

Individual executions of orders in a security at the same price may not be aggregated, for purposes of transaction reporting to the FINRA/Nasdaq Trade Reporting Facility, into a single transaction report.

### (g) Reporting Cancelled and Reversed Trades

#### (1) Obligation and Party Responsible for Reporting Cancelled and Reversed Trades

With the exception of trades cancelled in accordance with the [Rule 11890](#) Series, members shall report to the FINRA/Nasdaq Trade Reporting Facility the cancellation or reversal of any trade previously submitted to the FINRA/Nasdaq Trade Reporting Facility. The member responsible for submitting the original trade report shall submit the cancellation or reversal report in accordance with the procedures set forth in paragraphs (g)(2) and (3).

#### (2) Deadlines for Reporting Cancelled and Reversed Trades

(A) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled at or before 4:00 p.m. on the date of execution, the member responsible under paragraph (g)(1) shall report the cancellation as soon as practicable but no later than 10 seconds after the time the trade is cancelled.

(B) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled after 4:00 p.m., but before 8:00 p.m. on the date of execution, the member responsible under paragraph (g)(1) shall use its best efforts to report the cancellation not later than 8:00 p.m. on the date of execution, and otherwise it shall report the cancellation on the following business day by 8:00 p.m.

(C) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled at or after 8:00 p.m. on the date of execution, the member responsible under paragraph (g)(1) shall report the cancellation on the following business day by 8:00 p.m.

(D) For trades executed outside the hours of 9:30 a.m. to 4:00 p.m. Eastern Time and cancelled prior to 8:00 p.m. on the date of execution, the member responsible for reporting under paragraph (g)(1) shall report the cancellation by 8:00 p.m.

(E) For trades executed outside the hours of 9:30 a.m. to 4:00 p.m. Eastern Time and cancelled at or after 8:00 p.m. on the date of execution, the member responsible under paragraph (g)(1) shall report the cancellation on the following business day by 8:00 p.m.

(F) For any trade cancelled or reversed on any date after the date of execution, the member responsible under paragraph (g)(1) shall report the cancellation (or reversal) (i) by 8:00 p.m. on the date of cancellation (or reversal) if the trade is cancelled (or reversed) before 8:00 p.m., or (ii) by 8:00 p.m. on the following business day if the trade is cancelled (or reversed) at or after 8:00 p.m.

(G) For purposes of determining the deadline by which a trade cancellation (or reversal) must be reported pursuant to paragraph (g) of this Rule the term "cancelled" (or "reversed," as applicable) shall mean the time at which (i) the member with the reporting responsibility informs its contra party, or is informed by its contra party, that a trade is being cancelled (or reversed), (ii) the member with the reporting responsibility and its contra party agree to cancel (or reverse) a trade if neither party can unilaterally cancel (or reverse) the trade, or (iii) the member with the reporting responsibility takes an action to cancel (or reverse) the trade on its books and records, whichever event occurs first.

(3) When submitting a report of a reversal to the FINRA/Nasdaq Trade Reporting Facility, members must identify the original report of the previously submitted trade by including the original report date and the control number assigned by the FINRA/Nasdaq Trade Reporting Facility to the original trade report.

(h) A member may agree to allow a Participant to report and lock-in trades on its behalf, if both parties have completed an agreement to that effect as specified by FINRA and submitted it to the FINRA/Nasdaq Trade Reporting Facility. However, the member with the reporting obligation remains responsible for the transaction submitted on its behalf. Further, both the member with the reporting obligation and the member submitting the trade to the FINRA/Nasdaq Trade Reporting Facility are responsible for ensuring that the information submitted is in compliance with all applicable rules and regulations.

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#### ••• Supplementary Material: -----

.01 Members that would otherwise have the trade reporting obligation under paragraph (b) of this Rule must provide to FINRA notice that they are relying on the exception from trade reporting under paragraph (e)(1)(A) of this Rule for transactions that are part of an unregistered secondary distribution. For each transaction that is part of the unregistered secondary distribution and not trade reported, the member must provide the following information to FINRA: security name and symbol, execution date, execution time, number of shares, trade price and parties to the trade. Such notice and information must be provided no later than three (3) business days following trade date and in such form as specified by FINRA. If the trade executions will occur over multiple days, then initial notice and available information must be provided no later than three (3) business days following the first trade date and final notice and information must be provided no later than three (3) business days following the last trade

date. The member must retain records sufficient to document the basis for relying on this trade reporting exception, including but not limited to, the basis for determining that the definition of "distribution" under Rule 100 of SEC Regulation M has been satisfied, as well as evidence of compliance with applicable notification requirements under [Rule 5190](#).

## **.02 Trade Reporting Time Frame**

(a) With respect to the requirement under paragraphs (a) and (g) of this Rule that members report trades and trade cancellations "as soon as practicable," a member with the trade reporting obligation under paragraph (b) of this Rule must adopt policies and procedures reasonably designed to comply with this requirement and must implement systems that commence the trade reporting process without delay upon execution (or cancellation, as applicable). 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 last permissible second.

(b) FINRA recognizes that a very small universe of trades are reported manually, and as a result, even where a member does not purposely withhold trade reports, the trade reporting process may not be completed within 10 seconds following execution. In these cases, for purposes of determining whether "reasonable justification" exists to excuse what otherwise may be deemed to be a pattern or practice of late trade reporting under this Rule and [Rule 6181](#), FINRA will take into consideration such factors as the complexity and manual nature of the execution and reporting of the trade, where the trade details must be manually entered into the trade reporting system following execution.

**.03** Trade reports of block transactions using the Intermarket Sweep Order (ISO) exception (outbound) under Rule 611 of SEC Regulation NMS must include the time that all material terms of the transaction are known (including, but not limited to, the final number of shares executed after reflecting any fills of routed ISOs) and, if different from the time of execution, members must also include the time that ISOs are sent to trading centers with protected quotations that are priced superior to the block transaction price.

**.04** All time fields required by this Rule must be reported in hours, minutes, seconds and milliseconds, if the member's system captures time in milliseconds. Pursuant to the FINRA Rule 6800 Series (Consolidated Audit Trail Compliance Rule), Industry Members must report the execution of an order, in whole or in part ("order execution events") to the Central Repository. Industry Members must report time fields required by this Rule using the same timestamp granularity that they use to report order execution events to the Central Repository, in accordance with [Rule 6860](#).

Amended by SR-FINRA-2020-029 eff. Nov. 15, 2021.  
Amended by SR-FINRA-2021-017 eff. Sept. 1, 2021.  
Amended by SR-FINRA-2015-027 eff. Aug. 24, 2015.  
Amended by SR-FINRA-2013-050 and SR-FINRA-2015-008 eff. July 13, 2015.  
Amended by SR-FINRA-2013-050 and SR-FINRA-2014-039 eff. Nov. 10, 2014.  
Amended by SR-FINRA-2013-013 eff. Nov. 4, 2013.  
Amended by SR-FINRA-2011-027 eff. Nov. 1, 2011.  
Amended by SR-FINRA-2011-061 eff. Oct. 14, 2011.  
Amended by SR-FINRA-2010-058 eff. Feb. 28, 2011.  
Amended by SR-FINRA-2010-043 eff. Feb. 28, 2011.  
Amended by SR-FINRA-2009-061 eff. Nov. 1, 2010.  
Amended by SR-FINRA-2009-082 eff. April 12, 2010.  
Amended by SR-FINRA-2010-002 eff. Feb. 15, 2010.  
Amended by SR-FINRA-2009-031 eff. Jan. 11, 2010.  
Amended by SR-FINRA-2008-011 eff. Aug. 3, 2009.  
Amended by SR-FINRA-2009-024 eff. May 4, 2009.  
Amended by SR-FINRA-2008-060 eff. Jan. 12, 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-2007-017 eff. March 3, 2008.  
Amended by SR-NASD-2007-040 eff. Nov. 5, 2007.  
Amended by SR-NASD-2007-037 eff. July 16, 2007.  
Amended by SR-NASD-2007-002 eff. July 9, 2007.  
Amended by SR-NASD-2007-047 eff. July 6, 2007.  
Amended by SR-NASD-2007-020 eff. March 5, 2007.  
Amended by SR-NASD-2006-104 eff. March 5, 2007.  
Amended by SR-NASD-2006-120 eff. Dec. 4, 2006.  
Amended by SR-NASD-2006-098 eff. Dec. 1, 2006.  
Amended by SR-NASD-2006-055 eff. Dec. 1, 2006.  
Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006.

**Selected Notices:** [06-39](#), [07-23](#), [07-31](#), [07-33](#), [07-38](#), [07-63](#), [08-57](#), [09-08](#), [09-21](#), [09-52](#), [10-07](#), [10-24](#), [10-48](#), [11-40](#), [13-19](#), [14-21](#), [20-41](#), [21-21](#).

## VERSIONS

Nov 15, 2021 onwards

## 6310B. General

Members may use the FINRA/NYSE Trade Reporting Facility to report transactions executed otherwise than on an exchange in all NMS stocks as defined in Rule 600(b)(47) of SEC Regulation NMS ("designated securities"). Members that use the FINRA/NYSE Trade Reporting Facility must comply with the Rule 6300B and 7200B Series, as well as all other applicable rules. The Rule 6300B and 7200B Series shall apply only to members using the FINRA/NYSE Trade Reporting Facility.

Renumbered from Rule 6310C and amended by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Adopted by SR-NASD-2007-011 eff. April 18, 2007.

**Selected Notice:** 08-57.

### VERSIONS

Jan 01, 2009 onwards





## 6320B. Definitions

(a) For purposes of the Rule 6300B Series, unless the context requires otherwise:

(1) "Exchange Act" or "SEA" means the Securities Exchange Act of 1934.

(2) "Designated securities" means all NMS stocks as defined in Rule 600(b)(47) of SEC Regulation NMS.

(3) "Member" means a broker or dealer admitted to FINRA membership.

(4) "Market Maker" means an "exchange market maker" or "OTC market maker," as those terms are defined in Rule 600(b) of SEC Regulation NMS, that is registered in a particular designated security as such with an exchange or a registered securities association or a facility thereof. A member is considered a Market Maker only in those designated securities for which it is registered as such.

(5) "NYSE" means the NYSE Market, Inc.

(6) "Normal market hours" means 9:30 a.m. Eastern Time to 4:00 p.m. Eastern Time.

(7) "Normal unit of trading" means 100 shares of a security unless, with respect to a particular security, FINRA determines that a normal unit of trading shall constitute other than 100 shares.

(8) "Otherwise than on an exchange" means a trade effected by a FINRA member otherwise than on or through a national securities exchange. The determination of what constitutes a trade "on or through" a particular national securities exchange shall be determined by that exchange in accordance with all applicable statutes, rules and regulations, and with any necessary SEC approval.

(9) "Round lot holder" means a holder of a normal unit of trading.

(10) "Stop Stock Price" means the specified price at which a member and another party agree a Stop Stock Transaction shall be executed, and which price is based upon the prices at which the security is trading at the time the order is received by the member, taking into consideration that the specified price may deviate from the current market prices to factor in the size of the order and the number of shares available at those prices.

(11) "Stop Stock Transaction" means any transaction that meets both of the following conditions:

(A) the transaction is the result of an order in which a member and another party agree that the order will be executed at a Stop Stock Price or better; and

(B) the order is executed at the Stop Stock Price or better.

(12) "Trade Reporting Facility Participant" or "Participant" means any member of FINRA in good standing that uses the FINRA/NYSE Trade Reporting Facility.

(13) Terms used in this Rule 6300B Series shall have the meaning as defined in the FINRA By-Laws and rules, Rule 600(b) of SEC Regulation NMS and the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation, and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis, unless otherwise defined herein.

Renumbered from Rule 6320C and amended by SR-FINRA-2008-066 eff. Jan. 1, 2009.

Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.

Adopted by SR-NASD-2007-011 eff. April 18, 2007.

**Selected Notice:** 08-57.

Jan 01, 2009 onwards

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## 6330B. Use of FINRA/NYSE Trade Reporting Facility on a Test Basis

FINRA may at any time authorize the use of the FINRA/NYSE Trade Reporting Facility on a test basis for whatever studies it considers necessary and appropriate.

Renumbered from Rule 6330C by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Adopted by SR-NASD-2007-011 eff. April 18, 2007.

**Selected Notice:** 08-57.

### VERSIONS

Jan 01, 2009 onwards



> [FINRA RULES](#) > [6000. QUOTATION, ORDER, AND TRANSACTION REPORTING FACILITIES](#) > [6300. TRADE REPORTING FACILITIES](#)  
> [6300B. FINRA/NYSE TRADE REPORTING FACILITY](#)

## 6340B. Reports

A Trade Reporting Facility Participant shall make such reports to FINRA as may be prescribed from time to time by FINRA.

Renumbered from Rule 6340C by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Adopted by SR-NASD-2007-011 eff. April 18, 2007.

**Selected Notice:** 08-57.

[← 6330B. USE OF FINRA/NYSE TRADE REPORTING FACILITY ON A TEST BASIS](#)

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[6350B. CLEARANCE AND SETTLEMENT →](#)

### VERSIONS

Jan 01, 2009 onwards



## 6350B. Clearance and Settlement

(a) A Trade Reporting Facility Participant shall clear and settle transactions in designated securities through the facilities of a registered clearing agency that uses a continuous net settlement system. This requirement may be satisfied by direct participation, use of direct clearing services, or by entry into a correspondent clearing arrangement with another member that clears trades through such an agency.

(b) Notwithstanding paragraph (a), transactions in designated securities may be settled "ex-clearing" provided that both parties to the transaction agree.

Renumbered from Rule 6350B by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Adopted by SR-NASD-2007-011 eff. April 18, 2007.

**Selected Notice:** 08-57.

### VERSIONS

Jan 01, 2009 onwards



> [FINRA RULES](#) > [6000. QUOTATION, ORDER, AND TRANSACTION REPORTING FACILITIES](#) > [6300. TRADE REPORTING FACILITIES](#)  
> [6300B. FINRA/NYSE TRADE REPORTING FACILITY](#)

## 6360B. Suspension and Termination by FINRA Action

FINRA may, pursuant to the procedures set forth in the Rule 9000 Series, suspend, condition, limit, prohibit or terminate a Trade Reporting Facility Participant's ability to use FINRA/NYSE Trade Reporting Facility services in one or more designated securities for violations of applicable requirements or prohibitions.

Renumbered from Rule 6360C by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Adopted by SR-NASD-2007-011 eff. April 18, 2007.

**Selected Notice:** 08-57.

[← 6350B. CLEARANCE AND SETTLEMENT](#)

[UP](#)

[6370B. TERMINATION OF FINRA/NYSE TRADE REPORTING FACILITY SERVICE →](#)

### VERSIONS

Jan 01, 2009 onwards



## 6370B. Termination of FINRA/NYSE Trade Reporting Facility Service

FINRA may, upon notice, terminate FINRA/NYSE Trade Reporting Facility service in the event that a Trade Reporting Facility Participant fails to qualify under specified standards of eligibility or fails to pay promptly for services rendered.

Renumbered from Rule 6370C by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Adopted by SR-NASD-2007-011 eff. April 18, 2007.

**Selected Notice:** 08-57.

### VERSIONS

Jan 01, 2009 onwards





## 6380B. Transaction Reporting

### (a) When and How Transactions are Reported

(1) Trade Reporting Facility Participants shall, as soon as practicable but no later than 10 seconds after execution, transmit to the FINRA/NYSE Trade Reporting Facility or, if the FINRA/NYSE Trade Reporting Facility is unavailable due to system or transmission failure, by telephone to the FINRA/NYSE TRF Operations Department, last sale reports of transactions in designated securities executed during normal market hours. Transactions not reported within 10 seconds after execution shall be designated as late.

#### (2) Transaction Reporting to the FINRA/NYSE Trade Reporting Facility Outside Normal Market Hours

(A) Last sale reports of transactions in designated securities executed between 8:00 a.m. and 9:30 a.m. Eastern Time shall be reported as soon as practicable but no later than 10 seconds after execution and be designated with the unique trade report modifier, as specified by FINRA, to denote their execution outside normal market hours.

(B) Last sale reports of transactions in designated securities executed between 4:00 p.m. and 8:00 p.m. Eastern Time shall be reported as soon as practicable but no later than 10 seconds after execution and be designated with the unique trade report modifier, as specified by FINRA, to denote their execution outside normal market hours.

(C) Last sale reports of transactions in designated securities executed between midnight and 8:00 a.m. Eastern Time shall be reported by 8:15 a.m. Eastern Time on trade date and be designated with the unique trade report modifier, as specified by FINRA, to denote their execution outside normal market hours.

(D) Last sale reports of transactions in designated securities executed (i) between 8:00 p.m. and midnight Eastern Time or (ii) on any non-business day (i.e., weekend or holiday) shall be reported the following business day by 8:15 a.m. Eastern Time, be designated "as/of" trades to denote their execution on a prior day and be designated with the unique trade report modifier, as specified by FINRA, to denote their execution outside normal market hours.

(3) Members shall time-stamp all trade tickets at the time of execution for transactions in designated securities. Execution time shall be reported to FINRA on all last sale reports and shall be expressed in hours, minutes and seconds based on Eastern Time in military format, unless another provision of FINRA rules requires that a different time be included on the report.

(4) Transactions not reported within 10 seconds after execution, or such other time period prescribed by rule, shall be designated as late. Any transaction that is required to be reported on trade date, but is not reported on trade date, must be reported on an "as/of" basis on a subsequent date (T+N) and shall be designated as late. Any transaction that is required to be reported on an "as/of" basis the following business day (T+1), but is not reported T+1, must be reported on a subsequent date (T+N) and shall be designated as late. A pattern or practice of late reporting without reasonable justification or 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](#).

(5) Members also shall append the applicable trade report modifiers as specified by FINRA to all last sale reports, including reports of "as/of" trades:

(A) if the trade is executed during normal market hours and it is reported later than 10 seconds after execution;

(B) if the trade is a Seller's Option Trade, denoting the number of days for delivery;

(C) if the trade is a Cash Trade;

(D) if the trade is a Next Day Trade;

(E) if the trade occurs at a price based on an average weighting or another special pricing formula;

(F) if the trade is a Stop Stock Transaction (as defined in Rule 6320B) (Note: the transaction report shall include both the time of execution of the trade and the time at which the member and the other party agreed to the Stop Stock Price; if the Stop Stock Transaction is executed and reported within 10 seconds of the time the member and the other party agree to the Stop Stock Price, the designated modifier shall not be appended and only the time of execution of the trade shall be reported);

(G) if the transaction report reflects a price different from the current market when the execution price is based on a prior reference point in time (Note: the transaction report shall include both the time of execution of the trade and the prior reference time; if the trade is executed and reported within 10 seconds from the prior reference point in time, the designated modifier shall not be appended and only the time of execution of the trade shall be reported);

(H) to identify pre-opening and after-hours trades (executed between 8:00 a.m. and 9:30 a.m. Eastern time or between 4:00 p.m. and 8:00 p.m. Eastern time) reported more than 10 seconds after execution;

(I) if the trade would be a trade-through of a protected quotation, but for the trade being qualified for an exception or exemption from Rule 611 of SEC Regulation NMS (Note: to ensure consistency in the usage of Rule 611 of SEC Regulation NMS related modifiers by registered broker-dealers, this modifier will be used in conformity with the specifications approved by the Operating Committee of the relevant National Market System Plans to identify trades executed pursuant to an exception or exemption from Rule 611 of SEC Regulation NMS);

(J) if the trade would be a trade-through of a protected quotation, but for the trade being qualified for an exception or exemption from Rule 611 of SEC Regulation NMS, members must, in addition to the modifier required in subparagraph (I) above, append an appropriate unique modifier, specified by FINRA, that identifies the specific applicable exception or exemption from Rule 611 of SEC Regulation NMS that a member is relying upon (Note: to ensure consistency in the usage of Rule 611 of SEC Regulation NMS related modifiers by registered broker-dealers, these modifiers will be used in conformity with the specifications approved by the Operating Committee of the relevant National Market System Plans to identify trades executed pursuant to an exception or exemption from Rule 611 of SEC Regulation NMS); and

(K) any other modifier as specified by FINRA or the SEC.

To the extent that any of the modifiers required by this Rule conflict, FINRA shall provide guidance regarding the priorities among modifiers and members shall report in accordance with such guidance, as applicable.

(6) The FINRA/NYSE Trade Reporting Facility will append the appropriate modifier to indicate that a trade was executed outside normal market hours or that a report was submitted late to the FINRA/NYSE Trade Reporting Facility, where such report contains the time of execution, but does not contain the appropriate modifier.

(7) To identify pre-opening and after-hours trades reported late, the FINRA/NYSE Trade Reporting Facility will convert to the late modifier, as applicable, on any pre-opening or after-hours report submitted to the FINRA/NYSE Trade Reporting Facility more than 10 seconds after execution.

(8) Participants must use an alternative mechanism, and comply with all rules applicable to such alternative mechanism, to report transactions to FINRA in designated securities for which electronic submission to the FINRA/NYSE Trade Reporting Facility is not possible. Where last sale reports of transactions in designated securities cannot be submitted to FINRA via an alternative electronic mechanism (e.g., the ticker symbol for the security is no longer available or a market participant identifier is no longer active), members shall report such transactions as soon as practicable to the FINRA Market Regulation Department on Form T. Transactions that can be reported to FINRA electronically, whether on trade date or on a subsequent date on an "as/of" basis (T+N), shall not be reported on Form T.

#### **(b) Which Party Reports the Transaction**

(1) In transactions between two members, the executing party shall report the trade.

(2) In transactions between a member and a non-member or customer, the member shall report the trade.

For purposes of this paragraph (b), "executing party" shall mean the member that receives an order for handling or execution or is presented an order against its quote, does not subsequently re-route the order, and executes the transaction. In a transaction between two members where both members may satisfy the definition of executing party (e.g., manually negotiated transactions via the telephone), the member representing the sell-side shall report the transaction, unless the parties agree otherwise and the member representing the sell-side contemporaneously documents such agreement.

#### **(c) Information To Be Reported**

Each last sale report shall contain the following information:

(1) Stock symbol of the designated security;

(2) Number of shares or bonds;

(3) Price of the transaction as required by paragraph (d) below;

(4) A symbol indicating whether the transaction is a buy, sell or cross, and if applicable, sell short or sell short exempt;

(5) The time of execution expressed in hours, minutes and seconds based on Eastern Time in military format, unless another provision of FINRA rules requires that a different time be included in the report; and

(6) For any transaction in an order for which a member has recording and reporting obligations under Rules 6830 and 6870, the trade report must include an order identifier, meeting such parameters as may be prescribed by FINRA, assigned to the order that uniquely identifies the order for the date it was received (see Rule 6830(a)(1)(A)).

#### **(d) Procedures for Reporting Price, Volume, Capacity and Identification of Other Members**

Members that report transactions to the FINRA/NYSE Trade Reporting Facility, pursuant to paragraph (b) above shall transmit last sale reports for all purchases and sales in designated securities in the following manner:

##### **(1) Reporting Agency Transactions**

For agency transactions, report the number of shares or bonds and the price excluding the commission charged.

##### **Example:**

SELL as agent 100 shares at 40 less a commission of \$12.50;

REPORT 100 shares at 40.

##### **(2) Reporting Dual Agency Transactions**

For dual agency transactions, report the number of shares or bonds only once, and report the price excluding the commission charged.

##### **Example:**

SELL as agent 100 shares at 40 less a commission of \$12.50;

BUY as agent 100 shares at 40 plus a commission of \$12.50;

REPORT 100 shares at 40.

##### **(3) Reporting Principal and Riskless Principal Transactions**

(A) For principal transactions, except as provided below, report each purchase and sale transaction separately and report the number of shares or bonds and the price. For principal transactions that are executed at a price that includes a mark-up, mark-down or service charge, the price reported shall exclude the mark-up, mark-down or service charge. Such reported price shall be reasonably related to the prevailing market, taking into consideration all relevant circumstances including, but not limited to, market conditions with respect to the security, the number of shares or bonds involved in the transaction, the published bids and offers with size at the time of the execution (including the reporting firm's own quotation), the cost of execution and the expenses involved in clearing the transaction.

##### **Example:**

BUY as principal 100 shares from another member at 40 (no mark-down included);

REPORT 100 shares at 40.

##### **Example:**

BUY as principal 100 shares from a customer at 39.90 which includes a \$0.10 mark-down from prevailing market at 40;

REPORT 100 shares at 40.

##### **Example:**

SELL as principal 100 shares to a customer at 40.10, which includes a \$0.10 mark-up from the prevailing market of 40;

REPORT 100 shares at 40.

##### **Example:**

BUY as principal 10,000 shares from a customer at 39.75, which includes a \$0.25 mark-down or service charge from the prevailing market of 40;

REPORT 10,000 shares at 40.

(B) Exception: A "riskless" principal transaction in which a member after having received an order to buy a security, purchases the security as principal at the same price to satisfy the order to buy or, after having received an order to sell, sells the security as principal at the same price to satisfy the order to sell, shall be reported to the FINRA/NYSE Trade Reporting Facility as one transaction in the same manner as an agency transaction, excluding the mark-up or mark-down, commission-equivalent, or other fee. Alternatively, a member may report a riskless principal transaction by submitting the following report(s):

(i) The member with the obligation to report the transaction pursuant to paragraph (b) above must submit a last sale report for the initial leg of the transaction.

(ii) Where the initial leg of the transaction has been reported to FINRA, regardless of whether a member has a reporting obligation pursuant to paragraph (b) above, the firm must submit, for the offsetting, "riskless" portion of the transaction, either:

a. a clearing-only report with a capacity indicator of "riskless principal," if a clearing report is necessary to clear the transaction; or

b. a non-tape, non-clearing report with a capacity indicator of "riskless principal," if a clearing report is not necessary to clear the transaction.

**Example:**

SELL as a principal 100 shares to another member at 40 to fill an existing order;

BUY as principal 100 shares from a customer at 40 minus a mark-down of \$12.50;

REPORT 100 shares at 40 by submitting a single trade report marked with a "riskless principal" capacity indicator to the FINRA/NYSE Trade Reporting Facility or by submitting the following reports:

1. where required by this Rule, a tape report marked with a "principal" capacity indicator; and

2. either a non-tape, non-clearing report or a clearing-only report marked with a "riskless principal" capacity indicator.

In a riskless principal transaction in which a member purchases or sells the security on an exchange to satisfy a customer's order, the trade will be reported by the exchange. A member may, however, submit to the FINRA/NYSE Trade Reporting Facility a clearing-only report or a non-tape, non-clearing report for the "riskless" leg of a riskless principal transaction where the initial leg has been reported on or through an exchange. Any such report submitted to the FINRA/NYSE Trade Reporting Facility shall comply with all applicable requirements for trade reports set forth in this Rule 6380B.

**Example:**

BUY as principal 100 shares on an exchange at 40 to fill an existing order;

DO NOT REPORT this leg (will be reported by exchange).

SELL as principal 100 shares to a customer at 40 plus a mark-up of \$12.50.

A member MAY submit to the FINRA/NYSE Trade Reporting Facility either a non-tape, non-clearing report or a clearing-only report for this leg marked with a "riskless principal" capacity indicator.

**(4) Identification of Other Members for Agency and Riskless Principal Transactions**

Any member that has a reporting obligation pursuant to paragraph (b) above and is acting in a riskless principal or agency capacity on behalf of one or more other members shall submit to FINRA one or more non-tape (either non-tape, clearing-only or non-tape, non-clearing) report(s) identifying such other member(s) as a party to the transaction, if such other member(s) is not identified on the initial trade report submitted to FINRA or a report submitted to FINRA pursuant to Rule 6380B(d)(3)(B) for the offsetting leg of a riskless principal transaction. Nothing in this Rule 6380B(d)(4) shall negate or modify the riskless principal transaction reporting requirements set forth in Rule 6380B(d)(3)(B).

**Example #1:**

Member A, as agent or riskless principal on behalf of Member B, BUYS 100 shares from Member C at 40 (no mark-down included)

Member A has the reporting obligation under Rule 6380B(b)

TAPE REPORT 100 shares at 40 By Member A between Member A and Member C

NON-TAPE REPORT 100 shares at 40 By Member A identifying Member B

**Example #2A:**

Member A MATCHES, as agent, the orders of Member B and Member C for 100 shares at 40

Member A has the reporting obligation under Rule 6380B(b)

TAPE REPORT 100 shares at 40 By Member A between Member A and Member B (or Member C)

NON-TAPE REPORT 100 shares at 40 By Member A identifying Member C (or Member B)

**Example #2B:**

Member A MATCHES, as agent, the orders of Member B and Member C for 100 shares at 40

Member A has the reporting obligation under Rule 6380B(b)

TAPE REPORT a CROSS of 100 shares at 40 By Member A

NON-TAPE REPORT 100 shares at 40 By Member A identifying Member B *and*

NON-TAPE REPORT 100 shares at 40 By Member A identifying Member C

**Example #3:**

Member A, as agent or riskless principal on behalf of Member B, BUYS 100 shares on an exchange at 40

DO NOT TAPE REPORT this leg (will be reported by exchange)

NO NON-TAPE REPORT required; however, Member A *may* submit a NON-TAPE REPORT as between Member A and Member B

**(e) Reporting Requirements For Certain Transactions and Transfers of Securities**

(1) The following shall not be reported to the FINRA/NYSE Trade Reporting Facility:

(A) transactions that are part of a primary distribution by an issuer or of a registered secondary distribution (other than "shelf distributions") or of an unregistered secondary distribution; for purposes of this subparagraph, the term "distribution" has the meaning set forth under Rule 100 of SEC Regulation M;

(B) transactions made in reliance on Section 4(2) of the Securities Act;

(C) transactions reported on or through an exchange;

(D) the acquisition of securities by a member as principal in anticipation of making an immediate exchange distribution or exchange offering on an exchange;

(E) purchases of securities off the floor of an exchange pursuant to a tender offer;

(F) 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; and

(G) the transfer of equity 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 American Depositary Receipt or exchange-traded fund).

(2) The following shall not be reported to the FINRA/NYSE Trade Reporting Facility for publication purposes, but shall be reported for regulatory transaction fee assessment purposes under Rule 7230B(f):

(A) transactions where the buyer and seller have agreed to trade at a price substantially unrelated to the current market for the security, e.g., to enable the seller to make a gift;

(B) purchases or sales of securities effected upon the exercise of an option pursuant to the terms thereof or the exercise of any other right to acquire securities at a pre-established consideration unrelated to the current market; and

(C) transfers of proprietary securities positions where the transfer (1) is effected in connection with a merger or direct or indirect acquisition and (2) is not in furtherance of a trading or investment strategy. 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.

**(f) Reporting Cancelled and Reversed Trades**



With the exception of trades cancelled in accordance with the [Rule 11890](#) Series, members shall report to the FINRA/NYSE Trade Reporting Facility the cancellation or reversal of any trade previously submitted to the FINRA/NYSE Trade Reporting Facility. The member responsible for submitting the original trade report shall submit the cancellation or reversal report in accordance with the procedures set forth in paragraphs (f)(2) and (3).

## (2) Deadlines for Reporting Cancelled and Reversed Trades

(A) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled at or before 4:00 p.m. on the date of execution, the member responsible under paragraph (f)(1) shall report the cancellation as soon as practicable but no later than 10 seconds after the time the trade is cancelled.

(B) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled after 4:00 p.m., but before 8:00 p.m. on the date of execution, the member responsible under paragraph (f)(1) shall use its best efforts to report the cancellation not later than 8:00 p.m. on the date of execution, and otherwise it shall report the cancellation on the following business day by 8:00 p.m.

(C) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled at or after 8:00 p.m. on the date of execution, the member responsible under paragraph (f)(1) shall report the cancellation on the following business day by 8:00 p.m.

(D) For trades executed outside the hours of 9:30 a.m. to 4:00 p.m. Eastern Time and cancelled prior to 8:00 p.m. on the date of execution, the member responsible for reporting under paragraph (f)(1) shall report the cancellation by 8:00 p.m.

(E) For trades executed outside the hours of 9:30 a.m. to 4:00 p.m. Eastern Time and cancelled at or after 8:00 p.m. on the date of execution, the member responsible under paragraph (f)(1) shall report the cancellation on the following business day by 8:00 p.m.

(F) For any trade cancelled or reversed on any date after the date of execution, the member responsible under paragraph (f)(1) shall report the cancellation (or reversal) (i) by 8:00 p.m. on the date of cancellation (or reversal) if the trade is cancelled (or reversed) before 8:00 p.m., or (ii) by 8:00 p.m. on the following business day if the trade is cancelled (or reversed) at or after 8:00 p.m.

(G) For purposes of determining the deadline by which a trade cancellation (or reversal) must be reported pursuant to paragraph (f) of this Rule the term "cancelled" (or "reversed," as applicable) shall mean the time at which (i) the member with the reporting responsibility informs its contra party, or is informed by its contra party, that a trade is being cancelled (or reversed), (ii) the member with the reporting responsibility and its contra party agree to cancel (or reverse) a trade if neither party can unilaterally cancel (or reverse) the trade, or (iii) the member with the reporting responsibility takes an action to cancel (or reverse) the trade on its books and records, whichever event occurs first.

(3) When submitting a report of a reversal to the FINRA/NYSE Trade Reporting Facility, members must identify the original report of the previously submitted trade by including the original report date and the control number assigned by the FINRA/NYSE Trade Reporting Facility to the original trade report.

(g) A member may agree to allow a Participant to report and lock-in trades on its behalf, if both parties have completed an agreement to that effect (a "give up agreement") as specified by FINRA and submitted it to the FINRA/NYSE Trade Reporting Facility. However, the member with the reporting obligation remains responsible for the transaction submitted on its behalf. Further, both the member with the reporting obligation and the member submitting the trade to the FINRA/NYSE Trade Reporting Facility are responsible for ensuring that the information submitted is in compliance with all applicable rules and regulations.

## (h) Prohibition on Aggregation of Transaction Reports

Individual executions of orders in a security at the same price may not be aggregated, for purposes of transaction reporting to the FINRA/NYSE TRF, into a single transaction report.

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### ••• Supplementary Material: -----

.01 Members that would otherwise have the trade reporting obligation under paragraph (b) of this Rule must provide to FINRA notice that they are relying on the exception from trade reporting under paragraph (e)(1)(A) of this Rule for transactions that are part of an unregistered secondary distribution. For each transaction that is part of the unregistered secondary distribution and not trade reported, the member must provide the following information to FINRA: security name and symbol, execution date, execution time, number of shares, trade price and parties to the trade. Such notice and information must be provided no later than three (3) business days following trade date and in such form as specified by FINRA. If the trade executions will occur over multiple days, then initial notice and available information must be provided no later than three (3) business days following the first trade date and final notice and information must be provided no later than three (3) business days following the last trade date. The member must retain records sufficient to document the basis for relying on this trade reporting exception, including but not limited to, the basis for determining that the definition of "distribution" under Rule 100 of SEC Regulation M has been satisfied, as well as evidence of compliance with applicable notification requirements under [Rule 5190](#).

**.02 Trade Reporting Time Frame**

(a) With respect to the requirement under paragraphs (a) and (f) of this Rule that members report trades and trade cancellations "as soon as practicable," a member with the trade reporting obligation under paragraph (b) of this Rule must adopt policies and procedures reasonably designed to comply with this requirement and must implement systems that commence the trade reporting process without delay upon execution (or cancellation, as applicable). 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 last permissible second.

(b) FINRA recognizes that a very small universe of trades are reported manually, and as a result, even where a member does not purposely withhold trade reports, the trade reporting process may not be completed within 10 seconds following execution. In these cases, for purposes of determining whether "reasonable justification" exists to excuse what otherwise may be deemed to be a pattern or practice of late trade reporting under this Rule and [Rule 6181](#), FINRA will take into consideration such factors as the complexity and manual nature of the execution and reporting of the trade, where the trade details must be manually entered into the trade reporting system following execution.

**.03** Trade reports of block transactions using the Intermarket Sweep Order (ISO) exception (outbound) under Rule 611 of SEC Regulation NMS must include the time that all material terms of the transaction are known (including, but not limited to, the final number of shares executed after reflecting any fills of routed ISOs) and, if different from the time of execution, members must also include the time that ISOs are sent to trading centers with protected quotations that are priced superior to the block transaction price.

**.04** All time fields required by this Rule must be reported in hours, minutes, seconds and milliseconds, if the member's system captures time in milliseconds. Pursuant to the FINRA Rule 6800 Series (Consolidated Audit Trail Compliance Rule), Industry Members must report the execution of an order, in whole or in part ("order execution events") to the Central Repository. Industry Members must report time fields required by this Rule using the same timestamp granularity that they use to report order execution events to the Central Repository, in accordance with [Rule 6860](#).

Amended by SR-FINRA-2020-029 eff. Nov. 15, 2021.  
Amended by SR-FINRA-2021-017 eff. Sept. 1, 2021.  
Amended by SR-FINRA-2015-027 eff. Aug. 24, 2015.  
Amended by SR-FINRA-2013-050 and SR-FINRA-2015-008 eff. July 13, 2015.  
Amended by SR-FINRA-2013-050 and SR-FINRA-2014-039 eff. Nov. 10, 2014.  
Amended by SR-FINRA-2013-013 eff. Nov 4, 2013.  
Amended by SR-FINRA-2011-027 eff. Nov. 1, 2011.  
Amended by SR-FINRA-2011-061 eff. Oct. 14, 2011.  
Amended by SR-FINRA-2010-058 eff. Feb. 28, 2011.  
Amended by SR-FINRA-2010-043 eff. Feb. 28, 2011.  
Amended by SR-FINRA-2009-061 eff. Nov. 1, 2010.  
Amended by SR-FINRA-2009-082 eff. April 12, 2010.  
Amended by SR-FINRA-2010-002 eff. Feb. 15, 2010.  
Amended by SR-FINRA-2009-031 eff. Jan 11, 2010.  
Amended by SR-FINRA-2009-027 eff. Aug. 3, 2009.  
Amended by SR-FINRA-2008-011 eff. Aug. 3, 2009.  
Amended by SR-FINRA-2009-024 eff. May 4, 2009.  
Amended by SR-FINRA-2009-002 eff. Jan. 12, 2009.  
Amended by SR-FINRA-2008-060 eff. Jan. 12, 2009.  
Renumbered from Rule 6380C and amended by SR-FINRA-2008-066 eff. Jan. 1, 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-2007-017 eff. March 3, 2008.  
Amended by SR-FINRA-2008-002 eff. Jan. 28, 2008.  
Amended by SR-NASD-2007-040 eff. Nov. 5, 2007.  
Amended by SR-FINRA-2007-015 eff. Sep. 19, 2007.  
Amended by SR-NASD-2007-037 eff. July 16, 2007.  
Amended by SR-NASD-2007-014 eff. July 9, 2007.  
Amended by SR-NASD-2007-047 eff. July 6, 2007.  
Adopted by SR-NASD-2007-011 eff. April 18, 2007.

**Selected Notices:** [07-23](#), [07-31](#), [07-33](#), [07-38](#), [07-63](#), [08-57](#), [09-08](#), [09-21](#), [09-52](#), [10-07](#), [10-24](#), [10-48](#), [11-40](#), [13-19](#), [14-21](#), [20-41](#), [21-21](#).



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## VERSIONS

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Nov 15, 2021 onwards

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## 6410. General

This Rule 6400 Series sets forth quotation and trading requirements for "OTC Equity Securities" as that term is defined in Rule 6420.

Members shall use the OTC Reporting Facility for trade reporting in OTC Equity Securities and Restricted Equity Securities in compliance with the Rule 6600 and 7300 Series, as well as all other applicable rules and regulations.

Amended by SR-FINRA-2010-003 eff. June 28, 2010.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Amended by SR-NASD-2005-087 eff. Aug. 1, 2006.  
Amended by SR-NASD-2004-076 eff. May 5, 2004.  
Amended by SR-NASD-2000-42 eff. June 27, 2003.

**Selected Notices:** 03-28, 08-57, 10-26.

### VERSIONS

Jun 28, 2010 onwards



## 6420. Definitions

The Rule

Notices

(a) Terms used in this Rule shall have the same meaning as those defined in the FINRA By-Laws and rules unless otherwise specified herein.

(b) "Direct participation program" or DPP, means a program which provides for flow-through tax consequences regardless of the structure of the legal entity or vehicle for distribution including, but not limited to, oil and gas programs, real estate programs, agricultural programs, cattle programs, condominium securities, Subchapter S corporate offerings and all other programs of a similar nature, regardless of the industry represented by the program, or any combination thereof. A program may be composed of one or more legal entities or programs but when used herein, the term shall mean each of the separate entities or programs making up the overall program and/or the overall program itself. Excluded from this definition are real estate investment trusts, tax qualified pension and profit sharing plans pursuant to Sections 401 and 403(a) of the Internal Revenue Code and individual retirement plans under Section 408 of that Code, tax sheltered annuities pursuant to the provisions of Section 403(b) of the Internal Revenue Code, and any company, including separate accounts, registered pursuant to the Investment Company Act.

(c) "Inter-dealer quotation system" shall mean any system of general circulation to brokers or dealers which regularly disseminates quotations of identified brokers or dealers.

(d) "Non-Market Maker" means a member of FINRA that is not an OTC Market Maker with respect to a particular OTC Equity Security.

(e) "Normal market hours" means 9:30 a.m. Eastern Time to 4:00 p.m. Eastern Time.

(f) "OTC Equity Security" means any equity security that is not an "NMS stock" as that term is defined in Rule 600(b)(47) of SEC Regulation NMS; provided, however, that the term "OTC Equity Security" shall not include any Restricted Equity Security.

(g) "OTC Market Maker" means a member of FINRA that holds itself out as a market maker by entering proprietary quotations or indications of interest for a particular OTC Equity Security in any inter-dealer quotation system, including any system that the SEC has qualified pursuant to Section 17B of the Exchange Act. A member is an OTC Market Maker only in those OTC Equity Securities in which it displays market making interest via an inter-dealer quotation system.

(h) "Priced entry" shall mean a quotation consisting of a bid, offer, or both at a specified price.

(i) "Quotation" shall mean any bid or offer at a specified price with respect to an OTC Equity Security, or any indication of interest by a broker or dealer in receiving bids or offers from others for such a security, or any indication by a broker or dealer that it wishes to advertise its general interest in buying or selling a particular non-exchange-listed security.

(j) "Quotation medium" means any inter-dealer quotation system or any publication or electronic communications network or other device that is used by brokers or dealers to make known to others their interest in transactions in any OTC Equity Security, including offers to buy or sell at a stated price or otherwise, or invitations of offers to buy or sell.

(k) "Restricted Equity Security" means any equity security that meets the definition of "restricted security" as contained in Securities Act Rule 144(a)(3).

(l) "Stop Stock Price" means the specified price at which a member and another party agree a Stop Stock Transaction shall be executed, and which price is based upon the prices at which the security is trading at the time the order is received by the member, taking into consideration that the specified price may deviate from the current market prices to factor in the size of the order and the number of shares available at those prices.

(m) "Stop Stock Transaction" means any transaction that meets both of the following conditions:

(1) the transaction is the result of an order in which a member and another party agree that the order shall be executed at a Stop Stock Price or better; and

(2) the order is executed at the Stop Stock Price.

(n) "OTC Reporting Facility" means the service provided by FINRA that accommodates reporting for trades in OTC Equity Securities executed other than on or through an exchange and for trades in Restricted Equity Securities effected under Securities Act Rule 144A and dissemination of last sale reports. Regarding those OTC Equity Securities and Restricted Equity Securities that are not eligible for clearance and settlement through the facilities of the National Securities Clearing Corporation, the OTC Reporting Facility comparison function will not be available. However, the OTC Reporting Facility will support the entry and dissemination, as applicable, of last sale data on such securities.

(o) "OTC Reporting Facility Participant" means any member of FINRA in good standing that uses the OTC Reporting Facility.

Amended by SR-FINRA-2012-027 eff. July 9, 2012.  
Amended by SR-FINRA-2010-060 eff. Dec. 15, 2010.  
Amended by SR-FINRA-2010-051 eff. Nov. 1, 2010.  
Amended by SR-FINRA-2009-061 eff. Nov. 1, 2010.  
Amended by SR-FINRA-2010-003 eff. June 28, 2010.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Amended by SR-NASD-2005-087 eff. Aug. 1, 2006.  
Amended by SR-NASD-2004-151 eff. Oct. 12, 2004.  
Amended by SR-NASD-2004-076 eff. May 5, 2004.

**Selected Notice:** 08-57, 10-24, 10-26.

[← 6410. GENERAL](#)

[UP](#)

[6430. OTC EQUITY QUOTATION REQUIREMENTS →](#)

## VERSIONS

Jul 09, 2012 onwards

## 6431. Recording of Quotation Information

### (a) Quotation Recording Requirements

(1) Subject to the terms and conditions contained herein, each OTC Market Maker that displays priced quotations (bid and/or offer) or unpriced indications of interest in OTC Equity Securities in an inter-dealer quotation system that permits quotation updates on a real-time basis shall record each item of information described in paragraph (b) of this Rule. This quote activity record must reflect all changes in an OTC Market Maker's priced quotation or quotation size displayed or unpriced indication of interest, and the time any such change was effected.

(2) Members shall record each item of information required to be recorded under this Rule in such form as is prescribed by FINRA from time to time.

### (3) Maintaining and Preserving Records

(A) Each member shall maintain and preserve records of the information required to be recorded under this Rule for the period of time and accessibility specified in SEA Rule 17a-4(a).

(B) The records required to be maintained and preserved under this Rule may be immediately produced or reproduced on "micrographic media" as defined in SEA Rule 17a-4(f)(1)(i) or by means of "electronic storage media" as defined in SEA Rule 17a-4(f)(1)(ii) that meet the conditions set forth in SEA Rule 17a-4(f) and may be maintained and preserved for the required time in that form.

### (b) Information to be Recorded

The quotation activity record required pursuant to paragraph (a) of this Rule shall contain, at a minimum, the following information for every priced quotation (bid and/or offer) or unpriced indication of interest displayed by the member during the trading day:

- (1) Submitting firm;
- (2) Inter-dealer quotation system or medium;
- (3) Trade date;
- (4) Time quotation displayed (expressed in hours, minutes and seconds);
- (5) Security name and symbol;
- (6) Bid and bid quotation size (if applicable);
- (7) Offer and offer quotation size (if applicable);
- (8) Prevailing Inside Bid; and
- (9) Prevailing Inside Offer

If no updates were entered to an OTC Market Maker's quotation or quotation size for any given trading day, the member must record the information in subparagraphs (b)(1) through (7).

### (c) Quotations Not Required To Be Recorded

The recording requirements contained in paragraphs (a) and (b) of this Rule shall not apply to quotations of OTC Equity Securities that are displayed on an inter-dealer quotation system that is:

- (1) operated by a registered securities association or a national securities exchange; or
- (2) operated by a member of FINRA.

### (d) Reporting Requirements

- (1) General Requirement

Members shall report information required to be recorded under this Rule to FINRA upon its request.

(2) Method of Transmitting Data

Members shall transmit this information in such form prescribed by FINRA.

**(e) Reporting Agent Agreements**

(1) "Reporting Agent" shall mean a third party that enters into any agreement with a member pursuant to which such third party agrees to fulfill such member's obligations under this Rule.

(2) Any member may enter into an agreement with a Reporting Agent pursuant to which the Reporting Agent agrees to fulfill the obligations of such member under this Rule. Any such agreement shall be evidenced in writing, which shall specify the respective functions and responsibilities of each party to the agreement that are required to effect full compliance with the requirements of this Rule.

(3) All written documents evidencing an agreement described in paragraph (e)(2) shall be maintained by each party to the agreement.

(4) Each member remains responsible for compliance with the requirements of this Rule, notwithstanding the existence of an agreement described in this paragraph.

**(f) Withdrawal of Quotations or Unpriced Indications of Interest**

If a member knows or has reason to believe that it or its Reporting Agent is not complying with the requirements of this Rule, the member must withdraw its quotations or unpriced indications of interest until such time that the member is satisfied that its quotation data is being properly recorded and reported.

Amended by SR-FINRA-2009-054 eff. Feb. 11, 2011.

Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.

Adopted by SR-NASD-2000-42 eff. June 27, 2003.

**Selected Notices:** 03-28, 08-57, 10-42.

[← 6430. OTC EQUITY QUOTATION REQUIREMENTS](#)

[UP](#)

[6432. COMPLIANCE WITH THE INFORMATION REQUIREMENTS OF SEA RULE 15C2-11](#)

[▶](#)

**VERSIONS**

Feb 11, 2011 onwards



## 6432. Compliance with the Information Requirements of SEA Rule 15c2-11

### The Rule

### Notices

(a) Except as provided in SEA Rules 15c2-11(a)(1)(ii), 15c2-11(f)(1) through (7), and 15c2-11(g), no member shall initiate or resume the quotation of a non-exchange-listed security in any quotation medium unless the member has demonstrated compliance with this Rule and the applicable requirements for information maintenance under SEA Rule 15c2-11. Except as provided in paragraph (b) of this Rule, a member shall demonstrate compliance by making a filing with, and in the form required by, FINRA and must receive notification from FINRA that such form has been processed before initiating or resuming quotations in the quotation medium.

(b) Any qualified inter-dealer quotation system that has made a publicly available determination described in SEA Rule 15c2-11(a)(2) with respect to a non-exchange-listed security shall demonstrate compliance with this Rule and the applicable requirements for information maintenance under SEA Rule 15c2-11 by making a filing with, and in the form required by, FINRA. Such filing must be received no later than 6:30:00 p.m. Eastern Time on the business day following the qualified inter-dealer quotation system's publicly available determination under SEA Rule 15c2-11(a)(2).

(c) The information to be filed shall contain:

(1) One copy of all information required to be maintained under SEA Rule 15c2-11(b)(1), (2), (3), (4), or (5), including any information that may be required by future amendments thereto. Members are not required to file with FINRA copies of any information that is available through the SEC's Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") system; provided, however, that the filing with FINRA shall contain identifying information for each issuer report or statement available through EDGAR that was relied upon in satisfying the member's obligations under this Rule and SEA Rule 15c2-11(b), (including the type of report, report date and any other information as may be requested by FINRA). If the information specified under SEA Rule 15c2-11(b)(1), (2), (3), (4), or (5) is not available on EDGAR and is publicly available through a qualified inter-dealer quotation system, in lieu of filing a copy of the required information, the filing with FINRA may contain identifying information for each issuer report or statement available through the qualified inter-dealer quotation system that was relied upon in satisfying the member's obligations under this Rule and SEA Rule 15c2-11(a)(1)(i) or (a)(2), as applicable (including the type of report, report date, the permanent website address of the location of the information on the website of the qualified inter-dealer quotation system or its affiliate broker-dealer, and any other information as may be requested by FINRA).

(2) Identification of the issuer, the issuer's predecessor in the event of a merger or reorganization within the previous 12 months, the type of non-exchange-listed security to be quoted (e.g., ADR, warrant, unit, or common stock), the quotation medium to be used, a list of all officers and directors of the issuer, the member's initial or resumed quotation (except with respect to a qualified inter-dealer quotation system), and the particular subsection of SEA Rule 15c2-11 with which the member is demonstrating compliance.

(3) If a member is initiating or resuming quotation of a non-exchange-listed security with a priced entry, the basis upon which that priced entry was determined and the factors considered in making that determination.

(4) A certification that neither the member nor persons associated with the member have accepted or will accept any payment or other consideration prohibited by FINRA [Rule 5250](#).

(d) Except with respect to a qualified inter-dealer quotation system, if a member's initial or resumed quotation does not include a priced entry, a member shall supplement its prior filing under this Rule, in the form required by FINRA, before inserting a priced entry for the affected non-exchange-listed security in a quotation medium. The supplemental filing shall specify the basis upon which the proposed priced entry was determined and the factors considered in making that determination. A member other than a qualified inter-dealer quotation system must submit the supplemental filing to FINRA and must receive notification from FINRA that such filing has been processed before the member may enter a priced quotation for the non-exchange-listed security in the quotation medium.

(e) All filings made with FINRA under this Rule must be reviewed and signed by a principal of the member firm.

(f) For purposes of this Rule, the term "non-exchange-listed security" means any equity security, other than a Restricted Equity Security, that is not traded on any national securities exchange.

(g) The term "qualified inter-dealer quotation system" has the same meaning as defined in SEA Rule 15c2-11(e)(6).



.01 Any member initiating or resuming quotations in reliance on the exception provided by SEA Rule 15c2-11(f)(2) must be able to demonstrate eligibility for the exception by making a contemporaneous record of:

- (a) the identification of each associated person who receives the unsolicited customer order or indication of interest directly from the customer, if applicable;
- (b) the identity of the customer;
- (c) the date and time the unsolicited customer order or indication of interest was received; and
- (d) the terms of the unsolicited customer order or indication of interest that is the subject of the quotation (e.g., security name and symbol, size, side of the market, duration (if specified) and, if priced, the price).

Any member displaying a quote representing an unsolicited customer order or indication of interest that was received from another broker-dealer must contemporaneously record the identity of the person from whom information regarding the unsolicited customer order or indication of interest was received, if applicable; the date and time the unsolicited customer order or indication of interest was received by the member displaying the quotation; and the terms of the order that is the subject of the quotation.

**.02 Qualified Inter-dealer Quotation System Daily File.** Where the qualified inter-dealer quotation system has made one or more publicly available determinations described in SEA Rule 15c2-11(a)(2), (f)(2)(iii)(B), (f)(3)(ii)(A), or (f)(7), the qualified inter-dealer quotation system must submit to FINRA a daily file containing the following information for all non-exchange listed equity securities quoted on its system:

- (a) Security symbol;
- (b) Issuer name;
- (c) If the non-exchange-listed security is being quoted pursuant to a processed Form 211 under Rule 6432(a);
- (d) If applicable, the type of publicly available determination made by the qualified inter-dealer quotation system (e.g., pursuant to SEA Rule 15c2-11(a)(2), 15c2-11 (f)(2)(iii)(B), 15c2-11(f)(7), etc.) and the date on which such publicly available determination was made by the qualified inter-dealer quotation system;
- (e) With respect to a non-exchange-listed security for which the qualified inter-dealer quotation system has made a publicly available determination under SEA Rule 15c2-11(f)(7) relating to the availability of the piggyback exception under SEA Rule 15c2-11(f)(3), whether the issuer is a shell company and, if a shell company, the number of days remaining in the applicable 18-month period under SEA Rule 15c2-11(f)(3)(i)(B)(2);
- (f) If applicable, that the security is being quoted pursuant to an exception that does not rely on the qualified inter-dealer quotation system's publicly available determination and, if so, identify the exception relied upon by the subscriber; and
- (g) Such other information as specified by FINRA in a Regulatory Notice (or similar communication).

Amended by SR-FINRA-2021-014 eff. Sept. 28, 2021.  
Amended by SR-FINRA-2014-011 eff. July 7, 2014.  
Amended by SR-FINRA-2009-054 eff. Feb. 11, 2011.  
Amended by SR-FINRA-2010-047 eff. Oct. 15, 2010.  
Amended by SR-FINRA-2010-003 eff. June 28, 2010.  
Amended by SR-FINRA-2009-030 eff. Sept. 21, 2009.  
Amended by SR-FINRA-2008-057 eff. Dec. 15, 2008.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Amended by SR-NASD-2006-087 eff. Aug. 1, 2006.  
Renumbered from Rule 6740 and amended by SR-NASD-2005-087 eff. Aug 1, 2006.  
Amended by SR-NASD-2005-098 eff. June 29, 2006.  
Adopted by SR-NASD-90-2 eff. May 1, 1990.

**Selected Notices:** [90-40](#), [92-50](#), [06-27](#), [08-57](#), [09-51](#), [10-26](#), [10-42](#), [14-26](#), [17-26](#), [21-33](#).

## VERSIONS

Sep 28, 2021 onwards

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## 6433. Minimum Quotation Size Requirements For OTC Equity Securities

The Rule

Notices

Every member entering quotations in any inter-dealer quotation system that permits quotation updates on a real-time basis must enter and honor those quotations for at least the minimum size defined in the table below. In this regard, it is the member's responsibility to determine the minimum size requirement applicable to its quotation. Depending on the price level of the quotation, a different minimum size can apply to each side of the market being quoted by the member in a given security.

Price (Bid or Offer)	Minimum Quote Size
0.0001–0.0999	10,000
0.10–0.1999	5,000
0.20–0.5099	2,500
0.51–0.9999	1,000
1.00–174.99	100
175.00+	1

Amended by SR-FINRA-2018-015 eff. July 31, 2018.  
 Amended by SR-FINRA-2018-022 eff. June 7, 2018.  
 Amended by SR-FINRA-2017-035 eff. Dec. 8, 2017.  
 Amended by SR-FINRA-2017-014 eff. June 9, 2017.  
 Amended by SR-FINRA-2016-044 eff. Dec. 9, 2016.  
 Amended by SR-FINRA-2016-016 eff. June 10, 2016.  
 Amended by SR-FINRA-2015-051 eff. Dec. 11, 2015.  
 Amended by SR-FINRA-2015-028 eff. Aug. 14, 2015.  
 Amended by SR-FINRA-2015-010 eff. May 15, 2015.  
 Amended by SR-FINRA-2015-002 eff. Jan. 29, 2015.  
 Amended by SR-FINRA-2014-041 eff. Sept. 30, 2014.  
 Amended by SR-FINRA-2013-049 eff. Nov. 5, 2013.  
 Amended by SR-FINRA-2011-058 eff. Nov. 12, 2012.  
 Amended by SR-FINRA-2009-054 eff. Feb. 11, 2011.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Renumbered from Rule 6750 and amended by SR-NASD-2005-087 eff. Aug. 1, 2006.  
 Amended by SR-NASD-2000-17 eff. September 5, 2000.  
 Amended by SR-NASD-99-32 eff. September 23, 1999.  
 Adopted by SR-NASD-93-17 eff. Sept. 8, 1993.

**Selected Notices:** 93-54, 08-57, 10-42, 12-37, 12-51.

Jul 31, 2018 onwards

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