

November 30, 2023

Vanessa Countryman
Secretary
US Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: Notice of Filing of a Proposed Rule Change Relating to Dissemination of Information on Individual Transactions in US Treasury Securities and Related Fees, File No. SR-FINRA-2023-015

Dear Ms. Countryman,

Dimensional Fund Advisors LP (“Dimensional”) appreciates the opportunity to comment on the proposed rule change filed with the US Securities and Exchange Commission (the “SEC”) by the Financial Industry Regulatory Authority (“FINRA”) relating to the dissemination of information on individual transactions in US Treasury securities (the “Proposed Rule Change”).¹ Dimensional is a registered investment adviser, and together with its advisory affiliates, has approximately \$618 billion in global assets under management.² We strongly support the Proposed Rule Change and urge FINRA and the SEC to continue to take steps toward complete and immediate post-trade dissemination for trades in all US Treasury securities.

Under the Proposed Rule Change, FINRA proposes to disseminate information on individual transactions in US Treasury securities that are on-the-run nominal coupons. The information will be made available on an end-of-day basis with specified dissemination caps for large trades. We support this rule change and are encouraged that FINRA is taking this step toward transparency in the Treasury market. However, in our view, FINRA should also pursue further steps to publicly disseminate information about individual transactions in all types of US Treasury securities and to make this information available on a more immediate basis and without dissemination caps.

At Dimensional, we strongly believe that transparency fosters a fair and efficient market, and that market quality is improved when public information is disseminated evenly to all market participants. FINRA’s Trade Reporting and Compliance Engine (“TRACE”) provides market participants with equal access to reliable information about TRACE-eligible securities, which reduces information asymmetries in the bond market and enhances the integrity of the market. The availability of transaction-level data on TRACE also enables market participants to compare their execution prices to those of other market participants and helps participants better understand available market liquidity across different bonds. Without the transparency in the bond market

¹ US Securities and Exchange Commission, *Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change Relating to Dissemination of Information on Individual Transactions in U.S. Treasury Securities and Related Fees*, Release No. 34-98859 (Nov. 3, 2023), available at <https://www.sec.gov/files/rules/sro/finra/2023/34-98859.pdf>.


² As of September 30, 2023.

made possible by TRACE, we believe that transacting across the bond market would be more costly for market participants, including mutual funds, exchange-traded funds, and their investors.

Post-trade transparency has proven to be fair and effective in the TRACE-eligible securities market for the past two decades. In our view, there is no compelling reason that the same benefits would not accrue to investors in *every* security in the Treasury market. Some market participants may express concerns that publicly disseminating data on less liquid or thinly traded Treasury securities would pose risks to investors. However, even the less liquid segments of the Treasury market are generally more liquid than some segments of the corporate bond market, where transparency through TRACE already exists. We strongly believe that the benefits of price transparency in the Treasury market will outweigh any possible risks.

As we have learned from TRACE over the last 20 years, transparency fosters a fair and efficient market, and we believe this transparency has helped fuel capital growth and increase investor confidence in the bond market, resulting in more robust capital markets. While we support the Proposed Rule Change, we also strongly urge FINRA and the SEC to take further steps to provide additional and more immediate transparency of trades in US Treasury securities. If we can be of further assistance, please do not hesitate to contact Stephanie Hui, Lead Counsel, Global Public Policy and Vice President. We would welcome the opportunity to expand on our discussion of these issues.

Sincerely,



Gerard O'Reilly
Co-CEO and Chief Investment Officer



David A. Plecha
Global Head of Fixed Income