



## **Tradition Asiel Securities Inc.**

Eric M. Earnhardt  
Chief Compliance Officer  
255 Greenwich Street – 4<sup>th</sup> Floor  
New York, New York 10007  
212-791-3497  
212-791-3498 (F)  
[eric.earnhardt@tradition-na.com](mailto:eric.earnhardt@tradition-na.com)

March 19, 2013

Ronald W. Smith  
Corporate Secretary  
Municipal Securities Rulemaking Board  
1900 Duke Street  
Suite 600  
Alexandria, VA 22314

Re: MSRB Notice 2013-02: Request for Comment on More Contemporaneous Trade Price Information Through a New Central Transparency Platform

Dear Mr. Smith:

Tradition Asiel Securities, Inc. (“TASI”) appreciates this opportunity to respond to MSRB Notice 2013-02 (January 17, 2013) (the “Notice”) issued by the Municipal Securities Rulemaking Board (the “MSRB”) in which the MSRB is requesting comment on more contemporaneous trade price information through a new central transparency platform (“CTP”). TASI supports the concept of transparency and has been very supportive of some of the MSRB’s past transparency initiatives. We do, however, have some specific concerns about the benefits of these proposals relative to the costs and burdens they will impose upon the regulated entities. TASI’s concerns about certain aspects of the amendments are more fully described below.

### Timeliness of Trade Reporting

The MSRB is seeking comment on the factors that may have resulted in the more rapid trade reporting of small trades as compared to large trades, focusing particularly on existing barriers to having large trade reporting statistics match those of small trades. There are similar characteristics to many small trades. Many small trades are executed on electronic platforms, and require minimal, if any, manual intervention. This fact allows smaller trades to be executed quickly. Larger trades, by contrast, typically require traders to confirm with a client and put in a manual trade ticket. Also, large trades require more scrutiny at firms as they expose firms to more risk. Bottlenecks can happen, landing trades in error queues or other queues for such manual review as margin or credit issues.

Narrowing the window for trade reporting below 15 minutes would impose substantial costs and burdens on regulated entities. In order for dealers to move to a 10 minute-or-less reporting timeframe, dealers would need to examine their systems and consider reporting out of their front-end systems instead of back office systems. A common reason for delay in reporting is when the indicative data is not in the dealer’s system as the security hasn’t traded in the past year. It can take almost all of the

allotted 15 minutes to query an information service provider to upload the missing CUSIP and indicative data, then submit the trade report.

Even with the allotted 15 minute time period TASI faces constant issues with timely reporting due to the nature of our business, serving as a broker in the interdealer market. For each transaction we must minimally report both the purchase/sale and the subsequent sale/purchase. We also bid on lists which could contain ten to fifteen separate bonds requiring the submission of 20 to 30 reports within the 15 minute allotted time period.

TASI is supportive of additional transparency, but wants to ensure that additional costs and burdens are not put upon it without commensurate benefits. We do have the specific concerns listed above regarding the draft amendments, and also believe additional study of these issues would be beneficial. We would be pleased to discuss any of these comments in greater detail, or to provide any other assistance that would be helpful. If you have any questions, please do not hesitate to contact the undersigned at (212) 791-3497.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Eric M. Earnhardt".

Eric M. Earnhardt  
Chief Compliance officer