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BDA Submits Comment Letter to the SEC on FINRA's CMO Reporting and Dissemination Proposed Rule.

Today, BDA submitted a [comment letter](#) to the SEC on [FINRA's rule proposal](#) to require a new reporting and dissemination regime for CMOs.

BDA's letter expresses appreciation for the amendments that FINRA has proposed to its February 2015 [request for comment](#). However, BDA argues that FINRA's proposed \$1 million threshold for real-time dissemination will create a bifurcated market in which small-to-medium sized dealers and retail customers will be disadvantaged. Therefore, BDA urges FINRA to file an amendment to eliminate the \$1 million threshold.

Proposed TRACE Reporting and Dissemination for CMOs:

- **60-Minute Trade Reporting Requirement:** FINRA proposes a 60-minute reporting requirement for CMO transactions.
- **Weekly or Monthly Dissemination for Trades Greater than \$1 million:** CMO trades greater than \$1 million in principal size for securities that are traded at least five times by at least 2 MPIDs over a given week or month would be subject to weekly and/or monthly reporting.
- **Real-time Dissemination for Trades less than \$1 million:** CMO trades of less than \$1 million would be required to be reported to TRACE within 60 minutes for immediate dissemination.
- **Pre-issuance CMO Transactions:** FINRA proposes to require TRACE reporting for transactions that occur prior to issuance to occur no later than the first settlement date for the security.

BDA's April 2015 comment letter to FINRA on TRACE reporting and dissemination for securitized products, including CMOs can be read [here](#).