



Municipal Securities Rulemaking Board

MARCH 2026

Institutional Customer Activity and Use of ATS

Figure 3. Customer-to-Dealer-to-Customer Groups, 2021-2025

	2021	2022	2023	2024	2025	2021-2025 % Change
C2D2C Trades	90,261	191,863	246,568	317,803	429,131	375%
Year over Year % Change	-	113%	29%	29%	35%	
% of C2D2C Trades Compared to All Customer Trades	2.0%	2.6%	3.2%	3.8%	4.3%	
% of C2D2C Trades Compared to ATS Customer Trades	15.9%	16.5%	19.4%	21.5%	20.1%	

Figure 4 combines the two trade groups, C2C and C2D2C, to show the full impact of customers ultimately provided the liquidity on both ends of the transaction, with in one of the customer trades.⁸ When combined, the percentage of these trades customer trades increased from 6.2% in 2021 to 11.2% in 2025. Additionally, these trades in relation to all customer trades executed on an ATS ranged means more than half the customer trades executed on ATSs ultimately liquidity on both sides of the transaction.

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Introduction¹

Customer activity on alternative trading systems, or ATSs, continues to develop in the municipal securities market and is reshaping liquidity formation and how institutional customers interact with one another. This report seeks to better understand trade patterns that illustrate this interaction between customers and the role played by ATSs.²

In the customer-to-customer trade scenarios analyzed in this report, dealers do not provide liquidity because both the seller and buyer are institutional customers. In addition, given the anonymity provided by ATSs, these customers are likely not aware they are trading directly with another customer.

Previous MSRB research examined the growth in trading by institutional investors on ATS platforms, both for small and large size trades. In a report released in 2025, trade data shows that it is highly likely that more than 50% of all customer transactions in trades of \$100,000 or less were executed by institutional investors.³

Since 2021, while the total number of customer trades has more than doubled, the number of customer trades executed on ATSs has nearly quadrupled. Meanwhile, inter-dealer ATS trades have remained relatively stable at 56% of all inter-dealer trades. In 2025, more than one in five customer trades occurred on an ATS, up from 13% in 2021. That shift signals a meaningful change in how investors access liquidity and how ATSs are increasingly facilitating direct interaction between customers in the secondary market.

¹ The views expressed in the working papers are those of the author(s) and do not necessarily reflect the views and positions of the MSRB.

² These customer transactions are not executed or reported as an ATS transaction.

³ See John Bagley and Marcelo Vieira, "[Convergence of Individual and Institutional Trading Dynamics in Small Size Trades](#)" Research Paper, Municipal Securities Rulemaking Board, July 2025.

Methodology

This report is based on transaction data for calendar years 2021 to 2025 and consists of approximately 38 million secondary market trades reported to MSRB's Real-Time Transaction Reporting System (RTRS). To focus the analysis on secondary market customer trading in fixed-rate securities only, variable rate and commercial paper as well as list offering price and takedown transactions, which generally comprise primary market transactions, were excluded. It is also important to note that MSRB does not have any information on the type of investor associated with customer trades.

The analysis focused on two types of trading groups:

- A group of trades with a customer selling to an ATS and that same ATS selling the same quantity of bonds to another customer within one minute.⁴ The dealer of the ATS is the only dealer involved, and since ATSs do not have individual investor clients, it is safe to assume that all these trades are with institutional customers. For the purpose of this publication, these types of trades are referred to either customer-to-customer or C2C trades.
- The second group of trades is similar to the C2C group explained above but also includes a non-ATS dealer, all trading the same quantity of bonds within one minute.⁵ An example of this trading pattern would be a customer sells 100 bonds to a non-ATS dealer, the non-ATS dealer sells 100 bonds to an ATS, and that same ATS sells 100 bonds to a customer, all within one minute.⁶ In this publication we will refer to this type of group as customer-to-dealer-to-customer or C2D2C. For these types of groups, MSRB does not know if the customer of the non-ATS dealer is an individual or institutional investor.

⁴ A similar analysis of customer ATS trades within one hour found immaterial differences compared to one minute. Also, for the purpose of this analysis, in terms of number of bonds, a group is formed when the total par amount on the sell and buy side are equal. A group may consist of one sell and one buy, multiple sells that equal one buy, or one sell that equals multiple buys.

⁵ *Ibid.*

⁶ There are a few trading patterns that fit this category such as a customer sell to an ATS, the ATS selling to a non-ATS dealer and the non-ATS dealer selling to a customer, all within one minute.

Summary of Findings

Figure 1 compares two sets of data—the total number of customer trades and the number of customer trades executed on an ATS. As previous MSRB research showed, despite the impressive growth in overall customer trades, customer trades on ATSs have grown significantly more.⁷ Notably, the number of ATS customer trades has consistently outpaced the total number of customer trades in every year since 2021, indicating that ATS usage is increasing overall. This is likely due to institutional investors increasingly providing liquidity on ATSs. While the total number of customer trades increased 19% in 2025 from 2024 and has more than doubled since 2021, the number of customer trades on ATSs increased 44% from 2024 to 2025 and was almost four times larger than it was in 2021. The percentage of customer trades executed on an ATS compared to all customer trades has steadily increased from 13% in 2021 to 21% in 2025. This means that in 2025, more than one in five customer trades were executed on an ATS.

Figure 1. Overall Customer Trades and Customer Trades on ATSs, 2021–2025

	2021	2022	2023	2024	2025	2021–2025 % Change
Total Number of Customer Trades	4,442,956	7,380,704	7,621,659	8,435,996	10,011,217	
Year over Year % Change	–	66%	3%	11%	19%	125%
Total Number of Customer Trades on ATS	567,192	1,165,399	1,267,966	1,476,948	2,133,219	
Year over Year % Change	–	105%	9%	16%	44%	276%
% of All Customer Trades Executed on ATS	13%	16%	17%	18%	21%	

As previously noted in the methodology section, this report focuses on two unique trade groups—the first with two customer trades conducted through an ATS (C2C) and the second that includes the addition of a non-ATS dealer between the customer trades (C2D2C). For transactions in the C2C groups, dealers are not providing liquidity and instead, ATSs are matching institutional customers directly, likely anonymously. Figure 2 clearly shows that C2C trades grew nearly 30% from 2024 to 2025 and was almost four times larger than in 2021. C2C trades have grown from 4.1% of all customer trades in 2021 to 6.9% in 2025. Although C2C trades have grown in absolute terms and have done so faster than all secondary market customer trades, their share of ATS customer trades declined from 39% in 2023 to 33% in 2025. This is likely due to the dramatic growth in customer demand from 2023 to 2025 as well as more institutional customers executing over ATSs.

⁷ See Felix Lopez, John Bagley, Marcelo Vieira, “[Trends in Municipal Securities Trading: Broker’s Brokers vs Alternative Trading Systems](#)” Research Paper, Municipal Securities Rulemaking Board, July 2025.

Figure 2. Customer-to-Customer Trade Groups, 2021–2025

	2021	2022	2023	2024	2025	2021–2025 % Change
C2C Trades	183,343	441,533	492,535	547,294	693,873	
Year over Year % Change	–	141%	12%	11%	27%	278%
% of C2C Trades Compared to All Customer Trades	4.1%	6.0%	6.5%	6.5%	6.9%	
% of C2C Trades Compared to ATS Customer Trades	32.3%	37.9%	38.8%	37.1%	32.5%	

The next part of the analysis looks at trades when the customer of an ATS provided the liquidity for one trade and a customer on a non-ATS dealer provided the liquidity on the other side. Figure 3 shows that the number of these C2D2C trades has increased almost four times from 2021 to 2025. Additionally, C2D2C trades rose from 2.0% of all customer trades in 2021 to almost 4.3% in 2025. The percentage of C2D2C trades as a percentage of all customer trades on an ATS ranged from 16% to 22% over the last five years.

Figure 3. Customer-to-Dealer-to-Customer Groups, 2021 to 2025

	2021	2022	2023	2024	2025	2021–2025 % Change
C2D2C Trades	90,261	191,863	246,568	317,803	429,131	
Year over Year % Change	–	113%	29%	29%	35%	375%
% of C2D2C Trades Compared to All Customer Trades	2.0%	2.6%	3.2%	3.8%	4.3%	
% of C2D2C Trades Compared to ATS Customer Trades	15.9%	16.5%	19.4%	21.5%	20.1%	

Figure 4 combines the two trade groups, C2C and C2D2C, to show the full impact on trades where customers ultimately provided the liquidity on both ends of the transaction, with an ATS involved in one of the customer trades.⁸ When combined, the percentage of these trades compared to all customer trades increased from 6.2% in 2021 to 11.2% in 2025. Additionally, the percentage of these trades in relation to all customer trades executed on an ATS ranged from 48% to 59%. This means more than half the customer trades executed on ATSs ultimately have customers providing liquidity on both sides of the transaction.

⁸ Although C2D2C trades involve two customer trades, only one of those trades is with an ATS while the other matching trade is with a non-ATS dealer. Therefore, only the customer trade with the ATS is in the calculation for C2D2C trades compared to all customer trades on an ATS.

Figure 4. All Customer-to-Customer and Customer-to-Dealer-to-Customer Groups, 2021–2025

	2021	2022	2023	2024	2025	2021–2025 % Change
Both Group of Trades Combined	273,604	633,396	739,103	865,097	1,123,004	
Year over Year % Change	–	132%	17%	17%	30%	310%
% of Both Group of Trades Compared to All Customer Trades	6.2%	8.6%	9.7%	10.3%	11.2%	
% of Both Group of Trades Compared to ATS Customer Trades	48.2%	54.4%	58.3%	58.6%	52.6%	

Although the focus of this publication has been on the number of trades, the analysis on par amount traded was conducted with generally similar overall findings. However, it should be noted that because ATS trades are typically smaller in size,⁹ growth in the share of trade count does not proportionally translate into growth in par value share. Therefore, the percentage of par value traded for C2C transactions is much smaller compared to all customer par amount traded. To illustrate this, par amount traded in the C2C and C2D2C trade groups combined grew about 46% between 2024 and 2025 to almost four times the par amount traded in 2021. However, as a percentage of all customer trades, it only increased from 1.3% (or \$11.1 billion) in 2021 to 3.5% (or \$52.0 billion) in 2025.

Conclusions

Customer trading on ATSs has expanded at a pace that dramatically exceeds overall growth in customer trading activity. Since 2021, the number of customer trades executed on ATSs has nearly quadrupled, and in 2025 more than one in five customer trades occurred on an ATS. This sustained acceleration suggests that ATS platforms are becoming an increasingly key tool for secondary market liquidity for institutional customers, especially for smaller size trades.

At the same time, a growing share of customer trades on an ATS reflects customers providing liquidity to other customers. When combining the two types of groups analyzed in this report—a customer sell to an ATS followed by an ATS sell to a customer (C2C) and one that includes the addition of a non-ATS dealer between the customer trades (C2D2C)—more than half of customer trades executed on ATSs in recent years ultimately involved customers supplying liquidity on one or both sides of the transaction. This pattern indicates that ATSs are increasingly facilitating interaction between institutional investors on their platforms.

These findings point to an interesting shift in how liquidity forms in the municipal market. While dealers continue to play a key role in the market, in many cases, ATSs are intermediating liquidity between customers rather than committing their own capital. The rise in customer activity using ATSs suggests that these platforms are playing a larger role in connecting institutional supply and demand, albeit mostly for smaller size trades.

⁹ 90% of ATS trades are of \$100,000 or less. See [MSRB Inter-Dealer Municipal Trading Factsheet](#).

ABOUT MSRB

The Municipal Securities Rulemaking Board (MSRB) was established by Congress in 1975 with the mission to protect investors, issuers and the public interest and to promote efficiency, competition and capital formation. MSRB is a private, self-regulatory organization governed by an independent board of directors with market knowledge and expertise. MSRB does not receive federal appropriations and is funded primarily through fees paid by regulated entities. MSRB is overseen by Congress and the Securities and Exchange Commission.



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