



TRACE: The Source for Real-Time Bond Market Transaction Data

TRACE Overview

TRACE®—Trade Reporting and Compliance Engine®—is the Financial Industry Regulatory Authority's (FINRA) fixed income market real-time price reporting and dissemination service. TRACE brings transparency to the fixed income market by distributing accurate and timely public transaction data. TRACE provides access to reliable fixed income information, thereby enhancing the integrity of the market. Access to real-time trade data helps investors gauge the quality of the order execution they are receiving from their broker-dealers. From a regulatory standpoint, such levels of transparency better enable regulators to monitor the market, pricing and execution quality. Introduced in July 2002, TRACE (Trade Reporting and Compliance Engine) consolidates transaction data for all eligible corporate bonds, and since March 1, 2010, for all U.S. agency debentures. As a result, retail and institutional investors and market professionals can access real-time public transaction information on OTC activity in corporate bonds and agency debentures reported to TRACE by FINRA members. (Transactions effected pursuant to Rule 144A were not disseminated prior to June 2014.)

Effective May 16, 2011, TRACE began requiring the reporting of transactions in asset-backed (ABS) and mortgage-backed securities (MBS). Since November 2012, TBA transactions are disseminated to the public. MBS transactions also became subject to dissemination as of July 22, 2013, and Effective June 30, 2014, TRACE began disseminating transactions executed pursuant to SEC Rule 144A. On June 1, 2015, asset-backed securities (ABS), as defined in FINRA Rule 6710, became eligible for dissemination.

Since, July 10, 2017, TRACE began requiring the reporting of transactions in U.S. Treasury securities.

TRACE Benefits. TRACE helps create a level playing field for all market participants by providing comprehensive, real-time access to public bond price information. By distributing accurate and timely trading data, TRACE ensures equal access to reliable corporate, agency and structured products bond information—enhancing the integrity of the market. This ready access to real-time trade data helps investors to better gauge the quality of the execution they are receiving from their broker-dealers and, from a regulatory standpoint, TRACE helps regulators to better monitor the market, pricing and execution quality.

ABOUT FINRA

FINRA is dedicated to investor protection and market integrity. It regulates one critical part of the securities industry – brokerage firms doing business with the public in the United States. FINRA, overseen by the SEC, writes rules, examines for and enforces compliance with FINRA rules and federal securities laws, registers broker-dealer personnel and offers them education and training, and informs the investing public. In addition, FINRA provides surveillance and other regulatory services for equities and options markets, as well as trade reporting and other industry utilities. FINRA also administers a dispute resolution forum for investors and brokerage firms and their registered employees. For more information, visit www.finra.org.

FINRA operates a number of systems that assist member firms in complying with FINRA reporting requirements and facilitate transparency in equity and debt markets. In addition to TRACE, FINRA oversees the management and operation of other OTC market transparency facilities—Alternative Display Facility (ADF®), Trade Reporting Facilities (TRF), OTC Bulletin Board (OTCBB™) and OTC Reporting Facility (ORF)—which provide the public and professionals with timely quote and trade information of publicly traded equity and debt securities.

Information and Data

Time and Sales Data. TRACE collects and disseminates the time of execution, price, yield and volume data for eligible fixed income securities. All FINRA-regulated firms must report transactions in TRACE-eligible securities and must do so within 15 minutes for corporate and agency bonds; however, in practice, over 80 percent of all corporate and agency transactions are available within five minutes. All data are disseminated in real-time as soon as received by TRACE.

In addition to the disseminated transaction information, vendors can access closing prices per security via FINRA's Bond Trade Dissemination Service (BTDS), Agency Trade Dissemination Service (ATDS), Structured Products Trade Dissemination Service (SPDS) and 144A Trade Dissemination Service (144A).

Market Activity and Performance Indicators. The market aggregates statistics are available via secure API delivery. FINRA does not charge a fee for this data but requires users to enter into a user agreement with FINRA.

Market Aggregate Statistics. TRACE market aggregate statistics illustrate the day's market activity by reporting the number of securities and total dollar volume traded, and advances, declines and 52-week highs and lows of all securities. TRACE Market Aggregate Statistics are available for corporate, agency and 144A Bonds. In addition, the service for corporate and 144A bonds provides the most actively traded (by par amount) investment grade, high-yield and convertible bonds, indicating the daily high, low, last price and change.

TRACE Fact Book. Released annually and free of charge, the TRACE Fact Book gives individual investors, market professionals, media and educational institutions a historical perspective of the OTC U.S. corporate bond market. The Fact Book provides insight into data and trends based on aggregated data as reported through TRACE.

Data Distribution and Access

Data Feeds. TRACE data is available in the form of data feeds, either directly from FINRA or from retransmission vendors. Parties wishing to receive real-time TRACE data via a data feed must enter into a Vendor Agreement directly with FINRA. This agreement stipulates, among other things, the terms of use and data usage reporting requirements. In addition to this agreement, feed specifications and FINRA's market data policy regarding data display, usage reporting and retransmission can be found on FINRA's website (www.finra.org/tracedata).

Data Display. TRACE data is only available via major market data vendors as well as via certain financial websites. To receive TRACE data in real-time via a display application (such as a market data terminal), professional users must execute a FINRA Subscriber Agreement with the party providing the service and pay applicable per-terminal, per month usage fees. Non-professional users must agree to terms of use to access the data and can view real-time data at no charge. Users can view delayed data without user agreements.

TRACE Enhanced Historical Data. TRACE Enhanced Historical Data consists of transaction-level information, including the price, the date and time of execution, transaction size and the yield. In addition, the data includes information previously not disseminated to the public, such as buy/sell indicators and counterparty (dealer or customer) information. FINRA makes historical data available 18 months after the transaction date and publishes the information quarterly. Users must enter into a Historical Data Agreement directly with FINRA and pay applicable fees.

Snapshot Data. TRACE data is also available via a daily "snapshot" of real-time TRACE transaction data consisting of one TRACE price per security per day. Snapshot Data is available via major market data vendors. To receive TRACE Snapshot Data, professional users must execute a FINRA Subscriber Agreement with the party providing the service and pay applicable monthly usage fees.

Academic Corporate Bond TRACE Data. The Academic Corporate Bond TRACE Data set contains historic transaction-level data on all transactions in corporate bonds reported to TRACE. This data product is available solely to institutions of higher education and is intended to support academic research on corporate bonds by providing academics with access to masked identifying information regarding the dealer reporting each transaction. The Academic Corporate Bond TRACE Data is available on a 36-month delayed basis and includes Rule 144A transactions in corporate bonds as well as transactions that, at the time of reporting, were not subject to dissemination. Academic institutions must enter into an Academic Corporate Bond TRACE Data Agreement directly with FINRA and pay applicable fees.

End-of-Day TRACE Transaction File. The End-of-Day TRACE Transaction File includes all transaction data disseminated as part of Real-Time TRACE transaction data on that day. The End-of-Day TRACE Transaction File is provided to subscribers after the TRACE system closes at the end of each trading day and is available separately for each data set for which Real-Time TRACE transaction data is available (i.e., the Corporate Bond Data Set, the Agency Data Set, SP Data Set and Rule 144A Data Set). This data product includes the same transaction data elements disseminated in the Real-Time TRACE transaction feed.

TRACE Security Activity Report. The TRACE Security Activity Report is a monthly report, provided on a 90-day delayed basis that provides aggregated statistics by security for corporate and agency bonds. The Report can be used to monitor trading activity for individual CUSIPs. For each Corporate and Agency bond that transacted in the calendar month, the TRACE Security Activity Report contains basic descriptive security elements (such as the issuer's name, the security's coupon and maturity date), and volume and transaction related information, including total par value traded, par value traded of customer buys, customer sells and inter-dealer transactions. For securities with at least 6 capped transactions, the report also displays capped volume and dealer participation statistics.

Additional Information

TRACE Dissemination Agreements For additional information on agreements and technical specifications, visit www.finra.org/tracedata.

TRACE Vendors For information on specific market data vendors and TRACE retransmission vendors, see [TRACE Vendor Information](#).

TRACE Fees For information on costs associated with any TRACE product, see <https://www.finra.org/filing-reporting/trace/pricing>.

API Visit <https://developer.finra.org/> to get started with FINRA APIs.

Contact Us For more information, contact FINRA at (888) 507-3665 or visit our website at www.finra.org/tracedata.

Investor protection. Market integrity.

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