

February 15, 2024

Sherry R. Haywood
Assistant Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: Notice of Filing of a Proposed Rule Change to Amend MSRB Rule G-14 to Shorten the Timeframe for Reporting Trades in Municipal Securities to the MSRB, File No. SR-MSRB-2024-01

Dear Ms. Haywood,

Dimensional Fund Advisors LP (“Dimensional”) appreciates the opportunity to comment on the proposed rule change filed by the Municipal Securities Rulemaking Board (“MSRB”) to shorten the trade reporting timeframe (the “Proposed Rule Change”).¹ Dimensional is a registered investment adviser, and together with its advisory affiliates, has approximately \$677 billion in global assets under management.² We support requiring transactions to be reported no later than within one minute of the time of trade, and we strongly encourage MSRB to take steps to phase out its proposed exceptions to the one-minute requirement.

As we wrote in our letter³ to MSRB in response to MSRB Notice 2022-07 (the “Notice”),⁴ shortening the required reporting timeframe from 15 minutes to one minute will enhance transparency and reduce information asymmetries in the municipal securities market. 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. As MSRB recognizes, the municipal securities market historically has been considered less liquid and more opaque than other securities markets, making post trade data the most important source of information for market participants.⁵ Transparency also enhances investors’ power to negotiate with dealers, leading to reduced transaction costs.⁶ For these reasons, we believe that more timely reporting will greatly benefit investors.

However, the Proposed Rule Change also includes two exceptions from the one-minute reporting requirement that were not discussed in the Notice. The first proposed exception would

¹ US Securities and Exchange Commission, *Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change to Amend MSRB Rule G-14 to Shorten the Timeframe for Reporting Trades in Municipal Securities to the MSRB*, Release No. 34-99402 (Jan. 19, 2024), available at <https://www.sec.gov/files/rules/sro/msrb/2024/34-99402.pdf>.

² As of December 31, 2023.

³ Letter to Ronald W. Smith from Gerard O’Reilly and David A. Plecha dated September 26, 2022, available at <https://www.msrb.org/sites/default/files/2022-09/Dimensional-Comment-Letter-on-MSRB-Reporting-Timeframe-Sept-26-2022.pdf>.

⁴ MSRB, *MSRB Notice 2022-07* (August 2, 2022), available at <https://www.msrb.org/sites/default/files/2022-09/2022-07.pdf>.

⁵ *Id.* at 7.

⁶ *Id.* at 8-9.

be for dealers with “limited trading activity,” defined as a dealer that, during one of the prior two calendar years, reported fewer than 1,800 transactions, excluding transactions having an end-of-trade-day reporting exception. A dealer relying on this exception would continue to be required to report within 15 minutes of the time of trade. The second proposed exception would be for trades having a manual component. If a trade qualifies for the manual exception, a 15-minute outer limit would apply for the first year following implementation; a 10-minute outer limit would apply for the second year; and a five-minute outer limit would apply thereafter.

We strongly encourage MSRB to take steps to phase out both of the proposed exceptions completely, so that over time, all trades currently subject to the 15-minute reporting timeframe will be reported within one minute. MSRB could phase out the exception for dealers with “limited trading activity” by lowering the transaction threshold each year, which would give such dealers both the time and incentive to modernize their systems so that they can report more quickly. Fully phasing out the manual exception would incentivize dealers to eliminate manual aspects in their trading processes.

As we have learned since 2008 when post trade information was first made available on the Electronic Municipal Market Access website, transparency fosters a fair and efficient market, and we believe this transparency has helped fuel capital growth and increase investor confidence in the municipal securities market. We support MSRB’s proposal to enhance market transparency by reducing the reporting timeframe, and we encourage MSRB to continue to take further steps toward full transparency. If we can be of further assistance, please do not hesitate to contact Stephanie Hui, Lead Counsel, Public Policy and Vice President. We would welcome the opportunity to expand on our discussion of these issues.

Sincerely,



Gerard O'Reilly
Co-Chief Executive Officer and Co-Chief Investment Officer



David A. Plecha
Global Head of Fixed Income