

**VIA EMAIL**

September 21, 2022

Jennifer Piorko Mitchell  
Office of the Corporate Secretary  
Financial Industry Regulatory Authority  
1735 K Street, NW  
Washington, DC 20006-1506  
[pubcom@finra.org](mailto:pubcom@finra.org)

**Re: FINRA Regulatory Notice 22-17 - Request for Comment on Proposal to Shorten the Trade Reporting Timeframe for Transactions in Certain TRACE-Eligible Securities**

Dear Ms. Mitchell:

ICE Bonds Securities Corporation (CRD# 123635) (“**ICE Bonds**”)<sup>1</sup> appreciates the opportunity to respond to FINRA Notice 22-17 (the “**Proposal**”) issued by the Financial Industry Regulatory Authority (“**FINRA**”) requesting comment on a proposal to shorten the trade reporting timeframe for transactions in certain TRACE<sup>2</sup> eligible securities from fifteen minutes to one minute.

ICE Bonds supports FINRA’s efforts to provide more timely and informative data to enhance the value of disseminated transaction data and believes shortening the trade reporting timeframe is an important step in these efforts. However, we do not believe that the industry is prepared at this time to report all trades in TRACE-eligible securities within one minute of execution.

According to FINRA’s 2021 transaction reporting analysis,<sup>3</sup> almost 20% of all TRACE-eligible transactions were not reported within one minute of execution. Moreover, FINRA’s data show that only 16.4% of reporters submitted 95% of their trades within one minute of execution, which means that the vast majority (83.6%) of reporters did not submit most of their trades within one minute. When FINRA’s analysis is broken down by counterparty type, by whether execution is on an alternative trading system vs. non-alternative trading system and by reporting capacity, the data show that between 16% and 20% of trades are not reported within one minute of execution,<sup>4</sup> which further demonstrates that a significant percentage of the industry is not

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<sup>1</sup> ICE Bonds is the operator of three (3) alternative trading systems (ICE BondPoint, ICE Credit Trade and ICE TMC) for the trading of fixed income products and a broker-dealer registered with the U.S. Securities and Exchange Commission, pursuant to Section 15 of the Securities Exchange Act of 1934, is a member of FINRA and the Municipal Securities Rulemaking Board.

<sup>2</sup> TRACE refers to FINRA’s Trade Reporting and Compliance Engine for fixed income securities.

<sup>3</sup> See FINRA Regulatory Notice 22-17 at 5 (Aug. 2, 2022) available at <https://www.finra.org/rules-guidance/notices/22-17>.

<sup>4</sup> See *id.* at Table 1 on pg. 6.

prepared to report within one minute of execution. By contrast, all but 1% to 3% of trades are reported by the five-minute mark,<sup>5</sup> which demonstrates that the industry is prepared to report most trades within five minutes of execution.

While electronic trading coupled with straight-through-processing permitted the industry to make significant strides towards real-time reporting, further work is required to achieve this goal. For these reasons, we do not believe FINRA should move from fifteen minutes to one minute, but instead take a phased approach to reduce reporting times. We recommend that FINRA first reduce the trade reporting to five minutes and then implement a one-minute reporting deadline after further analysis demonstrates that the industry is ready for a shorter reporting deadline.

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ICE Bonds hopes these comments are constructive to FINRA as it considers further changes to reduce the TRACE trade reporting timeframe for transactions in all TRACE-Eligible Securities that are subject to a fifteen-minute reporting timeframe.

To the extent FINRA should have any questions relating to this letter please feel free to contact us, as we would appreciate the opportunity to speak with FINRA about these issues.

Sincerely,



Robert Laorno  
General Counsel, ICE Bonds Securities Corporation

cc: Peter Borstelmann, President, ICE Bonds Securities Corporation  
Chris Stone, Vice President, Transparency Services, FINRA  
Joseph Schwetz, Vice President, Transparency Services, FINRA  
Adam Kezsbom, Associate General Counsel, OGC, FINRA

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<sup>5</sup> See *id.*