From: Bill Bailey <beetlebailey005@gmail.com>
Sent: Thursday, August 4, 2022 9:08 AM
To: Leah Szarek <lszarek@msrb.org>
Subject: Request for comment - One minute reporting

To whom it may concern,

The MSRB has finally shown its hand: it does NOT care about the retail investor and only cares about the large institutional firms.

Case in point, the MSRB is willing to put the smaller dealers who cannot afford its regulations in favor of the larger institutions who are willing to pay for less competition. Does Goldman Sachs care about a trade on 25m? I don't think so. Do the algorithmic traders care about non-rated MUDs or small issuer bonds where the buyers are typically regional? They don't.

The individual investor is willing to invest in their home town even if it is non-rated because they "know" the credit. Larger firms of any variety do not care; therefor the increase in niche players that you are now so willing to abandon.

There is a reason that time of trade has decreased - ECNs and other electronic trading systems that are connected being the number one reason. If you have a connected system, trades flow automatically and timing is almost instantaneous.

For trades that occur over the phone, the process is slower, though should still be done within five minutes. Entering a cusip (verifying it is set-up on your system) verifying the counter-party is set-up on your system, manually entering all of the trade information and double checking before hitting enter…it all takes time.

There are some 70,000 different issuers unlike the less than 5,000 equity issuers. We are not there yet technologically to do one minute trading. I think the best course is to lay a plan (say go to five minute reporting now, two minute reporting in 5 years and one minute reporting in seven years) to get there if you think it is that important. I personally don't think it will help many as the MSRB pointed out, 70%+ are already printed within the one-minute time frame.

I leave with one last comment: the large players have you duped as to reporting large transactions: they still control when they want their trades to report and you let them; shame. And since the large transactions affect the generic scales most people base their trades on, those are the transactions you should be focusing on. They have more impact on the retail market than any random 25 or 50 bond trade ever will; even if the smaller trade is reported within a minute.

My last, last comment: This proposed plan is nothing but a cover story, a feel good piece. It will do nothing for the smaller retail player (either investor or dealer) but hurt them. Make the larger trades report in a timely manner, NOW you are helping everyone. Focus on the larger transactions, the smaller ones will fall into line as evidenced by the current timeliness of the trade reporting. Very few follow or will ever follow a small transaction but everyone follows the large ones. Please focus where you will do the most good and not just try for a headline piece that will not help the market.

Oh, I could go on and on about how wrong this “headline grabbing proposal” is and how it is such a bad idea but I think you get the point. Don’t be fooled by the large institutions tale of how hard it is to align all of the pieces to their transaction - it is simply not true in a majority of instances and is used to control when they report the trade that actually will affect and effect the market.

A concerned citizen.