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SEC Chief Floats Slashing Bond-Trade Reporting to 1 Minute.

- **Gensler sees benefit in cutting current 15-minute window**
- **Transaction data sent to Trace should also be broader, he says**

U.S. Securities and Exchange Commission Chair Gary Gensler wants to slash the amount of time that traders have to report many bond transactions as part of a bid to increase visibility into fixed-income markets.

Gensler on Tuesday said that more transparency was needed across global bond markets, and that disclosures had generally failed to keep up with technological changes. In remarks for City Week in London, the SEC chief said data should be sent faster to the Financial Industry Regulatory Authority's Trace reporting system and cover more types of securities.

"Currently, a trade has to be reported as soon as practicable but no later than within 15 minutes of the time of execution," he said, also referring to how transactions involving municipal securities are reported to regulators. "Why couldn't the outer bound be shortened to no later than, for example, 1 minute?"

The amount of time that traders have to report fixed-income transactions has been a hot-button issue for regulators since before Gensler took over the last April. During the Trump era, a controversial plan to test whether delaying disclosure of the biggest corporate bond trades would boost market liquidity was eventually shelved after strong industry opposition.

Gensler said there could also be value in broadening Trace reporting to include sovereign debt transactions. The market impacts of Russia's invasion of Ukraine "have shown the value that regulatory reporting and public dissemination of foreign sovereign bonds would offer."

A Finra spokesman said the watchdog was supportive of Gensler's plans. However, financial firms will still have a chance to weigh in as any proposal would have to wind through a byzantine rule-making process that includes approval by the SEC, which oversees the industry-backed regulator.

Other potential measures for boosting transparency could include making public Trace data on individual Treasury transactions, Gensler suggested. Authorities could look into reporting trading protocols and fees paid for transactions, as well as the "spread" to Treasuries when the trade is agreed upon, he said.

Shortening the reporting time for fixed-income securities would involve a transition that "could take quite a bit of time," said Gennadiy Goldberg, a U.S. rates strategist at TD Securities.

"The timing of trade reporting is a delicate balancing act between creating sufficient transparency and creating so much transparency that buyers and sellers have trouble executing their positions without being revealed to markets in the process," Goldberg added.

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