

## TRACE FOR DUMMIES

TRACE stands for Trade Reporting and Compliance Engine and it's a platform regulated by FINRA (Financial Industry Regulatory Authority). TRACE is a system that provides real-time reporting of over the counter (OTC) transactions in eligible fixed income securities. In simpler terms, it's a tool that shows you how bonds and other debt securities are being traded. All broker-dealers who are FINRA member firms have an obligation to report transactions in TRACE-eligible securities under an SEC-approved set of rules.

TRACE increases market transparency, making it easier for traders and investors to understand market conditions. It helps you make informed decisions by providing real-time data on trades. I have listed some of the key features below.

### **Real-Time Reporting:**

TRACE provides up-to-the-minute data on OTC transactions, allowing you to see trade details as they happen. You can find data on various types of fixed income securities, including corporate bonds, agency bonds, and asset-backed securities. This service is offered in a number of formats, typically behind a paywall. Bloomberg has TRACE data feeds (TACT CONV <GO> for convertible bonds).

Obtaining TRACE data feeds is our #1 priority in building trading infrastructure (or working with fixed income securities in general). It is the backbone of building a consolidated tape and knowing what to buy and sell securities for.



### **Resources**

[TRACE](#)

[TRACE Documentation](#)

[TRACE Retransmission Vendors](#)

[Investopedia TRACE](#)

[What is TRACE?](#)

[FINRA Fixed Income Data](#)

*Official TRACE page, more information*

*How to work with TRACE data feeds*

*Third-party vendors that offer TRACE data feeds*

*Investopedia link with more information*

*FINRA page describing TRACE*

*Fixed income security lookup, powered by TRACE*