

# FIA PTG

## PRINCIPAL TRADERS GROUP

2001 K Street NW, Suite 725, Washington, DC 20006 | Tel +1 202.466.5460

November 30, 2023

Vanessa Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change Relating to Dissemination of Information on Individual Transactions in U.S. Treasury Securities and Related Fees  
Release No. 34-98859; File No. SR-FINRA-2023-015

Dear Ms. Countryman:

The FIA Principal Traders Group (“FIA PTG”)<sup>1</sup> appreciates the opportunity to submit this letter to the Securities and Exchange Commission (“SEC” or the “Commission”) in response to the Financial Industry Regulatory Authority, Inc. (“FINRA”) proposed rule change relating to the dissemination of information on individual transactions in U.S. Treasury Securities (the “Proposal”).<sup>2</sup> As noted in the Proposal, principal trading firms (“PTFs”) comprise a significant percentage of the trading activity in on-the-run nominal coupon U.S. Treasury Securities (“Treasuries”). As an association of PTFs, FIA PTG members are keen to contribute to discussions on Treasuries market structure and are especially supportive of efforts to increase transparency.

**FIA PTG strongly supports efforts to increase transparency for market participants.** While FIA PTG believes real-time public reporting should be required for all Treasury transactions executed in the secondary market, we appreciate the Proposal as a first step to reaching this objective. The current lack of any type of post-trade public reporting of individual transactions in

---

<sup>1</sup> FIA PTG is an association of firms, many of whom are broker-dealers, 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> <https://www.sec.gov/files/rules/sro/finra/2023/34-98859.pdf>

Treasuries continues to be in stark contrast to the transparency provided in most other asset classes, such as equities, futures, swaps and corporate bonds. We agree with FINRA's analysis in the Proposal and this rulemaking is a noteworthy first step to reduce the opacity that exists today. We hope that this is just the first in a series of steps to make real-time public trade dissemination, with dissemination caps for large trades, a reality across the Treasury market.

**FIA PTG believes that the proposed transaction dissemination requirements for Treasuries should be further reduced and the scope of instruments should be expanded.** Given the limited nature of the Proposal, we would encourage FINRA to set forth concrete parameters for evaluating the effects of the Proposal, and a timeline for further compressing public trade dissemination times and expanding the scope of securities subject to public reporting. Ultimately, we believe that individual transaction reporting should be publicly available real-time, but certainly no later than 15 minutes post execution (subject to appropriately calibrated dissemination caps for large trades). Additionally, we believe that the number of instruments included in public reporting should be expanded beyond on-the-run Treasuries.

**FIA PTG has concerns about other proposed Treasury market structure changes.** We agree with FINRA's statement in the Proposal that "providing this data to the public would improve price transparency for U.S. Treasury securities, benefiting liquidity and resilience in this critical market." While we have encouraged FINRA to move more quickly in the areas of trade reporting and public dissemination in Treasuries, we understand the rationale for moving methodically and cautiously when making changes to a central component of the world's financial system. We are puzzled by the stark contrast between this approach and the one seemingly taken by the SEC in two pending proposals that, if approved, would result in sweeping Treasury market structure changes. Specifically, we are referring to the Dealer<sup>3</sup> and Clearing<sup>4</sup> proposals. The magnitude of both proposals, along with the lack of in-depth and comprehensive economic impact analysis, especially if implemented too quickly or without careful consideration of their interconnectedness, could dramatically impact the liquidity in Treasuries at a time when the size of the market and need for liquidity has never been greater. Despite asserting similar regulatory objectives, the SEC has not considered the intersection and impact of this Proposal on either of the Dealer or Clearing proposals. At a minimum, it is incumbent on the SEC to re-evaluate the Treasury market structure proposals' economic analyses taking into consideration the impact of this change in market structure / economic baseline.

**In conclusion, FIA PTG urges the SEC to approve this Proposal.** Additionally, we continue to advocate for shortening the trade reporting windows, increasing transparency through real-time public transaction reporting of more instruments, and carefully considering the impact on liquidity of the Treasury market structure proposals pending before the Commission.

---

<sup>3</sup> [Further Definition of "As a Part of a Regular Business" in the Definition of Dealer and Government Securities Dealer](#), ("Dealer Proposal").

<sup>4</sup> [Standards for Covered Clearing Agencies for U.S. Treasury Securities and Application of the Broker-Dealer Customer Protection Rule With Respect to U.S. Treasury Securities](#), ("Clearing Proposal").

Vanessa Countryman, U.S. Securities and Exchange Commission

November 30, 2023

Page 3

If you have any questions or need more information, please 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: Gary Gensler, Chair  
Hester M. Peirce, Commissioner  
Caroline A. Crenshaw, Commissioner  
Mark T. Uyeda, Commissioner  
Jaime Lizárraga, Commissioner