



April 29, 2019
Vanessa Countryman
Acting Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: SR-FINRA-2019-008

Dear Ms. Countryman:

ICE Bonds¹, a business of Intercontinental Exchange, Inc. (NYSE:ICE), appreciates the opportunity to comment on FINRA's proposed rule change ("the Proposal")² which establishes a corporate bond new issue reference data service.

This letter will address our unique views of the Proposal given our position running three Alternative Trading Systems (ATS), highlight our overall support for the Proposal, and spotlight a definitional ambiguity whose resolution we believe could assist FINRA in achieving its goals while simultaneously strengthen retail investor protection.

Background on ICE Bonds

ICE Bonds offers the industry access to deep liquidity pools, multiple trading protocols and a vast breadth of fixed income data and analytics. ICE Bonds brings together ICE BondPoint, TMC Bonds and ICE Credit Trade and sources reference data, fixed income pricing and analytics offered by ICE Data Services. ICE Bonds offers multiple anonymous and disclosed trading protocols, including click-to-trade, request-for-quote and portfolio auctions, and provides access to Corporates, Municipals, Treasuries, Agencies and Certificates of Deposit.

Benefits of this Proposal

ICE Bonds strongly supports efforts which allow trading platforms to offer timely access to bonds trading in the secondary market and to provide investors with consistent, transparent, normalized data that allows them to make informed trading decisions. We support the major tenets of the Proposal and believe that more timely receipt of new issuance reference data enables immediate trading on multiple electronic trading platforms as soon as the bonds are available to trade in the secondary markets, removing informational asymmetries which exist today. We believe that timely dissemination of complete reference data will improve price transparency, reduce trade errors, and allow more participants, particularly the retail investor, to buy and sell corporate bonds upon the completion of the new issue distribution process.

¹ Regulated Products offered by Creditex Securities Corporation and TMC Bonds L.L.C.

² http://www.finra.org/sites/default/files/rule_filing_file/SR-FINRA-2019-008.pdf



We agree with the Proposal's statement that new issue corporate bond terms and conditions today are often received delayed and incomplete and therefore we commend FINRA for putting forward this Proposal quickly following the SEC FIMSAC's recommendation.

Impact on ICE ATS Platforms

Certain electronic trading venues that are not registered as ATSs may have access to new issuance reference data obtained from affiliated corporate entities which process primary market trades prior to the dissemination of the reference data. ATS platforms today do not have access to this data despite their regulatory status. This information asymmetry puts ATS platforms at a disadvantage and negatively impacts investor price discovery, trading availability and hence execution quality by ATS and other electronic trading platform participants.

More specifically, subscribers to an ATS cannot post bids or offers in the secondary market, accurately respond to requests for quotes (RFQs), or submit orders on newly issued bonds until such point that the ATS or trading platform has received the reference data from its provider. The information asymmetry which exists today adversely impacts the liquidity in the secondary markets for the first few hours or days of trading when significant trading occurs.

Furthermore, ICE Bonds, along with other ATS platforms, provide critical fixed income technology and access to liquidity for retail and wealth management firms. This ATS technology empowers these firms serving retail investors to provide fixed income market access and execution services. Without a level playing field for new issue reference data, these retail investors and the broker dealers servicing them are disadvantaged by not being able to participate in the secondary markets during the critical time after a security is available to trade. The timely dissemination of complete reference data will allow retail investors to have more timely access to newly issued bonds for purchase and/or price discovery, eliminating unnecessary information asymmetry.

Request for Clarification

We believe the definition of "the first transaction" needs to be clarified by FINRA in the final rule. In order to avoid disadvantaging ATS subscribers and their clients, we believe it is critical for the rule to establish conditions that allow ATS providers to access the data required to trade and settle a transaction in a new issue corporate bond prior to the start of secondary market trading. This can be accomplished by defining "the first transaction" in a way that will insure that FINRA not only receives the information from the underwriters prior to the first transaction, but that FINRA also disseminates the data and makes it available to ATS service providers prior to the first secondary market transaction.

Conclusion

ICE Bonds applauds and strongly supports FINRA's efforts to establish a uniform and more efficient reporting and dissemination framework for new issue corporate bonds. This Proposal will enable consistency across electronic platforms, allowing venues to compete on execution quality, and not on who has more timely access to new issue reference data.



Respectfully submitted,

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

Marshall Nicholson
President, Creditex Securities Corporation

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

Thomas S. Vales
Chief Executive Officer, TMC Bonds, L.L.C.

cc: Alexander Ellenberg, Associate General Counsel, FINRA
Stephanie Dumont, Senior Vice President and Director of Capital Markets Policy, FINRA