

**MEMO# 27408**

July 25, 2013

## **ICI Draft Comment Letter on TRACE Reporting Proposal; Your Views Requested By August 5th**

[27408]

July 25, 2013

TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 18-13  
EQUITY MARKETS ADVISORY COMMITTEE No. 14-13  
FIXED-INCOME ADVISORY COMMITTEE No. 18-13  
MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 18-13  
END OF DAY PRICING FORUM No. 7-13 RE: ICI DRAFT COMMENT LETTER ON TRACE  
REPORTING PROPOSAL; YOUR VIEWS REQUESTED BY AUGUST 5TH

As we previously informed you, FINRA recently filed with the SEC 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 SEC now has published the Proposal for comment. [2] Comments are due to the SEC no later than August 15, 2013. Summarized below and attached for your review is the Institute's draft comment letter on the Proposal.

Please provide any comments on the draft letter to Dorothy Donohue by email at [ddonohue@ici.org](mailto:ddonohue@ici.org) or phone at 202-218-3563 no later than August 5th.

Consistent with our November 2012 letter on the related FINRA Notice, [3] the draft letter recommends that Rule 144A transaction information be disseminated to the same extent as other disseminated transactions in TRACE-eligible securities. In particular, the draft 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 draft 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 Institute [Memorandum](#) No. 27381, dated July 17, 2013.

[2] 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> (the "Proposal") and in the Federal Register at <http://www.gpo.gov/fdsys/pkg/FR-2013-07-25/pdf/2013-17857.pdf>. 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.

[3] See Institute [Memorandum](#) No. 26679, dated November 12, 2012 (summarizing the Institute's comment letter on the Notice).

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