

Bond Case Briefs

Municipal Finance Law Since 1971

BDA Submits Comment Letter to the SEC on FINRA's TRACE Academic Data Set Proposed Rule.

BDA submitted a [comment letter](#) to the SEC on [FINRA's rule proposal](#) to create a new TRACE data set for institutions of higher education.

BDA's letter opposes the creation of the new data set because it would create unnecessary business risks for broker-dealers. BDA requests that FINRA re-propose the rule proposal and have dealers grouped anonymously by size as opposed to individually.

New Academic Data Set: FINRA filed an updated [proposal](#) to create a TRACE Academic Data set exclusively available for research purposes and available only to institutions of higher education.

The proposal still includes an anonymous dealer identifier that will allow academics to research TRACE-reported transactions per dealer. However, based on BDA's comment letter and other industry comment letters the proposal has been amended to include the following features designed to protect dealer identities:

- **36 Month Delay:** FINRA's 2015 proposal included transaction data that was aged by 24 months. The updated proposal includes a 36-month delay.
- **Unique Dealer Identifiers per Data Request:** Based on a BDA request, each institution that requests data will receive different dealer identifiers for each data set.

BDA's August 2015 letter to FINRA ([available here](#)) expresses BDA's opposition to the 2015 version of the academic data set because it would include a dealer specific identifier.