# Comment on Notice 2022-07

from Jay Lanstein, Cantella & Co., Inc.

at email address jlanstein@cantella.com

on Friday, September 16, 2022

Comment:

To Whom It May Concern:

We are writing in opposition to shortening the reporting threshold for municipal bond trades. In a perfect world, trade information would be reported instantly, but that is not the relevant standard. The bond markets are not the equity markets, and there is little discernible benefit to investors from a shortened reporting time.

This proposal causes substantial harm to small and mid-size firms, who are more likely to be manually reporting trades, or manually entering executed trades with their clearing firms for reporting. These firms, including my firm, execute trades via Bloomberg, ATS, and sometimes the phone. The trade details are then re-keyed, as opposed to being sent to RTRS automatically. The only firms that could comply with a 1 minute threshold are those with fully integrated systems and automated reporting. Those firms those who can afford to build and maintain that infrastructure, which are far more likely to be the large, dominant players.

This change, if adopted, will further concentrate market power among those large firms, and disadvantage the small firms. Investors will see larger spreads with less competition. FINRA will then come along and add insult to injury with fines for late reporting, further sapping those firms with limited resources who try to keep up. The retail investor is most in need of service from smaller firms, as large firms do not want small clients. This change will be a net negative for investors and small firms.

While revisiting rules from time to time is a valuable exercise, this is a case of a solution in search of a problem. Thank you for your consideration.

Jay Lanstein
Chief Executive Officer
Chief Technology Officer
Cantella & Co., Inc.