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August 28, 2015

Submitted Electronically

Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-025

RE: Notice of Filing of a Proposed Rule Change To Amend FINRA Rule 6730 To Require an Indicator When a TRACE Report Does Not Reflect a Commission or Mark-Up/Mark-Down (File No. SR-FINRA-2015-026)

Ladies and Gentlemen:

On behalf of the Bond Dealers of America (“BDA”), I am pleased to submit this letter in response to the Securities and Exchange Commission’s (“Commission”) notice to solicit comments on a proposed rule change (“Proposal”) to Financial Industry Regulatory Authority (FINRA) Rule 6730. The proposal would require a ‘No Remuneration’ indicator that would be applicable to all trades—not just customer trades—that are reported without a commission, mark-up, or mark-down. BDA is the only DC-based group representing the interests of middle-market securities dealers and banks focused on the United States fixed-income markets and we welcome this opportunity to present our comments on this rule proposal.

BDA supports efforts to make the fixed-income security prices disseminated by TRACE more accurate. However, BDA does foresee several practical, operational challenges associated with implementing and complying with this rule. First, the proposal will introduce a new process for introducing broker-dealers who clear through a third-party. The proposal will increase costs and reporting complexity for all broker-dealers, including introducing brokers who will have third-party costs passed on to them. This proposal also applies to all transactions—both interdealer and customer trades. That aspect differs from an amendment to the Municipal Securities Rulemaking Board’s Rule G-14 that the Commission recently approved that just applies to customer trades. BDA strongly favors a final rule that would apply solely to customer trades in order to harmonize with G-14.

Secondly, BDA appreciates the move towards harmonizing these trade-reporting amendments with the Municipal Securities Rulemaking Board’s Rule G-14 amendments that the Commission approved in May 2015. However, BDA notes that the complexity associated with reporting transactions in taxable-fixed income securities, especially asset-backed and mortgage-backed securities, is already high. Smaller dealers with fewer operational staff are currently facing difficulties reporting transactions accurately under the current deadlines

applicable to FINRA Rule 6730 in absence of the proposed new operational requirements included in the Proposal.

In conclusion, BDA agrees with the intent of this proposed rule change but has concerns with how the rule will impact smaller introducing dealers and the dealers already having difficulties complying with trade reporting deadlines under current rules and market conditions.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Nicholas".

Michael Nicholas
Chief Executive Officer