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BDA Submits Comment Letter on TRACE Pilot/Corporate Bond Block Trade Dissemination.

Thank you to those who participated in BDA's calls regarding FINRA's proposal ([Notice 19-12](#)) to implement a pilot program to test changes in TRACE dissemination rules on corporate bond market liquidity.

The final BDA comment letter is available [here](#).

Summary of BDA's comment letter:

- BDA opposes the pilot program proposal.
- The proposed 48-hour delay in disseminating any trade information would introduce significant and damaging opacity to the market.
- The pilot would disadvantage institutional and retail investors in several ways.
- The proposal includes no incentives for middle market firms to increase their capital commitment or provision of liquidity. In practice, the proposal would likely reduce liquidity in trading for smaller block sizes as mid-size dealers would be reluctant to take risk positions without knowing whether a large, undisseminated block trade has taken place in the last 48 hours.
- If FINRA decides to move forward with the pilot, several key changes would be required to protect investors and maintain market integrity.

Bond Dealers of America

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