

MEMO# 30900

October 4, 2017

Draft ICI Global Comment Letter on IOSCO Consultation Report Examining Regulatory Reporting and Public Transparency in the Secondary Corporate Bond Markets; Member Comments Requested by October 11

[30900]

October 4, 2017 TO: Derivatives Markets Advisory Committee

Fixed-Income Advisory Committee

ICI Global Trading & Markets Committee

SEC Rules Committee

Securities Operations Advisory Committee RE: Draft ICI Global Comment Letter on IOSCO Consultation Report Examining Regulatory Reporting and Public Transparency in the Secondary Corporate Bond Markets; Member Comments Requested by October 11

As previously reported, the Board of the International Organization of Securities Commissions (IOSCO) has published a consultation report on regulatory reporting and public transparency in the secondary corporate bond markets.^[1] The Consultation Report proposes that regulatory authorities should consider steps to enhance pre-trade transparency in corporate bond markets and implement regimes that require post-trade transparency.

ICI Global's draft comment letter on the Consultation Report is attached for your review. If you have any comments on the draft letter, please send them to George Gilbert at george.gilbert@ici.org and Nick Ward at nick.ward@ici.org **by close of business on October 11.**

Our draft letter supports IOSCO's objective of making the secondary corporate bond markets more transparent—to regulators and the public—without unduly disturbing market liquidity. We explain, however, that the Consultation Report fails to provide regulators with a roadmap to accomplish its laudable goal and encourage IOSCO to recommend that regulators take an incremental and data-driven approach to corporate bond market transparency to reduce the risk of harming liquidity.

Part I of the draft letter urges IOSCO to recommend that regulators find the right balance of transparency and liquidity to benefit the corporate bond markets. Part II explains why regulators should pursue public transparency in a data-driven and incremental manner and argues that regulatory reporting is a prerequisite for this common-sense approach. Part III explains how IOSCO could assist regulators in implementing such an approach to benefit their own market and avoid the potential pitfalls of transparency.

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[Attachment](#)

endnotes

[1] See ICI Memorandum No. 30845 (August 21, 2017), *available at* https://www.ici.org/my_ici/memorandum/memo30845; *see also* IOSCO Board, *Regulatory Reporting and Public Transparency in the Secondary Corporate Bond Markets*, (August 2017), *available at* <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD578.pdf> (Consultation Report).

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