

## TMPG's Proposed Clarification to its Best Practice Recommendations to Promote Price Transparency

Below is the proposed clarification to the [TMPG Best Practices](#) to promote price transparency across trading platforms. The newly proposed text is highlighted using red tracked changes.

### I. PROMOTING LIQUIDITY AND TRANSPARENCY

#### Current text:

#### **3. Market participants should be responsible in quoting prices and should promote overall price transparency across trading platforms.**

- Price discovery activities are an integral part of the Treasury, agency debt, and agency MBS markets and should be encouraged. Market participants should pursue pricing practices that have the objective of resulting in a transaction, rather than resulting in market distortions.
- Price discovery relies on efficient price reporting and transparent markets. For example, market participants should not conduct trades through interdealer voice brokers with electronic trading screens without having a record of the transaction published on the screen at the time of the transaction. In addition, market participants should not engage in conduct that deliberately seeks to evade regulatory reporting requirements or impedes market transparency efforts. The TMPG believes that increased market transparency supports market liquidity and consequently benefits all market participants.

#### Proposed new text:

#### **3. Market participants should be responsible in quoting prices and should promote overall price transparency across trading platforms.**

- Price discovery activities are an integral part of the Treasury, agency debt, and agency MBS markets and should be encouraged. Market participants should pursue pricing practices that have the objective of resulting in a transaction, rather than resulting in market distortions.
- Price discovery relies on efficient price reporting and transparent markets.
  - Voice trades should be transparent. For example, mMarket participants should ~~not~~ conduct trades through interdealer voice brokers with electronic trading screens only if those trades are without having a record of the transaction published on the electronic trading screens at the time of the transaction. Interdealer voice brokers with electronic trading screens should publish all voice trades to those screens when the trade is agreed.
  - ~~In addition, m~~Market participants should not engage in conduct that deliberately seeks to evade regulatory reporting requirements or impedes market transparency efforts.
  - The TMPG believes that ~~increased market~~ transparency supports market liquidity and consequently benefits all market participants.