

Trade Reporting Notice

Effective Date for Required Use of TRACE for Treasuries Modifiers

Effective Monday, July 10, 2017, FINRA member firms will be required to report transactions in U.S. Treasury Securities (Treasuries) to TRACE as per the recent amendments to the TRACE rules discussed in [Regulatory Notice 16-39](#). FINRA Rule 6730 allows for the use of two new modifiers, when applicable, to be reported on transactions in Treasuries: “B” on a trade report if the transaction being reported is part of a series of transactions where at least one of the transactions involves a futures contract (*e.g.*, a “basis” trade), and “S” on a trade report if the transaction being reported is part of a series of transactions and may not be priced based on the current market (*e.g.*, a fixed price transaction in an “on-the-run” security as part of a transaction in an “off-the-run” security). Although these new modifiers will both be available in TRACE for reporting transactions in Treasuries beginning on July 10, 2017, **they are not required** to be used at that time.

FINRA has filed a [rule change](#) to require firms to report the “B” and “S” modifiers on applicable transactions in Treasuries **beginning Monday, February 5, 2018**. Starting on that date, transactions that meet the defined criteria for these types of transactions must include these modifiers. FINRA has already updated the [FIX](#) and [CTCI](#) specifications for Treasuries to include these modifiers.

Participants are encouraged to review the specifications and direct any questions to TRACEFeedback@finra.org.

June 12, 2017

Key Topics

- ▶ Trade Reporting and Compliance Engine (TRACE)

Referenced Rules & Notices

- ▶ FINRA Rule 6730
- ▶ Regulatory Notice 16-39

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