

**MEMO# 27466**

August 15, 2013

# ICI Comment Letter on TRACE Reporting Proposal

[27466]

August 15, 2013

TO: CLOSED-END INVESTMENT COMPANY MEMBERS No. 68-13  
EQUITY MARKETS ADVISORY COMMITTEE No. 16-13  
FIXED-INCOME ADVISORY COMMITTEE No. 20-13  
MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 20-13  
END OF DAY PRICING FORUM No. 9-13 RE: ICI COMMENT LETTER ON TRACE REPORTING PROPOSAL

The SEC recently published proposed amendments to FINRA rules and Trade Reporting and Compliance Engine (“TRACE”) dissemination protocols to provide greater transparency with respect to Rule 144A transactions. [\[1\]](#) The Institute filed a letter supporting the Proposal, which is attached and summarized below.

The letter recommends that Rule 144A transaction information be disseminated to the same extent as other disseminated transactions in TRACE-eligible securities. In particular, the letter recommends that the transaction information for investment grade TRACE-eligible securities sold in Rule 144A transactions disseminated from TRACE include the exact par value on all transactions with a par value of \$5M or less and include an indicator of “5MM+” in place of the exact par value on transactions where the par value is greater than \$5M. With respect to non-investment grade TRACE-eligible securities sold in Rule 144A transactions, the letter recommends that the exact par value on all transactions with a par value of \$1M or less be disseminated and an indicator of “1MM+” be used to describe any transaction in excess of \$1M.

Dorothy M. Donohue  
Deputy General Counsel - Securities Regulation

[Attachment](#)

**endnotes**

[\[1\]](#) See SR-FINRA-2013-029, Proposed Rule Change Relating to the Dissemination of Transactions in TRACE-Eligible Securities that are Effected Pursuant to Securities Act Rule

144A, which is available on the SEC's website at <http://www.sec.gov/rules/sro/finra/2013/34-70009.pdf> and in the Federal Register at <http://www.gpo.gov/fdsys/pkg/FR-2013-07-25/pdf/2013-17857.pdf> ("Proposal"). FINRA issued a Regulatory Notice last year which sought input on, among other things, whether information regarding Rule 144A transactions should be disseminated in the same manner as publicly traded corporate debt securities. The Institute filed a letter supporting the dissemination of this information. See Institute Memorandum No. 26679, dated November 12, 2012 (summarizing the Institute's comment letter on the Notice).

---

**Source URL:** <https://icinew-stage.ici.org/memo-27466>

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.