

## TMPG WORKPRODUCT

### Treasury Market Practices Group Treasury Market Data and Transparency Working Group Update

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At its [November 2020](#) meeting, the TMPG agreed to initiate a working group on data and transparency. The working group was tasked with cataloging data that is currently available in Treasury markets, identifying any potential improvements in data completeness and transparency, and considering best practice guidance that could help support market integrity and efficiency.<sup>1</sup>

While the TMPG's work on cataloguing data currently available remains underway, the group has provided a working draft catalogue on the [TMPG website](#) and welcomes feedback on the market segments, the trading protocols, the data fields included or the planned expansion of the data catalogue (please see Appendix). The assessment of available data is reported separately for the Treasury cash, futures, and financing markets, and in many cases covers different data elements given their differing market structures. Moreover, within each product type, data availability is reported separately by market segment or trading protocol - for example, distinguishing between central limit order book and block trade protocols for Treasury futures. Within each market segment, the catalogue distinguishes between pre- and post-trade information, with pre-trade data fields including bid and ask quotes and quantities, and post-trade fields including execution prices and quantities. The final version of the catalogue will contain information on the availability, timeliness, and source for each data field.

While the TMPG has not completed a full assessment of the draft catalogue, the available data is informative about differences in market structure across products and resulting differences in the level and homogeneity of data availability. In particular, Treasury futures are all traded on a single exchange, with two trading protocols (central limit order book trading and block trading), resulting in a high level and consistency of data availability. Cash trades, in contrast, trade off-exchange with a variety of protocols, resulting in more varied data availability. Timely information on trade prices and quantities is thus widely available for participants or data subscribers for central limit order book trading in the interdealer broker market, but less widely available for activity in the request-for-quote market through which most dealer-to-customer trades occur. Treasury TRACE data cuts across cash market segments, providing the official sector with data on every trade conducted by a U.S. registered broker-dealer, with aggregate volume information provided publicly.

Numerous steps to improve data transparency, quality, and coverage have been taken or proposed since the release of the [Joint Staff Report: The U.S. Treasury Market on October 15, 2014](#). In March 2020, the Financial Industry Regulatory Authority (FINRA) began releasing aggregated weekly TRACE data to the public and released historical data dating back to January 2019. In late 2020, FINRA [requested](#) comments on various steps to improve the quality of information reported to TRACE, which in [September 2021](#) FINRA's Board approved filing with the SEC. In October 2021, the Board of Governors of the Federal Reserve System adopted a [proposal](#) to implement reporting requirements on trading

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<sup>1</sup> Working group member firms include: Bank of America, Blackrock, CME Group, Global Trading Systems, NatWest Markets, R. Seelaus & Co., TD Securities and Tradeweb.

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in Treasury securities for certain depository institutions, thereby expanding the coverage of reporting.<sup>2</sup> Additional proposals, such as the SEC's [proposed changes](#) to Reg ATS and SCI, have been suggested to improve data transparency to both the official sector and the public. The completed draft of the TMPG's data availability catalogue should be useful for identifying whether there are additional opportunities for improving data transparency or completeness and whether practice guidance in this area would be useful, and the TMPG welcomes input from the public on its views about the completeness and availability of the data catalogued.

### **Appendix**

The TMPG working group plans to expand the data catalogue to include the following information:

- Does this field exist in TRACE?
  - A yes/no field showing whether or not the data is captured in TRACE reporting.
- Update frequency
  - A description of the frequency or latency with which this field is updated.
- Real-time availability?
  - A yes/no field representing whether or not this field is available immediately.
- Freely available real-time?
  - A yes/no field representing whether or not this field is available without charge immediately.
- Freely available historical?
  - A yes/no field representing whether or not this field is available without charge after some delay.
- Does the execution venue know but not publish this data?
  - A yes/no field representing whether or not this field is known to an execution venue but never published.
- Source
  - A description of the source of the data.
- Alternative sources
  - A description of alternative sources for the data.
- Notes/clarifications
  - A description of the content of the data field.

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<sup>2</sup> The Board of Governors of the Federal Reserve System adopted an implementation timeline with the first reporting under this collection beginning on September 1, 2022.