) and limited competition among liquidity providers. Instead of reversing gains that have accrued to end investors, we believe that it is important that the swap market continues to naturally transition to a more electronic, open, competitive and transparent market structure, which will create the conditions necessary for additional liquidity providers to enter the market and compete on a level playing field.

Below, we reiterate our general concerns about the negative impacts of reducing market transparency by delaying the dissemination of transaction and price data:

- **Significant information asymmetries.** Market participants involved in these opaque block trades would have a significant information advantage over other market participants for 48-hours. This advantages one type of market participant (and business model) over another and reduces the ability of investors to assess execution quality and hold liquidity providers accountable, potentially enabling liquidity providers to widen their bid-ask spreads. These information asymmetries also make it more difficult for new liquidity providers to enter the market.
- **Reduced market resiliency.** Introducing information asymmetries is particularly problematic during times of market volatility. With changes in supply and demand not able to be accurately reflected in current price levels, market participants may have less confidence trading during volatile market conditions, decreasing overall market resiliency.
- **Impact on related markets.** FIA PTG members are active across asset classes and are very concerned that reporting delays for large underlying swap transactions will negatively impact their ability to accurately price related futures, options and cash products. Introducing significant information asymmetries will not only result in wider spreads in related products but may cause liquidity providers to be less willing to take on risk, impacting both price discovery and liquidity in related markets.

For the reasons detailed above, FIA PTG does not support intentionally delaying the dissemination of swap block transaction and price data for any additional period, including the proposed 48-hours.

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<sup>5</sup> See [U.S. Department of the Treasury Notice Seeking Public Comment on the Evolution of the Treasury Market Structure](#).

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If you have any questions about these comments or if we can provide further information, please do not hesitate to contact Joanna Mallers ([jmallers@fia.org](mailto:jmallers@fia.org)).

Respectfully,

FIA Principal Traders Group

A handwritten signature in blue ink that reads "Joanna Mallers". The signature is written in a cursive, flowing style.

Joanna Mallers

Secretary

cc: Chairman Heath P. Tarbert  
Commissioner Brian Quintenz  
Commissioner Rostin Behnam  
Commissioner Dan Berkovitz