

Dissemination of Transactions in U.S. Treasury Securities

FINRA Adopts Amendments to Enhance Post-Trade Transparency in the U.S. Treasury Securities Market

Effective Dates: FINRA Rules 6710(II), 6750(a), (c), (d) and Supplementary Material .01, and 7730(g)(6): March 25, 2024; FINRA Rule 7730(d) and (g)(4): April 1, 2024

Summary

FINRA has adopted amendments to disseminate individual transactions in active U.S. Treasury securities at the end of the day and historically, and to set related fees for members and other professionals who choose to subscribe to the new data set. This new transaction-level data will be publicly available and free of charge on FINRA's website for non-professionals' personal, non-commercial purposes on a next-day basis.

The amendments relating to the end-of-day data product take effect on March 25, 2024, and the amendments relating to the historic data product take effect on April 1, 2024.

The rule text is available in the online FINRA manual.

Questions regarding this *Notice* may be directed to:

- ▶ Alié Diagne, Senior Director, Transparency Services, by [email](#) or (212) 858-4092; or
- ▶ for legal and interpretive questions, Lauren Schreur, Associate General Counsel, Office of General Counsel, by [email](#) or (240) 386-6881.

For inquiries regarding how to access TRACE Data products, please contact TRACE Data Services at (888) 507-3665 or [email](#).

March 8, 2024

Notice Type

- ▶ Rule Amendment

Suggested Routing

- ▶ Compliance
- ▶ Legal
- ▶ Operations
- ▶ Systems
- ▶ Technology
- ▶ Trading
- ▶ Training

Key Topics

- ▶ Data Dissemination
- ▶ Fees
- ▶ TRACE
- ▶ TRACE-Eligible Securities
- ▶ TRACE Transaction Data
- ▶ U.S. Treasury Securities

Referenced Rules & Notices

- ▶ FINRA Rule 6710
- ▶ FINRA Rule 6750
- ▶ FINRA Rule 7730

Background and Discussion

In consultation with the Department of the Treasury, FINRA has adopted amendments to disseminate end-of-day and historic data products for individual transactions in U.S. Treasury securities¹ that are on-the-run nominal coupons, and to establish related fees for members and other professionals. These amendments will not require any reporting changes by reporting entities.²

End-of-Day TRACE Transaction File

Commencing on March 25, 2024, FINRA will begin disseminating an end-of-day file that will include information on individual transactions in Treasury securities that are on-the-run nominal coupons (Treasury End-of-Day TRACE Transaction File). “On-the-run nominal coupon” is generally defined as the most recently auctioned U.S. Treasury security that is a Treasury note or bond paying fixed rate nominal coupons starting after the close of the TRACE system on the day of its auction³ through the close of the TRACE system on the day of the auction of a new issue for the next U.S. Treasury security of the same maturity.⁴

The Treasury End-of-Day TRACE Transaction File will include transaction data for on-the-run nominal coupons reported to TRACE on that day, including information regarding the price and size of the trade, the counterparty type (*i.e.*, dealer, customer, affiliate, or alternative trading system), a flag to indicate whether the trade was executed on an ATS, and other trade modifiers and indicators; however, it will not include the market participant identifier or other identifying information regarding the parties to the trade.⁵ In addition, dissemination will be subject to transaction size caps at or over which the actual size of the trade will not be included in the end-of-day file. The following dissemination caps will apply (based on the maturity of the on-the-run nominal coupon at issuance):

- ▶ Two Years: \$250 million;
- ▶ Three Years: \$250 million;
- ▶ Five Years: \$250 million;
- ▶ Seven Years: \$150 million;
- ▶ 10 Years: \$150 million;
- ▶ 20 Years: \$50 million; and
- ▶ 30 Years: \$50 million.

Historic TRACE Data

FINRA also will provide a new Historic TRACE Data Set for Treasury securities that will contain transaction information on a six-month delayed basis. The Historic TRACE Data Set for Treasuries would include the transactions contained in the Treasury End-of-Day TRACE Transaction File for the relevant period, with uncapped transaction sizes.

The new Historic TRACE Data Set for Treasury securities will be available beginning on April 1, 2024, and will include information for transactions during the period beginning on January 1, 2019, through September 30, 2023, *i.e.*, Q1 2019 through Q3 2023. As with other Historic TRACE Data sets, subsequent historic data sets for Treasury securities will be available on a quarterly basis.

Access and Fees for the New Treasury Data

Transaction-level information for trades in U.S. Treasury on-the-run nominal coupons will be publicly available and free of charge on FINRA's [website](#) for non-professionals⁶ personal, non-commercial purposes on a next-day basis.

Members and other professionals seeking to subscribe to FINRA's end-of-day and historic TRACE data products can find more information on FINRA's [TRACE Pricing](#) web page. The fee for professionals to access the Treasury End-of-Day TRACE Transaction File is \$750/month or \$250/month for qualifying tax-exempt organizations⁷ (the same amounts that currently apply to other End-of-Day TRACE Transaction File data sets—*e.g.*, corporates).⁸

The fee for the Historic TRACE Data Set for Treasuries is \$2,000/calendar year or \$500/calendar year for qualifying tax-exempt organizations (the same amounts that currently apply to other Historic TRACE Data sets). A single fee of \$2,000 for development and set-up to receive Historic TRACE Data applies (or \$1,000 for qualifying tax-exempt organizations).⁹

Endnotes

- 1 Under Rule 6710(p), a “U.S. Treasury security” means a security, other than a savings bond, issued by the Treasury Department to fund the operations of the federal government or to retire such outstanding securities. The term “U.S. Treasury security” also includes separate principal and interest components of a U.S. Treasury security that has been separated pursuant to the Separate Trading of Registered Interest and Principal of Securities (STRIPS) program operated by the Treasury Department.
- 2 See Securities Exchange Act Release No. 34-99487 (February 7, 2024); 89 FR 9883 (February 12, 2024) (Order Approving File No. SR-FINRA-2023-015).
- 3 Under Rule 6710(gg), “auction” means the bidding process by which the Treasury Department sells marketable securities to the public pursuant to Part 356 of Title 31 of the Code of Federal Regulations.
- 4 FINRA will identify as “on-the-run nominal coupons” the most recently auctioned Treasury security that is a Treasury note or bond paying fixed rate nominal coupons in TRACE reference data beginning on the business day after its auction.

On-the-run nominal coupons do not include Treasury bills, STRIPs, Treasury Inflation-Protected Securities, floating rate notes, or any U.S. Treasury security that is a Treasury note or bond paying a fixed rate nominal coupon that is not the most recently issued U.S. Treasury security of a given maturity.
- 5 As is the case with the existing End-of-Day Transaction File and Historic Data products for other TRACE data sets, the End-of-Day Transaction File for Treasury securities will include only the sell-side report (for transactions between two dealers) while the Historic TRACE Data Set for Treasury securities will include both the sell-side and buy-side reports.
- 6 See Rule 7730(g).
- 7 A “tax-exempt organization” is an organization that is described in Section 501(c) of the Internal Revenue Code (26 U.S.C. §501(c)) and has received recognition of the exemption from federal income taxes from the Internal Revenue Service. See Rule 7730(g)(2).
- 8 See Rule 7730.
- 9 The development and set-up fee is a one-time fee when a subscriber initially begins receiving Historic TRACE Data for any data set. The fee does not apply if a subscriber switches data sets, or adds additional data sets, of Historic TRACE Data.

©2024. FINRA. All rights reserved. Regulatory Notices attempt to present information to readers in a format that is easily understandable. However, please be aware that, in case of any misunderstanding, the rule language prevails.