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SIFMA Criticizes FINRA and MSRB Proposals to Reduce Reporting Times for Fixed Income Securities.

SIFMA [criticized](#) two proposals to shorten the required reporting time for certain fixed income securities – one by FINRA and the other by the MSRB. (See [FINRA Notice 22-17](#); [MSRB Notice 2022-07](#).)

The proposed rule changes would amend [FINRA Rule 6730](#) (“Transaction Reporting”) and [MSRB Rule G-14](#) (“Reports of Sales or Purchases”) to require trades in covered fixed income securities to be reported to their respective trade reporting systems within one minute from the time of execution (see prior coverage [here](#)). The FINRA proposal would be relevant to corporate debt securities, securities of the government-sponsored enterprises and U.S. government securities; the MSRB proposal would be relevant to municipals.

In the Comment Letters, SIFMA said that the SROs failed to provide the industry with an adequately comprehensive study in support of the proposed rule changes. SIFMA noted that potential benefits derived from moving to a one-minute reporting standard for fixed income securities are unclear, while the costs are being underestimated and the impacts on the market are being ignored. SIFMA provided extensive detail as to how the rule change could negatively impact various stakeholders, including certain types of firms, nonelectronic trading strategies, smaller customers and trading and settlement systems.

October 5 2022

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