



September 29, 2022

Via Email

Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Steet NW
Washington DC 20005

Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street NW
Washington, DC 20006-1506

Dear Mr. Smith and Ms. Mitchell,

NatAlliance Securities, LLC (“NAS”), a FINRA/SEC/MSRB member firm would like to comment on the rule proposals from the MSRB and FINRA regarding shortening the time dealers must report trades to MSRB’s Real-Time Trade Reporting System (“RTRS”) and FINRA’s Trade Reporting and Compliance Engine (“TRACE”). Specifically, the Firm is addressing the MSRB proposal, Notice 2022-07, “Request for Comment on Transaction Reporting Obligations under MSRB Rule G-14,” and the FINRA proposal, Regulatory Notice 22-17, “FINRA Requests Comment on a Proposal to Shorten the Trade Reporting Timeframe for Transactions in Certain TRACE-Eligible Securities From 15 Minutes to One Minute,” collectively referred hereto as the “Proposals”.

NAS is a US based fixed income broker dealer focused in Corporates, Agencies, Municipals and Securitized Products. As a smaller firm, the Proposals will greatly impact our firm’s ability to meet its reporting requirements. Trades can and sometimes do take longer than one minute to report; reasonable and legitimate reasons can cause reporting issues.

- If NAS has never traded a particular bond, before a trade can be reported to the RTRS or TRACE, a descriptive security record must be made into our trade order management system, a step not necessary if a firm has traded the bond before. This type of trade cannot be reported within one minute.
- NAS clears transactions through a third-party clearing firm that performs some of our trade reporting functions. Trades must be transmitted to the clearing firm before trades can be reported to RTRS or TRACE which delays the reporting process. Additionally, our clearing firm must also have the security record in its system before a trade can be reported; if not, the record must be added before the trade can be reported. This process takes longer than one minute.
- NAS deals in structured/securitized products which are negotiated and executed via phone. Traders can win bid lists which require manual trade entries, which in turns delays reporting times.
- If the reporting time is reduced to one minute, traders will feel like they need to move quickly to get trades entered and errors will occur more frequently. There would be no margin for error in both order entry and trade supervision.



NAS agrees and stands with the Bond Dealers of America (“BDA”) in asking the MSRB and FINRA to abandon the Proposals entirely. Approving these Proposals will have the effect of the MSRB and FINRA pushing smaller firms out of the market. This is unacceptable.

The firm believes Rule G-14 and 6730 are performing exactly as intending by regulators. Firms are reporting trades as soon as possible, except in instances of manually entered trades, and where the firm must create a security record. The marginal benefit to investors would not be offset by the costs to the industry or the loss of small firms. Should the MSRB and FINRA move forward with the proposals, we would recommend changes, including exceptions for certain types of trades like the ones mentioned above as well as other trade types cited by participating fixed income dealers and the BDA.

If you have any questions or would like to further discuss NAS’ views and comments, please contact Mark Salter, CEO at msalter@natalliance.com or (512) 609-1720, or Michelle Ellis, CCO at mellis@natalliance.com or (512) 609-1740.

Kindest Regards,

A handwritten signature in black ink, appearing to read 'Michelle Ellis', written over the typed name.

Michelle Ellis
CCO

DocuSigned by:
Mark Salter
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Mark Salter
CEO