

SEARLE & CO, INC

333 GREENWICH AVENUE
GREENWICH, CT 06830
MEMBERS SIPC/FINRA
MSRB A1776
203-8694800

MSRB

1300 I STREET NW STE 1000
WASHINGTON, DC 20005

RE: COMMENT REGARDING THE ONE MINUTE REPORTING RULE

FEBRUARY 16, 2024

To whom it may concern-

Please consider the fact that, as a small firm trying to compete in the municipal bond marketplace, the new one-minute reporting rule places us at a major disadvantage and will have a negative impact on our business.

The municipal bond market is dominated by the largest banks in the United States who are equipped with highly expensive and very advanced technology unaffordable to a firm of our size.

We currently operate our municipal business on a manual basis within the prescribed 15 minute window. A window of one minute does not allow sufficient time for us to report trades without numerous violations.

We are hopeful that you will include exemptions to allow firms like ours to continue in the business.

Rather than creating new language that may not express our state of extreme distress accurately, we quote SIFMA's well worded comments below:

Fundamentally, subjecting the fixed income market to trade reporting requirements that appear to be inspired by the equities markets is misguided. The fixed income markets, including the municipal securities market, are not the equity market, and over-the-counter execution, where elements of trading and post-execution processing rely on manual processes, or are subject to still developing and non-comprehensive automation, remains common. We do not believe an across-the-board one-minute reporting requirement is feasible due to the lack of full post-trade automation stemming from the importance of bilateral negotiation in many fixed income markets. SIFMA believes a robust manual trade exemption, as well as a de minimis exemption to protect smaller dealer members, would be required if the Proposals move forward. The manual trade exemption as proposed, however, is not a panacea, and further, as we note, even one minute reporting for certain fully-electronic trades remains unworkable”.

“In sum, we believe FINRA and MSRB should reconsider if a 1-minute trade reporting requirement is appropriate for fixed income markets, and if a decision is made to proceed with this proposal, they should:

- Implement a broad exemption for manual trades;
- Provide relief for certain electronic trades where system processing limitations prevent one-minute reporting, including allocation trades;
- Examine impacts to liquidity, depth, concentration, and transparency prior to stepping reporting times to shorter intervals to ensure markets are not harmed by shorter trade reporting timeframes; and
- Implement the proposed de-minimis exemption.

Yours truly,

A handwritten signature in black ink, appearing to read 'RS', written in a cursive style.

Robert S. Searle, President

Searle & Co, Inc