

(B) Securitized Products

(i) For a transaction in a Securitized Product traded TBA ("TBA transaction"), report the original face value of such security.

(ii) For a transaction, other than a TBA transaction, in a Securitized Product that is subject to amortization, report the original face value of such security and, if a member uses a Factor to execute the transaction that is not the most current Factor publicly available at the Time of Execution, report the Factor used, except as provided in subparagraph (iv) below regarding certain transactions executed in an agency capacity.

(iii) For a transaction in a Securitized Product that does not amortize, report the total par value, principal value or original face value of such security, except as provided in subparagraph (iv) below regarding certain transactions executed in an agency capacity.

(iv) For a transaction, other than a TBA transaction, in a Securitized Product that is executed in an agency capacity and subject to a commission charge, report the original face value of such security and the Factor used to execute the transaction.

(3) Crosses

For in-house cross transactions, a member must report two transactions, which are the member's purchase transaction and the member's sale transaction.

(4) Modifiers and Indicators

Members shall append the applicable trade report modifiers or indicators as specified by FINRA to all transaction reports.

(A) Special Price Modifier

If a transaction is not executed at a price that reflects the current market price, select the modifier, "special price." When the reporting method chosen provides a "special price memo" field, state why the transaction was executed at other than the current market price in the "special price memo" field (e.g., when a debt security is traded conventionally and in the current market does not have a due bill and/or a warrant attached, but in the transaction to be reported is traded with a due bill and/or warrant attached, the price of the transaction is a "special price"). Do not select the modifier, "special price," where the transaction price is determined using a weighted average price.

(B) Weighted Average Price Modifier

If the price of the transaction is determined using a weighted average price method, select the modifier, ".w."

(C) List or Fixed Offering Price Transaction or Takedown Transaction Indicator

If reporting a primary market transaction that is a List or Fixed Offering Price Transaction or a Takedown Transaction, select the appropriate indicator.

(D) Securitized Product Indicators

Select the indicator:

- (i) ".O," if the transaction is a Specified Pool Transaction;
- (ii) ".N," if the transaction is a Stipulation Transaction;
- (iii) ".D," if the transaction is a Dollar Roll; or
- (iv) ".L," if the transaction is a Dollar Roll and a Stipulation Transaction.

(E) Non-member Affiliate—Principal Transaction Indicator

If reporting a transaction with a "non-member affiliate," as defined in Rule 6710, in which both the member and non-member affiliate act in a principal capacity, and that occurs within the same day, at the same price and in the same security as a transaction by the member with another contra-party, select the non-member affiliate—principal transaction indicator. If a member does not reasonably expect to engage in a subsequent same day, same price transaction in the same security with another contra-party, the member is not required to append the principal transaction indicator or subsequently correct a prior trade report with its non-member affiliate solely for the purpose of appending the non-member affiliate—principal transaction indicator. If, however, a member appends the non-member affiliate—principal transaction indicator to a trade report reflecting a transaction with a non-member affiliate and, ultimately, does not engage in a same day, same price transaction in the same security with another contra-party, the member must correct the prior trade report to exclude the non-member affiliate—principal transaction indicator.

(F) No Remuneration Indicator

Where a trade report does not reflect either a commission, mark-up or mark-down, select the "No Remuneration" indicator, subject to the exceptions provided in paragraph (d)(1) above.

(G) U.S. Treasury Security Indicators and Modifiers

(i) If reporting a When-Issued Transaction, select the appropriate indicator.

(ii) Select the modifier:

a. ".B," if the transaction is part of a series of transactions where at least one of the transactions involves a futures contract;

b. ".S," if the transaction is part of a series of transactions and may not be priced based on the current market.

(iii) If reporting a transaction executed to hedge a List or Fixed Offering Price Transaction or Takedown Transaction, select the appropriate modifier.

(H) Portfolio Trade Modifier

If reporting a transaction in a corporate bond: (i) executed between only two parties; (ii) involving a basket of corporate bonds of at least 10 unique issues; and (iii) for a single agreed price for the entire basket, select the appropriate modifier.

(e) Reporting Requirements for Certain Transactions and Transfers of Securities

The following shall not be reported:

(1) Transfers of TRACE-Eligible Securities for the sole purpose of creating or redeeming an instrument that evidences ownership of or otherwise tracks the underlying securities transferred (e.g., an exchange-traded fund).

(2) Transactions in TRACE-Eligible Securities that are listed on a national securities exchange, when such transactions are executed on and reported to the exchange and the transaction information is disseminated publicly.

(3) Transactions where the buyer and the seller have agreed to trade at a price substantially unrelated to the current market for the TRACE-Eligible Security (e.g., to allow the seller to make a gift).

(4) Provided that a data sharing agreement between FINRA and NYSE related to transactions covered by this Rule remains in effect, transactions in TRACE-Eligible Securities that are executed on a facility of NYSE in accordance with NYSE Rules 1400, 1401 and 86 and disseminated publicly by NYSE.

(5) Transactions resulting from the exercise or settlement of an option or a similar instrument, or the termination or settlement of a credit default swap, other type of swap, or a similar instrument.

(6) Transfers of securities made pursuant to an asset purchase agreement (APA) that is subject to the jurisdiction and approval of a court of competent jurisdiction in insolvency matters, provided that the purchase price under the APA is not based on, and cannot be adjusted to reflect, the current market prices of the securities on or following the effective date of the APA.

(7) Bona fide repurchase and reverse repurchase transactions involving TRACE-Eligible Securities.

(8) Auction Transactions.

(f) Compliance With Reporting Obligations

A pattern or practice of late reporting without exceptional circumstances may be considered conduct inconsistent with high standards of commercial honor and just and equitable principles of trade, in violation of Rule 2010.

••• Supplementary Material: -----

.01 Scope of Factor Reporting Requirement. For transactions, other than TBA transactions, in Securitized Products executed in an agency capacity and subject to a commission charge, members must report the Factor for every such transaction, including a transaction where the Factor is 1.0.

.02 For purposes of compliance with paragraphs (c)(6) and (d)(4)(E), a member must identify those entities that would meet the definition of "non-member affiliate" at least annually. However, where the member has undergone an organizational or operational restructuring that may impact its non-member affiliate relationships, it must promptly review and update, as necessary, its identification of non-member affiliates for purposes of this rule.

.03 Trade Reporting Time Frame

(a) Each member with an obligation to report a transaction in a TRACE-Eligible Security "as soon as practicable" pursuant to paragraph (a) of this Rule must adopt policies and procedures reasonably designed to comply with this requirement by implementing systems that commence the trade reporting process at the Time of Execution without delay. Where a member has such reasonably designed policies, procedures and systems in place, the member generally will not be viewed as violating the "as soon as practicable" requirement because of delays in trade reporting that are due to extrinsic factors that are not reasonably predictable and where the member does not purposely intend to delay the reporting of the trade. In no event may a member purposely withhold trade reports, e.g., by programming its systems to delay reporting until the end of the reporting time period.

(b) FINRA recognizes that members may manually report transactions in TRACE-Eligible Securities and, as a result, the trade reporting process may not be completed as quickly as where an automated trade reporting system is used. In these cases, FINRA will take into consideration the manual nature of the member's trade reporting process in determining whether the member's policies and procedures are reasonably designed to report the trade "as soon as practicable" after execution.

.04 Time of Execution for Transactions in U.S. Treasury Securities. When reporting transactions in U.S. Treasury Securities executed electronically, members must report the time of execution pursuant to paragraph (c)(8) to the finest increment of time captured in the member's system (e.g., millisecond, microsecond), but at a minimum, in increments of seconds.

.05 STRIPS Program (Separate Trading of Registered Interest and Principal of Securities). Members are not required to report transactions undertaken as part of the process of separating and reconstituting securities pursuant to the STRIPS Program operated by the U.S. Department of Treasury under which eligible U.S. Treasury Securities are authorized to be separated into principal and interest components and transferred separately.

.06 Temporary Exception for Aggregate Transaction Reporting of U.S. Treasury Securities Executed in ATS Trading Sessions

(a) A member alternative trading system ("ATS") and members engaging in trades on such ATS are permitted to report transactions in U.S. Treasury Securities executed within discrete ATS trading sessions (sometimes referred to as "work-up sessions") in an aggregated manner. Pursuant to this temporary exception, members may submit a transaction report reflecting the aggregate amount of a U.S. Treasury Security purchased (sold) to another party during a single trading session at the average price of such transactions, with the Time of Execution communicated by the ATS to each Party to a Transaction, irrespective of the number of trades in the trading session.

(b) A member ATS availing itself of this exception must provide individual transaction information for each trade in a U.S. Treasury Security occurring in a trading session to FINRA upon request.

(c) This Supplementary Material .06 shall be in effect until April 12, 2019.

.07 ATS Identification of Non-FINRA Member Counterparties for Transactions in U.S. Treasury Securities

(a) Each "covered ATS," as defined below, must provide to FINRA a list of all of its non-FINRA member subscribers, as that term is defined in Rule 300 of SEC Regulation ATS, and must obtain from FINRA an MPID for each such subscriber. Each covered ATS must comply with paragraph (c) (6) of this Rule by identifying each non-FINRA member subscriber in the contra-party field using the MPID assigned by FINRA for the subscriber. A covered ATS may not identify a contra-party using the "customer" or "non-member affiliate" identifiers.

(b) For purposes of this Supplementary Material .07, a "covered ATS" is an alternative trading system ("ATS"), as that term is defined in Rule 300 of SEC Regulation ATS, that executed transactions in U.S. Treasury Securities against non-FINRA member subscribers of \$10 billion or more in monthly par value, computed by aggregating buy and sell transactions, for any two months in the preceding calendar quarter.

(c) An ATS must commence complying with the requirements of this Supplementary Material .07 within 60 calendar days of the end of the calendar quarter in which it becomes a covered ATS.

(d) Once an ATS is deemed a covered ATS, it must continue to comply with the requirements of this Supplementary Material .07 irrespective of whether its volume of executed transactions in U.S. Treasury Securities against non-FINRA member subscribers falls below \$10 billion or more in monthly par value in any two months in a calendar quarter.

Amended by SR-FINRA-2022-013 eff. May 15, 2023.
 Amended by SR-FINRA-2021-030 eff. May 15, 2023.
 Amended by SR-FINRA-2019-014 and SR-FINRA-2020-010 eff. Aug. 3, 2020.
 Amended by SR-FINRA-2018-023 eff. April 1, 2019.
 Amended by SR-FINRA-2018-014 eff. July 10, 2018.
 Amended by SR-FINRA-2017-018 eff. Feb. 5, 2018.
 Amended by SR-FINRA-2017-032 eff. Oct. 20, 2017.
 Amended by SR-FINRA-2017-024 eff. July 10, 2017.
 Amended by SR-FINRA-2017-023 eff. July 10, 2017.
 Amended by SR-FINRA-2016-027 eff. July 10, 2017.
 Amended by SR-FINRA-2016-046 eff. July 10, 2017.
 Amended by SR-FINRA-2016-023 eff. March 20, 2017.
 Amended by SR-FINRA-2015-055 eff. July 18, 2016.
 Amended by SR-FINRA-2015-026 and SR-FINRA-2016-003 eff. July 18, 2016.
 Amended by SR-FINRA-2015-025 eff. Nov. 30, 2015.
 Amended by SR-FINRA-2014-050 eff. Nov. 2, 2015.
 Amended by SR-FINRA-2015-037 eff. Oct. 23, 2015.
 Amended by SR-FINRA-2013-046 eff. June 1, 2015.
 Amended by SR-FINRA-2013-038 eff. Oct. 25, 2013.
 Amended by SR-FINRA-2012-052 eff. July 22, 2013.
 Amended by SR-FINRA-2012-042 eff. July 22, 2013.
 Amended by SR-FINRA-2012-020 eff. Nov. 12, 2012.
 Amended by SR-FINRA-2012-047 eff. Oct. 12, 2012.
 Amended by SR-FINRA-2012-034 eff. Aug. 10, 2012.
 Amended by SR-FINRA-2011-053 eff. Feb. 6, 2012.
 Amended by SR-FINRA-2011-072 eff. Jan. 27, 2012.
 Amended by SR-FINRA-2011-025 eff. July 8, 2011.
 Amended by SR-FINRA-2011-012 eff. May 16, 2011.
 Amended by SR-FINRA-2009-065 eff. May 16, 2011.
 Amended by SR-FINRA-2011-002 eff. Jan. 5, 2011.
 Amended by SR-FINRA-2011-001 eff. Jan. 4, 2011.
 Amended by SR-FINRA-2009-010 eff. March 1, 2010.
 Amended by SR-FINRA-2009-002 eff. Jan 12, 2009.
 Amended by SR-FINRA-2008-060 eff. Jan. 12, 2009.
 Amended by SR-FINRA-2008-065 eff. Jan. 8, 2009.
 Amended by SR-FINRA-2008-057 eff. Dec. 15, 2008.
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
 Amended by SR-FINRA-2007-007 eff. Dec. 13, 2007.
 Amended by SR-NASD-2006-110 eff. Jan. 9, 2007.
 Amended by SR-NASD-2004-57 Stage 2 eff. July 1, 2005.
 Amended by SR-NASD-2004-57 Stage 1 eff. Oct. 1, 2004.
 Amended by SR-NASD-2003-182 eff. June 17, 2004.
 Amended by SR-NASD-2003-78 eff. Oct. 1, 2003.
 Amended by SR-NASD-2002-46 eff. July 1, 2002.
 Amended by SR-NASD-2001-04 eff. July 1, 2002.
 Adopted by SR-NASD-99-65 eff. July 1, 2002.

Selected Notices: [02-76](#), [03-36](#), [04-39](#), [04-51](#), [07-18](#), [07-61](#), [08-57](#), [09-57](#), [10-23](#), [10-55](#), [11-20](#), [11-53](#), [12-26](#), [12-48](#), [12-56](#), [13-15](#), [14-34](#), [15-14](#), [15-41](#), [15-47](#), [16-15](#), [16-38](#), [16-39](#), [18-34](#), [19-30](#), [22-12](#), [22-27](#).

VERSIONS

May 15, 2023 onwards

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FINRA IS A REGISTERED TRADEMARK OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

> [FINRA RULES](#) > [6000. QUOTATION, ORDER, AND TRANSACTION REPORTING FACILITIES](#)
> [6700. TRADE REPORTING AND COMPLIANCE ENGINE \(TRACE\)](#)

6731. Exemption from Trade Reporting Obligation for Certain Alternative Trading Systems

(a) Pursuant to the Rule 9600 Series, the staff for good cause shown after taking into consideration all relevant factors, may exempt, upon application and subject to specified terms and conditions, a member alternative trading system ("ATS") from the trade reporting obligation under Rule 6730, if such exemption is consistent with the protection of investors and the public interest. The staff will grant an exemption only if all of the following criteria are satisfied:

(1) Trades are between ATS subscribers that are both FINRA members.

(2) The ATS demonstrates that:

(A) The member subscribers are fully disclosed to one another at all times on the ATS;

(B) The system does not permit automatic execution, and a member subscriber must take affirmative steps beyond the submission of an order to agree to a trade with another member subscriber;

(C) The trade does not pass through any ATS account, and the ATS does not in any way hold itself out to be a party to the trade; and

(D) The ATS does not exchange TRACE-Eligible Securities or funds on behalf of the member subscribers, take either side of the trade for clearing or settlement purposes, including, but not limited to, at DTC or otherwise, or in any other way insert itself into the trade.

(3) The ATS and the member subscribers acknowledge and agree in writing that the ATS shall not be deemed a party to the trade for purposes of trade reporting and that trades shall be reported by each member subscriber that satisfies the definition of "Party to a Transaction" under Rule 6710.

(4) The ATS agrees to provide to FINRA on a monthly basis, or such other basis as prescribed by FINRA, data relating to the volume of trades by security executed by the ATS's member subscribers using the ATS's system, and the ATS acknowledges that failure to report such data to FINRA, in addition to constituting a violation of FINRA rules, will result in revocation of any exemption granted pursuant to this Rule.

(b) Where FINRA has granted an exemption under this Rule, trades shall be reported to FINRA in accordance with Rule 6730 by each member subscriber that satisfies the definition of "Party to a Transaction" under Rule 6710(e).

Adopted by SR-FINRA-2012-016 eff. Feb. 28, 2012.

[← 6730. TRANSACTION REPORTING](#)

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[6732. EXEMPTION FROM TRADE REPORTING OBLIGATION FOR CERTAIN
TRANSACTIONS ON AN ALTERNATIVE TRADING SYSTEM](#) ▶

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> FINRA RULES > 6000. QUOTATION, ORDER, AND TRANSACTION REPORTING FACILITIES
> 6700. TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)

6732. Exemption from Trade Reporting Obligation for Certain Transactions on an Alternative Trading System

The Rule

Notices

(a) Pursuant to the [Rule 9600](#) Series, the staff for good cause shown after taking into consideration all relevant factors, may exempt, upon application and subject to specified terms and conditions, a member alternative trading system ("ATS") from the trade reporting obligation under [Rule 6730](#), if such exemption is consistent with the protection of investors and the public interest. The staff will grant an exemption to permit an ATS and members engaging in trades on such ATS to report trades as described below, where all of the following criteria are satisfied:

(1) The trade involves at least one member (other than the ATS) that meets the definition of "Party to a Transaction";

(2) The trade does not pass through any ATS account, and the ATS does not exchange TRACE-Eligible Securities or funds on behalf of the subscribers, take either side of the trade for clearing or settlement purposes, including, but not limited to, at DTC or otherwise, or in any other way insert itself into the trade;

(3) The ATS agrees to provide to FINRA on a monthly basis, or such other basis as prescribed by FINRA, data relating to each exempted trade occurring on the ATS's system pursuant to this Rule 6732, and the ATS acknowledges that failure to report such data to FINRA, in addition to constituting a violation of FINRA rules, will result in revocation of any exemption granted pursuant to this Rule;

(4) The ATS remits to FINRA a transaction reporting fee based on the fee schedule set forth in [Rule 7730\(b\)\(1\)](#) for each exempted sell transaction occurring on the ATS; and

(5) The ATS has entered into a written agreement with each member that is a "Party to a Transaction" with respect to any trade for which the ATS is exempted under this Rule specifying that such trade must be reported by such party pursuant to [Rule 6730\(c\)\(13\)](#), identifying the trade as having occurred on the ATS using the ATS's separate MPID obtained in compliance with [Rule 6720\(c\)](#).

(b) Where the above criteria are satisfied, an exempted trade occurring on the ATS must be reported by a member (other than the ATS) that meets the definition of "Party to a Transaction" identifying a contra-party other than the ATS with respect to each side of the trade.

(c) For a transaction between a member and a non-member on an ATS that is a "covered ATS" under Rule 6730.07, the ATS must provide to the member subscriber (and the member subscriber must report to TRACE using) the FINRA-assigned identifier for each non-FINRA member subscriber.

Amended by SR-FINRA-2021-029. eff. Oct. 3, 2022.

Adopted by SR-FINRA-2015-055 eff. July 18, 2016.

Selected Notice: [16-15](#), [22-13](#)

< [6731. EXEMPTION FROM TRADE REPORTING OBLIGATION FOR CERTAIN ALTERNATIVE TRADING SYSTEMS](#)

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[6740. TERMINATION OF TRACE SERVICE](#) >

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Oct 03, 2022 onwards

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- > [FINRA RULES](#) > [6000. QUOTATION, ORDER, AND TRANSACTION REPORTING FACILITIES](#)
- > [6700. TRADE REPORTING AND COMPLIANCE ENGINE \(TRACE\)](#)

6740. Termination of TRACE Service

FINRA may, upon notice, terminate TRACE service to a member in the event that a member fails to abide by any of the rules or operating procedures of the TRACE service or FINRA, or fails to honor contractual agreements entered into with FINRA or FINRA Regulation, or fails to pay promptly for services rendered by the TRACE service.

Amended by SR-FINRA-2015-034 eff. Dec. 20, 2015.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Adopted by SR-NASD-99-65 eff. July 1, 2002.

Selected Notices: 08-57, 16-04.

< [6732. EXEMPTION FROM TRADE REPORTING OBLIGATION FOR CERTAIN TRANSACTIONS ON AN ALTERNATIVE TRADING SYSTEM](#)

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[6750. DISSEMINATION OF TRANSACTION INFORMATION](#) >

VERSIONS

Dec 20, 2015 onwards

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> FINRA RULES > 6000. QUOTATION, ORDER, AND TRANSACTION REPORTING FACILITIES
> 6700. TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)

6750. Dissemination of Transaction Information

This version is valid from Aug 05, 2022 through Nov 05, 2023.

Amendments have been announced but are not yet effective. To view other versions open the versions tab on the right.

(a) Dissemination Upon Receipt

FINRA will disseminate information on all transactions in TRACE-Eligible Securities, including transactions effected pursuant to Securities Act Rule 144A, immediately upon receipt of the transaction report, except as provided in paragraphs (b) and (c) of this rule.

(b) Periodic Dissemination

FINRA will disseminate aggregated information on certain transactions in collateralized mortgage obligations (“CMOs”), including transactions in CMOs effected pursuant to Securities Act Rule 144A, where the transaction value is \$1 million or more (calculated based upon original principal balance), and where there have been five or more transactions of \$1 million or more in the security in the period reported by at least two different market participant identifiers (“MPIDs”), on a weekly and monthly basis.

(c) Transaction Information Not Disseminated

FINRA will not disseminate information on a transaction in a TRACE-Eligible Security that is:

(1) identified with the non-member affiliate—principal transaction indicator pursuant to [Rule 6730\(d\)\(4\)\(E\)](#);

(2) a transfer of proprietary securities positions where the transfer (A) is effected in connection with a merger or direct or indirect acquisition and (B) is not in furtherance of a trading or investment strategy. Such transfers shall be reported in the manner prescribed by FINRA to denote that they are submitted for regulatory purposes and not for dissemination. Members must provide FINRA at least three business days advance written notice of their intent to use this exception, including the basis for their determination that the transfer meets the terms of the exception. Members must report such transfers on the same day as the ultimate transfer of the positions on their books and records, unless later reporting is warranted under specific circumstances;

(3) a List or Fixed Offering Price Transaction or a Takedown Transaction;

(4) a Securitized Product that is: a CMBS; a CDO; or a CMO if the CMO transaction value is \$1 million or more (calculated based upon original principal balance) and the transaction does not qualify for periodic dissemination under paragraph (b) above, except as may be otherwise provided in [Rule 7730](#); or

(5) a U.S. Treasury Security.

••• Supplementary Material: -----

.01 Notwithstanding the provisions of paragraph (c) of this Rule, FINRA may, in its discretion, publish or distribute at no charge (unless FINRA submits a rule filing imposing a fee for such data):

(a) aggregated transaction information and statistics on TRACE-Eligible Securities, other than U.S. Treasury Securities, that are not subject to dissemination. Such aggregated transaction information and statistics will not be published or distributed by individual security, and will not identify individual market participants or transactions; or

(b) aggregated transaction information and statistics on TRACE-Eligible Securities that are U.S. Treasury Securities that are not subject to dissemination. Aggregated transaction information and statistics on U.S. Treasury Securities will not be published or distributed by individual security (except for aggregated data that includes on-the-run U.S. Treasury Securities that may have had only one on-the-run security during the aggregated period), and will not identify individual market participants or transactions.

Amended by SR-FINRA-2022-017 eff. Aug. 5, 2022.
Amended by SR-FINRA-2019-028 eff. Dec. 20, 2019.
Amended by SR-FINRA-2019-003 eff. March 26, 2019.
Amended by SR-FINRA-2016-027 eff. July 10, 2017.
Amended by SR-FINRA-2017-004 eff. March 20, 2017.
Amended by SR-FINRA-2016-023 eff. March 20, 2017.
Amended by SR-FINRA-2014-050 eff. Nov 2, 2015.
Amended by SR-FINRA-2013-046 eff. June 1, 2015.
Amended by SR-FINRA-2013-029 eff. June 30, 2014.
Amended by SR-FINRA-2012-042 eff. July 22, 2013.
Amended by SR-FINRA-2012-020 eff. Nov. 12, 2012.
Amended by SR-FINRA-2011-061 eff. Oct. 14, 2011.
Amended by SR-FINRA-2009-065 eff. May 16, 2011.
Amended by SR-FINRA-2009-010 eff. March 1, 2010.
Amended by SR-FINRA-2009-024 eff. May 4, 2009.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Amended by SR-NASD-2005-120 eff. Jan. 9, 2006.
Amended by SR-NASD-2004-189 Stage 2 eff. Feb. 7, 2005.
Amended by SR-NASD-2004-148 eff. Oct. 1, 2004.
Amended by SR-NASD-2004-94 Stage 1 eff. Oct. 1, 2004 & Stage 2 eff. Feb. 7, 2005.
Amended by SR-NASD-2003-41 eff. April 14, 2003.
Amended by SR-NASD-2002-174 eff. March 3, 2003.
Amended by SR-NASD-2002-46 eff. July 1, 2002.
Adopted by SR-NASD-99-65 eff. July 1, 2002.

Selected Notices: [02-7603-12](#), [03-22](#), [04-39](#), [04-65](#), [04-90](#), [05-02](#), [08-43](#), [08-57](#), [09-21](#), [09-57](#), [10-23](#), [10-55](#), [12-26](#), [12-48](#), [12-56](#), [13-35](#), [14-34](#), [15-14](#), [16-38](#), [16-39](#).

◀ 6740. TERMINATION OF TRACE SERVICE

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6760. OBLIGATION TO PROVIDE NOTICE ▶

VERSIONS

Aug 05, 2022 - Nov 05, 2023

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> FINRA RULES > 6000. QUOTATION, ORDER, AND TRANSACTION REPORTING FACILITIES
> 6700. TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)

6760. Obligation To Provide Notice

The Rule

Notices

(a) Members Required to Provide Notice

(1) To facilitate trade reporting and dissemination of transactions in TRACE-Eligible Securities, a member that is a managing underwriter of a distribution or offering ("offering"), other than a secondary offering, of a TRACE-Eligible Security must obtain information and provide notice to FINRA Operations as set forth in this Rule. If a managing underwriter is not designated, an underwriter must provide such notice. In offerings where managing underwriters and/or underwriters are not designated, the lead initial purchaser must provide such notice, and if there is no lead initial purchaser, an initial purchaser must provide such notice. If more than one person is obligated to provide notice (e.g., multiple underwriters), such persons may submit jointly a single notice containing the required information to FINRA Operations. A member that is an underwriter or a Securitizer of a Securitized Product is a managing underwriter for purposes of this Rule. A member that is required to provide notice must make a good faith determination that the security is a TRACE-Eligible Security before providing such notice.

(2) The information must be provided using the method of communication or media specified by FINRA.

(b) Information Required

The notice must contain the following information: (1) the CUSIP number or if a CUSIP number is not available, a similar numeric identifier (e.g., a mortgage pool number); (2) the issuer name, or, for a Securitized Product, the names of the Securitizers; (3) the coupon rate; (4) the maturity; (5) whether Securities Act Rule 144A applies; (6) the time that the new issue is priced, and, if different, the time that the first transaction in the offering is executed; (7) a brief description of the issue (e.g., senior subordinated note, senior note); and, (8) such other information FINRA deems necessary to properly implement the reporting and dissemination of a TRACE-Eligible Security, or if any of items (2) through (8) has not been determined or a CUSIP number (or a similar numeric identifier as referenced above) is not assigned or is not available when notice must be given, such other information that FINRA deems necessary and is sufficient to identify the security accurately.

(c) When Required

A notice required under this Rule must be provided to FINRA Operations prior to the execution of the first transaction of the offering, except as provided below.

(1) If an offering of a security is priced and commences on the same business day between 9:30:00 a.m. Eastern Time and 4:00:00 p.m. Eastern Time, a person that is required to provide notice must provide to FINRA Operations as much of the information set forth in paragraph (b) that is available prior to the execution of the first transaction of the offering, which must be sufficient to identify the security accurately, and such other information that FINRA deems necessary and provide all other information required under paragraph (b) within 15 minutes of the Time of Execution of the first transaction.

(2) If one or more transactions in a Collateralized Mortgage Obligation (CMO) are effected prior to the issuance of the security and are subject to Rule 6730(a)(3)(C), a member that is required to provide notice to FINRA Operations regarding such CMO must do so promptly on the date of issuance or other event that establishes the reference date that determines when a reporting period begins under Rule 6730(a)(3)(C).

Amended by SR-FINRA-2013-046 eff. June 1, 2015.
Amended by SR-FINRA-2011-012 eff. May 16, 2011.
Amended by SR-FINRA-2009-065 eff. May 16, 2011.
Amended by SR-FINRA-2011-001 eff. Jan. 4, 2011.
Amended by SR-FINRA-2009-010 eff. March 1, 2010.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Amended by SR-NASD-2004-94 eff. Oct. 1, 2004.
Amended by SR-NASD-2003-99 eff. Aug. 25, 2003.
Amended by SR-NASD-2002-174 eff. March 3, 2003.
Amended by SR-NASD-2002-46 eff. July 1, 2002.
Adopted by SR-NASD-99-65 eff. July 1, 2002.

Selected Notices: 02-76, 03-12, 03-45, 04-65, 08-57, 09-57, 10-23, 10-55, 11-20, 14-34.

◀ 6750. DISSEMINATION OF TRANSACTION INFORMATION

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6770. EMERGENCY AUTHORITY ▶

VERSIONS

Jun 01, 2015 onwards

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> [FINRA RULES](#) > [6000. QUOTATION, ORDER, AND TRANSACTION REPORTING FACILITIES](#)
> [6700. TRADE REPORTING AND COMPLIANCE ENGINE \(TRACE\)](#)

6770. Emergency Authority

As market conditions may warrant, in consultation with the SEC, FINRA may suspend the reporting and/or dissemination of certain transactions in TRACE-Eligible Securities, or the reporting of certain data elements otherwise required under Rule 6730 and/or the dissemination of certain data elements for such period of time as FINRA deems necessary.

Adopted by SR-FINRA-2009-010 eff. March 1, 2010.

Selected Notice: 09-57.

[← 6760. OBLIGATION TO PROVIDE NOTICE](#)

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[6800. CONSOLIDATED AUDIT TRAIL COMPLIANCE RULE →](#)

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6810. Definitions

For purposes of the Rule 6800 Series:

(a) "Account Effective Date" means:

(1) with regard to those circumstances in which an Industry Member has established a trading relationship with an institution but has not established an account with that institution:

(A) when the trading relationship was established prior to commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options), either

(i) the date the relationship identifier was established within the Industry Member;

(ii) the date when trading began (i.e., the date the first order was received) using the relevant relationship identifier; or

(iii) if both dates are available, the earlier date will be used to the extent that the dates differ; or

(B) when the trading relationship was established on or after commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options), the date the Industry Member established the relationship identifier, which would be no later than the date the first order was received;

(2) where an Industry Member changes back office providers or clearing firms prior to commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options), the date an account was established at the relevant Industry Member, either directly or via transfer;

(3) where an Industry Member acquires another Industry Member prior to commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options), the date an account was established at the relevant Industry Member, either directly or via transfer;

(4) where there are multiple dates associated with an account established prior to commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options), the earliest available date;

(5) with regard to Industry Member proprietary accounts established prior to commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options):

(A) the date established for the account in the Industry Member or in a system of the Industry Member or

(B) the date when proprietary trading began in the account (i.e., the date on which the first orders were submitted from the account).

With regard to paragraph (a)(2) through paragraph (a)(5), the Account Effective Date will be no later than the date trading occurs at the Industry Member or in the Industry Member's system.

(b) "Active Accounts" means an account that has had activity in Eligible Securities within the last six months.

(c) "Allocation" means (1) the placement of shares/contracts into the same account for which an order was originally placed; or (2) the placement of shares/contracts into an account based on allocation instructions (e.g., subaccount allocations, delivery versus payment ("DVP") allocations).

(d) "Allocation Report" means a report made to the Central Repository by an Industry Member that identifies the Firm Designated ID for any account(s), including subaccount(s), to which executed shares/contracts are allocated and provides (1) the security that has been allocated; (2) the identifier of the firm reporting the allocation; (3) the price per share/contract of shares/contracts allocated; (4) the side of shares/contracts allocated; (5) the number of shares/contracts allocated to each account; (6) the time of the allocation; (7) Allocation ID, which is the internal allocation identifier assigned to the allocation event by the Industry Member; (8) trade date; (9) settlement date; (10) IB/correspondent CRD Number (if applicable); (11) FDID of new order(s) (if available in the booking system); (12) allocation instruction time (optional); (12) if account meets the definition of institution under FINRA Rule 4512(c); (13) type of allocation (allocation to a custody account, allocation to a DVP account, step-out, correspondent flip, allocation to a firm owned or controlled account, or other non-reportable transactions (e.g., option exercises, conversions); (14) for DVP allocations, custody broker-dealer clearing number (prime broker) if the custodian is a U.S. broker-dealer, DTCC number if the custodian is

a U.S. bank, or a foreign indicator, if the custodian is a foreign entity; and (15) if an allocation was cancelled, a cancel flag indicating that the allocation was cancelled, and a cancel timestamp, which represents the time at which the allocation was cancelled; provided, for the avoidance of doubt, any such Allocation Report shall not be required to be linked to particular orders or executions.

(e) "ATS" means an alternative trading system, as defined in Rule 300(a)(1) of Regulation ATS under the Exchange Act.

(f) "Business Clock" means a clock used to record the date and time of any Reportable Event required to be reported under this Rule Series.

(g) "CAT" means the consolidated audit trail contemplated by Rule 613 of SEC Regulation NMS.

(h) "CAT NMS Plan" means the National Market System Plan Governing the Consolidated Audit Trail, as amended from time to time.

(i) "CAT-Order-ID" means a unique order identifier or series of unique order identifiers that allows the Central Repository to efficiently and accurately link all Reportable Events for an order, and all orders that result from the aggregation or disaggregation of such order.

(j) "CAT Reporting Agent" means a Data Submitter that is a third party that enters into an agreement with an Industry Member pursuant to which the CAT Reporting Agent agrees to fulfill such Industry Member's reporting obligations under this Rule Series.

(k) "Central Repository" means the repository responsible for the receipt, consolidation, and retention of all information reported to the CAT pursuant to Rule 613 of SEC Regulation NMS and the CAT NMS Plan.

(l) "Client Account" means, for the purposes of an Allocation and Allocation Report, any account or subaccount that is not owned or controlled by the Industry Member.

(m) "Compliance Threshold" has the meaning set forth in Rule 6893(d).

(n) "Customer" means:

(1) the account holder(s) of the account at an Industry Member originating the order; and

(2) any person from whom the Industry Member is authorized to accept trading instructions for such account, if different from the account holder(s).

(o) "Customer Account Information" shall include, but not be limited to, account type, customer type, date account opened, and large trader identifier (if applicable); except, however, that:

(1) in those circumstances in which an Industry Member has established a trading relationship with an institution but has not established an account with that institution, the Industry Member will:

(A) provide the Account Effective Date in lieu of the "date account opened"; and

(B) identify the "account type" as a "relationship."

(2) in those circumstances in which the relevant account was established prior to commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options), and no "date account opened" is available for the account, the Industry Member will provide the Account Effective Date in the following circumstances:

(A) where an Industry Member changes back office providers or clearing firms and the date account opened is changed to the date the account was opened on the new back office/clearing firm system;

(B) where an Industry Member acquires another Industry Member and the date account opened is changed to the date the account was opened on the post-merger back office/clearing firm system;

(C) where there are multiple dates associated with an account in an Industry Member's system, and the parameters of each date are determined by the individual Industry Member; and

(D) where the relevant account is an Industry Member proprietary account.

(p) "Customer Identifying Information" means information of sufficient detail to identify a Customer, including, but not limited to:

(1) with respect to individuals: name, address, year of birth, individual's role in the account (e.g., primary holder, joint holder, guardian, trustee, person with the power of attorney); and

(2) with respect to legal entities: name, address, Employer Identification Number ("EIN")/Legal Entity Identifier ("LEI") or other comparable common entity identifier, if applicable; provided, however, that an Industry Member that has an LEI for a Customer must submit the Customer's LEI in addition to other information of sufficient detail to identify a Customer.

(q) "Data Submitter" means any person that reports data to the Central Repository, including national securities exchanges, national securities associations, broker-dealers, the SIPs for the CQS, CTA, UTP and Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information ("OPRA") Plans, and certain other vendors or third parties that may submit data to the Central Repository on behalf of Industry Members.

(r) "Eligible Security" includes (1) all NMS Securities and (2) all OTC Equity Securities.

(s) "Error Rate" means the percentage of Reportable Events collected by the Central Repository in which the data reported does not fully and accurately reflect the order event that occurred in the market.

(t) "Firm Designated ID" means (1) a unique and persistent identifier for each trading account designated by Industry Members for purposes of providing data to the Central Repository, provided, however, such identifier may not be the account number for such trading account if the trading account is not a proprietary account; (2) a unique and persistent relationship identifier when an Industry Member does not have an account number available to its order handling and/or execution system at the time of order receipt, provided, however, such identifier must be masked; or (3) a unique and persistent entity identifier when an employee of an Industry Member is exercising discretion over multiple client accounts and creates an aggregated order for which a trading account number of the Industry Member is not available at the time of order origination, where each such identifier is unique among all identifiers from any given Industry Member.

(u) "Industry Member" means a member of a national securities exchange or a member of a national securities association that is required to record and report information pursuant to the CAT NMS Plan and this Rule 6800 Series.

(v) "Industry Member Data" has the meaning set forth in Rule 6830(a)(2).

(1) "Phase 2a Industry Member Data" means Industry Member Data required to be reported to the Central Repository commencing in Phase 2a.

(2) "Phase 2b Industry Member Data" means Industry Member Data required to be reported to the Central Repository commencing in Phase 2b.

(3) "Phase 2c Industry Member Data" means Industry Member Data required to be reported to the Central Repository commencing in Phase 2c.

(4) "Phase 2d Industry Member Data" means Industry Member Data required to be reported to the Central Repository commencing in Phase 2d.

(5) "Phase 2e Industry Member Data" means Industry Member Data required to be reported to the Central Repository commencing in Phase 2e. The full scope of Industry Member Data required by the CAT NMS Plan will be required to be reported to the CAT when Phase 2e has been implemented, subject to any applicable exemptive relief or amendments to the CAT NMS Plan.

(w) "Initial Plan Processor" means the first Plan Processor selected by the Operating Committee in accordance with Rule 613 of SEC Regulation NMS and Section 6.1 of the CAT NMS Plan.

(x) "Introducing Industry Member" means a broker-dealer that does not qualify as a Small Industry Member solely because such broker-dealer satisfies Rule 0-10(i)(2) under the Exchange Act in that it introduces transactions on a fully disclosed basis to clearing firms that are not small businesses or small organizations.

(y) "Listed Option" or "Option" have the meaning set forth in Rule 600(b)(35) of SEC Regulation NMS.

(z) "Manual Order Event" means a non-electronic communication of orderrelated information for which Industry Members must record and report the time of the event.

(aa) "Material Terms of the Order" includes: the NMS Security or OTC Equity Security symbol; security type; price (if applicable); size (displayed and non-displayed); side (buy/sell); order type; if a sell order, whether the order is long, short, short exempt; open/close indicator (except on transactions in equities); time in force (if applicable); if the order is for a Listed Option, option type (put/call), option symbol or root symbol, underlying symbol, strike price, expiration date, and open/close (except on market maker quotations); and any special handling instructions.

(bb) "NMS Security" means any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan, or an effective national market system plan for reporting transactions in Listed Options.

(cc) "NMS Stock" means any NMS Security other than an option.

(dd) "Operating Committee" means the governing body of the CAT NMS, LLC designated as such and described in Article IV of the CAT NMS Plan.

(ee) "Options Market Maker" means a broker-dealer registered with an exchange for the purpose of making markets in options contracts traded on the exchange.

(ff) "Order" or "order", with respect to Eligible Securities, shall include:

- (1) Any order received by an Industry Member from any person;
- (2) Any order originated by an Industry Member; or
- (3) Any bid or offer.

(gg) "OTC Equity Security" means any equity security, other than an NMS Security, subject to prompt last sale reporting rules of a registered national securities association and reported to one of such association's equity trade reporting facilities.

(hh) "Participant" means each Person identified as such in Exhibit A of the CAT NMS Plan, as amended, in such Person's capacity as a Participant in CAT NMS, LLC.

(ii) "Person" means any individual, partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association and any heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so permits.

(jj) "Plan Processor" means the Initial Plan Processor or any other Person selected by the Operating Committee pursuant to Rule 613 of SEC Regulation NMS and Sections 4.3(b)(i) and 6.1 of the CAT NMS Plan to perform the CAT processing functions required by Rule 613 of SEC Regulation NMS and set forth in the CAT NMS Plan.

(kk) "Received Industry Member Data" has the meaning set forth in Rule 6830(a)(2).

(ll) "Recorded Industry Member Data" has the meaning set forth in Rule 6830(a)(1).

(mm) "Reportable Event" includes, but is not limited to, the original receipt or origination, modification, cancellation, routing, execution (in whole or in part) and allocation of an order, and receipt of a routed order.

(nn) "SRO" means any self-regulatory organization within the meaning of Section 3(a)(26) of the Exchange Act.

(oo) "SRO-Assigned Market Participant Identifier" means an identifier assigned to an Industry Member by an SRO or an identifier used by a Participant.

(pp) "Small Industry Member" means an Industry Member that qualifies as a small broker-dealer as defined in SEA Rule 0-10(c).

(qq) "Trading Day" shall have the meaning as is determined by the Operating Committee. For the avoidance of doubt, the Operating Committee may establish different Trading Days for NMS Stocks (as defined in Rule 600(b)(47) of SEC Regulation NMS), Listed Options, OTC Equity Securities, and any other securities that are included as Eligible Securities from time to time.

(rr) "Transformed Value for individual tax payer identification number ("ITIN")/social security number ("SSN")" means the interim value created by an Industry Member based on a Customer ITIN/SSN.

Amended by SR-FINRA-2021-001 eff Feb. 4, 2021.
 Amended by SR-FINRA-2020-023 eff. July 30, 2020.
 Amended by SR-FINRA-2020-018 eff. June 22, 2020.
 Amended by SR-FINRA-2017-024 eff. June 30, 2017.
 Adopted by SR-FINRA-2017-003 eff. March 15, 2017.

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6820. CLOCK SYNCHRONIZATION →

VERSIONS

Feb 04, 2021 onwards



6820. Clock Synchronization

(a) Clock Synchronization

(1) Each Industry Member shall synchronize its Business Clocks, other than such Business Clocks used solely for Manual Order Events or used solely for the time of allocation on Allocation Reports, at a minimum to within a fifty (50) millisecond tolerance of the time maintained by the atomic clock of the National Institute of Standards and Technology ("NIST"), and maintain such synchronization.

(2) Each Industry Member shall synchronize (A) its Business Clocks used solely for Manual Order Events and (B) its Business Clocks used solely for the time of allocation on Allocation Reports at a minimum to within a one second tolerance of the time maintained by the NIST atomic clock, and maintain such synchronization.

(3) The tolerance for paragraph (a)(1) and (2) of this Rule includes all of the following:

- (A) The difference between the NIST atomic clock and the Industry Member's Business Clock;
- (B) The transmission delay from the source; and
- (C) The amount of drift of the Industry Member's Business Clock.

(4) Business Clocks must be synchronized every business day before market open to ensure that timestamps for Reportable Events are accurate. To maintain clock synchronization, Business Clocks must be checked against the NIST atomic clock and re-synchronized, as necessary, throughout the day.

(b) Documentation

Industry Members must document and maintain their synchronization procedures for Business Clocks. Industry Members must keep a log of the times when they synchronize their Business Clocks and the results of the synchronization process. This log should include notice of any time a Business Clock drifts more than the applicable tolerance specified in paragraph (a) of this Rule. Such log must include results for a period of not less than five years ending on the then current date, or for the entire period for which the Industry Member has been required to comply with this Rule if less than five years.

(c) Certification

Each Industry Member shall certify to FINRA that its Business Clocks satisfy the synchronization requirements set forth in paragraph (a) of this Rule periodically in accordance with the certification schedule established by the Operating Committee pursuant to the CAT NMS Plan.

(d) Violation Reporting

Each Industry Member with Business Clocks must report to the Plan Processor and FINRA violations of paragraph (a) of this Rule pursuant to the thresholds set by the Operating Committee pursuant to the CAT NMS Plan.

Adopted by SR-FINRA-2017-003 eff. March 15, 2017.