CITADEL

September 6, 2019

Ms. Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006–1506

Re: FINRA Proposal to Publish ATS Volume Data for Corporate Bonds and Agency Debt Securities (Regulatory Notice 19-22)

Dear Ms. Mitchell:

We appreciate the opportunity to provide comments to FINRA on the proposal to publish ATS volume and trade count information on the FINRA website for corporate and agency debt securities (the "Proposal").[1]

We strongly support efforts to increase market transparency that benefit end investors and the market as a whole. Academic research has found that increased post-trade transparency has improved liquidity and reduced transaction costs in the U.S. corporate bond market.[2] The Proposal represents another step forward, given that the currently available post-trade data does not disclose the identity of the ATS (if any) where a transaction occurred. Publishing post-trade data on the FINRA website that includes, for each ATS on a monthly basis, both the total number of transactions and the aggregate volume traded for a particular corporate bond or agency debt security will assist market participants in understanding liquidity and market dynamics. Following implementation of the Proposal, we encourage FINRA to consider further broadening the scope of published data to include all electronic trading platforms with material trading volumes in corporate and agency debt securities, given that FINRA has estimated only 25-30% of corporate bond transactions and 30% of agency debt transactions will be covered by the data published pursuant to the current Proposal.

* * * * * * * * * *

[1] https://www.finra.org/rules-guidance/notices/19-22.

[2] *See, e.g.*, Asquith, P., et al., "The Effects of Mandatory Transparency in Financial Market Design: Evidence from the Corporate Bond Market" (April 2019), available at: https://www.nber.org/papers/w19417; Bessembinder, H., et al., "Market transparency, liquidity externalities, and institutional trading costs in corporate bonds" (2006) Journal of Financial Economics, available at: https://www.researchgate.net/publication/222515781_Market_Transparency_Liquidity_Externalities_and_Institutional_Trading_Costs_in_Corporate_Bonds; Edwards, A. K., et al., "Corporate bond market transaction costs and transparency" (2007) The Journal of Finance, available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=593823; Goldstein, M. A., et al., "Transparency and liquidity: A controlled experiment on corporate bonds" (2007) Review of Financial Studies, available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=686324; and Jacobsen, S., et al., "Does trade reporting improve market quality in an institutional market? Evidence from 144A corporate bonds" (2018), available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3171056.

We appreciate the opportunity to provide comments on the Proposal. Please feel free to call the undersigned at (646) 403-8200 with any questions regarding these comments.

Respectfully,

/s/ Stephen John Berger

Managing Director

Global Head of Government & Regulatory Policy