7110. Definitions

(a) The term "ADF-eligible security" means an NMS stock as defined in Rule 600(b)(47) of SEC Regulation NMS.

(b) The term "Clearing Broker-Dealer" or "Clearing Broker" shall mean the member firm that has been identified in the ADF as principal for clearing and settling a trade, whether for its own account or for a correspondent firm.

(c) The term "Correspondent Executing Broker-Dealer" or "Correspondent Executing Broker" shall mean the member firm that has been identified in the System as having a correspondent relationship with a clearing firm whereby it executes trades and the clearing function is the responsibility of the clearing firm.

(d) The term "Introducing Broker-Dealer" or "introducing broker" shall mean the member firm that has been identified in the System as a party to the transaction, but does not execute or clear trades.

(e) The term "Participant" shall mean any member of FINRA in good standing that uses the System.

(f) The term "Parties to the Transaction" shall mean the executing brokers, introducing brokers and clearing brokers, if any.

(g) The term "Reportable System Transaction" shall mean those transactions in a ADF-eligible security that are required, or are eligible, to be submitted utilizing the System pursuant to FINRA rules. The term also shall include transactions in ADF-eligible securities that are for less than one round lot.

(h) The term "Reporting Party" or "Reporting Member" shall mean the Participant that is required to input the trade information, according to the requirements in the Rule 6280 Series.

(i) The term "System" shall mean the Alternative Display Facility ("ADF") for purposes of trades in ADF-eligible securities as defined in Rule 6220.

Amended by SR-FINRA-2014-045 eff. Dec. 1, 2014.
Amended by SR-FINRA-2013-053 eff. Feb. 3, 2014.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Amended by SR-NASD-2006-091 eff. March 5, 2007.
Amended by SR-NASD-2006-087 eff. Aug. 1, 2006.
Amended by SR-NASD-2005-087 eff. Aug. 1, 2006.
Amended by SR-NASD-2005-108 eff. Sep. 8, 2005.
Adopted by SR-NASD-2002-97 eff. July 29, 2002.

Selected Notice: 08-57.

VERSIONS

Dec 01, 2014 onwards

FINra.

7120. Trade Reporting Participation Requirements

The Rule   **Notices**

(a) Mandatory Participation for Clearing Agency Members

(1) Participation in the System is mandatory for any FINRA member that has an obligation to report an over the counter transaction to FINRA, unless the member has an alternative electronic mechanism pursuant to FINRA rules for reporting and clearing such transaction. Such participation in the System shall include the reconciliation of all over the counter clearing agency eligible transactions.

(2) Participation in the System shall be conditioned upon the Participant's initial and continuing compliance with the following requirements:

(A) execution of, and continuing compliance with, a Participant Application Agreement;

(B) membership in, or maintenance of an effective clearing arrangement with a member of, a clearing agency registered pursuant to the Exchange Act;

(C) compliance with all applicable rules and operating procedures of FINRA and the SEC;

(D) maintenance of the physical security of the equipment located on the premises of the Participant to prevent unauthorized entry of information into the System; and

(E) acceptance and settlement of each trade that the System identifies as having been effected by such Participant, or if settlement is to be made through a clearing member, guarantee of the acceptance and settlement of each System identified trade by the clearing member on the regularly scheduled settlement date.

(3) Participation in the System as a Clearing Broker shall be conditioned upon the Clearing Broker's initial and continuing compliance with the following requirements:

(A) execution of, and continuing compliance with, a Participant Application Agreement;

(B) membership in a clearing agency registered pursuant to the Exchange Act;

(C) compliance with all applicable rules and operating procedures of FINRA and the SEC;

(D) maintenance of the physical security of the equipment located on the premises of the System Clearing Broker to prevent the unauthorized entry of information into the System; and

(E) acceptance and settlement of each trade that the System identifies as having been effected by itself or any of its correspondents on the regularly scheduled settlement date.

(4) Each Participant shall be obligated to inform FINRA of non-compliance with any of the participation requirements set forth above.

(b) Participant Obligations

(1) Access

Upon execution and receipt by FINRA of the Participant Application Agreement, a Participant may commence input and validation of trade information in ADF-eligible securities. Participants may access the service through computer interface or such other service as may be designated by FINRA during the hours of operation specified by FINRA. Prior to such input, all Participants, including those that have trade report information submitted to FINRA by any third party, must obtain from FINRA a unique identifying Market Participant Symbol ("MPID"), and use that identifier for trade reporting and audit trail purposes.

(2) Participant Obligations

(A) Participants shall commence participation in the System by initially contacting FINRA Market Operations to verify authorization for submitting trade data to the System for ADF-eligible securities.

(B) A Participant that is a self-clearing firm shall be obligated to accept and clear each trade that the System identifies as having been effected by that Participant.

(C) A Participant that is an introducing broker or a correspondent executing broker shall identify its clearing broker when it becomes a System participant and notify FINRA Market Operations if its clearing broker is to be changed; this will necessitate execution of a revised Participant Application Agreement.

(D) If at any time a Participant (either the Reporting Party or contra party) fails to maintain a clearing arrangement, it shall be removed from the System, and be precluded from participation in ADF until such time as a clearing arrangement is reestablished and notice of such arrangement, with an amended Participant Application Agreement, is filed with FINRA.

(E) Testing

Except as set forth below, Participants that intend to use the ADF for trade reporting only and connect to the ADF via a Financial Information eXchange (FIX) line must participate in annual connectivity and capacity/stress testing. Members required to participate in annual testing pursuant to this Rule shall not be charged fees under Rule 7530(c) for the annual testing.

(i) Participants are not required to participate in connectivity testing if they report at least 100 trades per month to the ADF.

(ii) Participants are not required to participate in capacity/stress testing unless their ADF activity levels or their capacity projections based on their current usage of a Trade Reporting Facility have increased by more than 20% from the previous year.

(3) Clearing Broker Obligation

(A) System clearing brokers shall be obligated to accept and clear as a party to the transaction each trade that the System identifies as having been effected by itself or any of its correspondent executing brokers. Clearing brokers may cease to act as principal for a correspondent executing broker at any time provided that notification has been given to, received and acknowledged by FINRA Market Operations and affirmative action has been completed by FINRA Market Operations to remove the clearing broker from the System for that correspondent executing broker. The clearing broker's obligation to accept and clear trades for its correspondents shall not cease prior to the completion of all of the steps detailed in this subparagraph (3).

(B) If at any time a System clearing broker fails to maintain a clearing arrangement, it shall be removed from the System until such time as a clearing arrangement is reestablished, and notice of such arrangement, with an amended Participant Application Agreement, is filed with FINRA.

Amended by SR-FINRA-2016-031 eff. Sep. 12, 2016.
Amended by SR-FINRA-2014-045 eff. Dec. 1, 2014.
Amended by SR-FINRA-2013-053 eff. Feb. 3, 2014.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Amended by SR-NASD-2006-091 eff. March 5, 2007.
Amended by SR-NASD-2005-087 eff. Aug. 1, 2006.
Adopted by SR-NASD-2002-97 eff. July 29, 2002.

Selected Notices: 08-57, 16-33.

VERSIONS

Sep 12, 2016 onwards

7130. Trade Report Input

The Rule   Notices

(a) Reportable System Transactions

Members shall comply with the Rule 7100 Series when reporting transactions to the System, including executions of less than one round lot if those executions are to be compared and locked-in. All trades that are reportable transactions will be processed pursuant to an effective transaction reporting plan. Trades that are not already locked-in trades will be compared and locked-in through the System.

(b) When and How Trade Reports are Submitted

Participants shall transmit trade reports to the System for Reportable System Transactions as soon as practicable but no later than 10 seconds after execution, or such other time period prescribed by rule, or shall accept or decline trades within twenty (20) minutes after execution, according to the requirements of paragraph (c) of this Rule.

(c) Which Party Inputs Trade Reports

Participants shall, subject to the input requirements below, either input trade reports or accept or decline a trade within the applicable time-frames as specified in paragraph (b) of this Rule. Trade reports shall be submitted by the member as required pursuant to Rule 6282(b).

(d) Trade Information To Be Input

The information listed below must be provided for each transaction that is reported to the System. Unless the contra side will have an opportunity to provide its own trade information, the Reporting Member is responsible for the complete and accurate submission of information for both sides of the trade.

(1) Security identification symbol of the eligible security (SECID);

(2) Number of shares;

(3) Unit price, excluding commissions, mark-ups or mark-downs;

(4) 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 on the report;

(5) A symbol indicating whether the party submitting the trade report represents the Reporting Member (denoted as the Executing Party or "EPID") side or the Non-Reporting Party (denoted as the Contra Party or "CPID") side;

(6) A symbol indicating whether the transaction is a buy, sell or cross, and if applicable, a symbol indicating that the transaction is a sell short or sell short exempt trade from the Reporting Member perspective or contra side perspective, irrespective of whether the contra side is a member, except the sell short or sell short exempt indicator is not required on any clearing-only, non-regulatory report submitted pursuant to Rule 7130(g)(4);

(7) A symbol indicating whether the trade is as principal, riskless principal, or agent;

(8) Reporting side clearing broker (if other than normal clearing broker);

(9) Reporting side executing broker as "give-up" (if any);

(10) Contra side executing broker;

(11) Contra side introducing broker in case of "give-up" trade;

(12) Contra side clearing broker (if other than normal clearing broker);

(13) Designated indicator for special trades and "step outs";

(14) 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)).

(15) For any transaction for which the System is used to transfer a transaction fee between two FINRA members, the trade report must comply with the requirements of Rule 7130(h).

(16) For any transaction for which the System is used to clear a transaction, the trade report must indicate whether the trade is to be compared in the System or is locked-in pursuant to an Automatic Give Up Agreement ("AGU") or a Qualified Special Representative Agreement ("QSR").

(17) If applicable, a unique indicator specified by FINRA to denote a clearing-only, non-regulatory report in accordance with Rule 7130(g)(4).

(e) Reporting Cancelled and Reversed Trades

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

With the exception of trades cancelled by FINRA staff in accordance with the Rule 11890 Series, members shall report to the System the cancellation or reversal of any trade previously submitted to the System. The member responsible under FINRA rules for submitting the original trade report shall submit the cancellation or reversal report in accordance with the requirements set forth in paragraph (e)(2).

(2) Deadlines and Other Requirements for Reporting Cancelled and Reversed Trades

Members shall comply with deadlines and other requirements set forth in Rule 6282 for reporting cancelled and reversed trades.

(f) Reporting Certain Transactions for Purposes of Regulatory Transaction Fee Assessment

The following types of transactions that are assessed a regulatory transaction fee in accordance with Section 3 of Schedule A to the FINRA By-Laws shall be reported in the manner prescribed by FINRA to denote that they are submitted for regulatory purposes and not for dissemination. Transactions must be submitted to the System by 6:30 p.m. Eastern Time (or the end of the System reporting session that is in effect at that time). Transactions may be entered as clearing or non-clearing.

(1) Transactions where the buyer and seller have agreed to trade at a price substantially unrelated to the current market for the security, and consideration is given (away from the market sales);

(2) Transactions effected pursuant to the exercise of an OTC option; and

(3) Transfers 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. 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.

(g) Submission of Non-Tape Reports Associated With Previously Executed Trades

(1) Members shall not submit to the System any non-tape report (either a non-tape, non-clearing report or a clearing-only report), including but not limited to reports of step-outs and reversals, associated with a previously executed trade that was not reported to the System, unless such report is submitted, pursuant to Rule 6282(d), to reflect the offsetting riskless portion of a riskless principal transaction.

(2) Where permitted by subparagraph (1) above, any non-tape report (either a non-tape, non-clearing report or a clearing-only report) associated with a previously executed trade(s) that was not reported to the System must identify the facility or market where the associated trade(s) was reported, as specified by FINRA. For any such report, members must retain and produce, upon request, documentation relating to the associated trade(s).

(3) Where permitted by subparagraph (1) above, if both parties are submitting a clearing-only report to effectuate a step-out, the member transferring out of the position must report a "step-out" and the member receiving the position must report a "step-in."

(4) Clearing-Only, Non-Regulatory Reports

(A) For a previously executed trade for which a tape report has been submitted to the System, or for the offsetting portion of a riskless principal or agency transaction for which a non-tape, non-clearing report has been submitted to the System, a member may submit a "clearing-only, non-regulatory report" to the System solely for purposes of clearing the transaction. A clearing-only, non-regulatory report cannot be used to satisfy any regulatory reporting requirement under FINRA rules that may apply to the transaction, e.g., the identification of other members for agency or riskless principal transactions under Rule 6282(d). As such, submission of a clearing-only, non-regulatory report constitutes certification by the member that it has satisfied all applicable regulatory reporting requirements under FINRA rules relating to the transaction through the submission of other reports (tape or non-tape, non-clearing) to the System.

(B) Members that submit a clearing-only, non-regulatory report must use the unique indicator specified by FINRA to denote that the report is submitted solely for purposes of clearing the transaction and not for purposes of satisfying any regulatory reporting requirements.

(C) Except where otherwise expressly provided under FINRA rules, information contained in a clearing-only, non-regulatory report must be consistent with information in any other report submitted to the System for the same transaction.

(h) Inclusion of Transaction Fees in Clearing Reports Submitted to the System

FINRA members may agree in advance to transfer a transaction fee charged by one member to another member on a transaction reported to the System through the submission of a clearing report to the System. Such report, inclusive of the transaction fee, will be submitted to the National Securities Clearing Corporation for processing. To facilitate the transfer of the transaction fee, the report submitted to the System shall provide, in addition to all other information required to be submitted by any other rule, pricing information to indicate a total per share or contract price amount, inclusive of the transaction fee. Prior to submitting any such report, both members and their respective clearing firms, as applicable, must have executed an agreement, as specified by FINRA, permitting the facilitation of the transfer of the transaction fee through the System, as well as any other applicable agreement, such as a give up agreement pursuant to Rule 6282(h), and submitted the executed agreement(s) to FINRA Market Operations. Such agreement(s) are considered member records for purposes of Rule 4511 and must be made and preserved by both members in conformity with applicable FINRA rules. Nothing in this paragraph shall relieve a member from its obligations under FINRA rules and the federal securities laws, including but not limited to, Rule 2232 and SEA Rule 10b-10.

Example:

SELL 100 shares to another member at 10 plus a transaction fee of .01 per share;

REPORT 100 shares at 10 (the per share price exclusive of the transaction fee) to the System for publication and also report pricing information to indicate a 10.01 per share price inclusive of the transaction fee for purposes of clearance and settlement through the National Securities Clearing Corporation.

• • • Supplementary Material: —·——

.01 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-2015-035 eff. Feb. 1, 2016.
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-2013-053 eff. Feb. 3, 2014.
Amended by SR-FINRA-2013-013 eff. Nov. 4, 2013.
Amended by SR-FINRA-2011-061 eff. Oct. 14, 2011.
Amended by SR-FINRA-2009-061 eff. Nov. 1, 2010.
Amended by SR-FINRA-2007-012 eff. May 3, 2010.
Amended by SR-FINRA-2009-027 eff. Aug. 3, 2009.
Amended by SR-FINRA-2009-024 eff. May 4, 2009.
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-2006-055 eff. Dec. 1, 2006.
Amended by SR-NASD-2005-087 eff. Aug. 1, 2006.
Adopted by SR-NASD-2002-97 eff. July 29, 2002.

Selected Notices: 06-39, 07-33, 07-38, 07-63, 08-57, 09-21, 09-54, 10-24, 13-19, 14-21, 15-51, 20-41, 21-21.

VERSIONS

Nov 15, 2021 onwards

FINra.

7140. Trade Report Processing

(a) Locked-in trades may be determined in the System through one of the following methods:

(1) Trade by Trade Match

Both parties to the trade submit transaction data and the System performs an on-line match;

(2) Trade Acceptance

The Reporting Party enters its version of the trade into the system and the contra party reviews the trade report and accepts or declines the trade. An acceptance results in a locked-in trade. A declined trade report will be carried over at the end of trade date processing and will remain in the System, but will not be subject to the automatic lock-in process. A declined trade must be cancelled by the Reporting Party pursuant to Rule 6282(g) if the trade was originally reported to the System for dissemination purposes.

(3) Automatic Lock-in

Any trade that remains open (i.e. unmatched or unaccepted) at the end of its entry day will be carried over for continued comparison and reconciliation. The System will automatically lock in and submit to DTCC as such any carried-over T to T+21 (calendar day) trade if it remains open as of 2:30 p.m. on the next business day. The System will carry over any T+22 (calendar day) or older "as/of" trade that remains open, but such trade will not be subject to the automatic lock-in process.

(b) T+N Trade Processing

T+N (or "as/of") entries may be submitted until 6:30 p.m. each business day. "As/of" reports of trades executed on non-business days and T+365 or greater trades will not be submitted to clearing by the System.

Amended by SR-FINRA-2013-050 eff. July 13, 2015.
Amended by SR-FINRA-2013-053 eff. Feb. 3, 2014.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Amended by SR-NASD-2005-087 eff. Aug. 1, 2006.

Selected Notice: 08-57.

VERSIONS

Jul 13, 2015 onwards

7150. Obligation to Honor Trades

If a Participant is reported by the System as a party to a trade that has been treated as locked-in and sent to DTCC, notwithstanding any other agreement to the contrary, that party shall be obligated to act as a principal to the trade and shall honor such trade on the scheduled settlement date.

Amended by SR-FINRA-2013-053 eff. Feb. 3, 2014.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Adopted by SR-NASD-2002-97 eff. July 29, 2002.

Selected Notice: 08-57.

VERSIONS

Feb 03, 2014 onwards

7160. Audit Trail Requirements

The data elements specified in Rule 7130(d) are critical to FINRA's compilation of a transaction audit trail for regulatory purposes. As such, all member firms using the trade reporting service of the System have an ongoing obligation to input such information accurately and completely.

Amended by SR-FINRA-2013-053 eff. Feb. 3, 2014.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Adopted by SR-NASD-2002-97 eff. July 29, 2002.

Selected Notice: 08-57.

VERSIONS

Feb 03, 2014 onwards

FINra.

7170. Violation of Reporting Rules

Failure of a Participant or person associated with a Participant to comply with any of the rules or requirements of the System may be considered conduct inconsistent with high standards of commercial honor and just and equitable principles of trade, in violation of Rule 2010.

Adopted by SR-FINRA-2013-053 eff. Feb. 3, 2014.

7180. Termination of Access

FINRA may, upon notice, terminate access to the trade reporting service of the System as to a Participant in the event that a Participant fails to abide by any of the rules or operating procedures of the trade reporting service of the System 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 trade reporting service of the System.

Amended by SR-FINRA-2015-034 eff. Dec. 20, 2015.
Amended by SR-FINRA-2013-053 eff. Feb. 3, 2014.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Adopted by SR-NASD-2002-97 eff. July 29, 2002.

Selected Notices: 08-57, 16-04.

VERSIONS

Dec 20, 2015 onwards

7200A. FINRA/NASDAQ TRADE REPORTING FACILITIES

There are two FINRA/Nasdaq Trade Reporting Facilities: FINRA/Nasdaq Trade Reporting Facility Carteret and FINRA/Nasdaq Trade Reporting Facility Chicago. As used in the Rule 7200A Series, the term "FINRA/Nasdaq Trade Reporting Facility" means either the FINRA/Nasdaq Trade Reporting Facility Carteret or FINRA/Nasdaq Trade Reporting Facility Chicago, as applicable, depending on the facility to which the Participant elects to report. The two FINRA/Nasdaq Trade Reporting Facilities are separate and distinct facilities, and as such, for example, the correction, cancellation or reversal of a trade can only be reported to the FINRA/Nasdaq Trade Reporting Facility to which the trade was originally reported.

The forms of agreements required under the Rule 7200A Series, including the Participant Application Agreements required under Rule 7220A and the agreement to include transaction fees in clearing reports required under Rule 7230A(h), shall be identical for both FINRA/Nasdaq Trade Reporting Facilities and a single agreement can be used for purposes of both FINRA/Nasdaq Trade Reporting Facilities. Members that elect to participate in both FINRA/Nasdaq Trade Reporting Facilities must provide written notice to the FINRA/Nasdaq Trade Reporting Facility and FINRA of such election, in the form prescribed by FINRA, and amend any existing agreements under the Rule 7200A Series, to reflect their application to both Facilities.

Any determinations made by FINRA to grant, deny, suspend, terminate, limit, prohibit, restore, or reinstate access to or participation in one of the FINRA/Nasdaq Trade Reporting Facilities with respect to a Participant shall also apply to the other FINRA/Nasdaq Trade Reporting Facility with respect to that Participant.

Amended by SR-FINRA-2018-013 eff. Sept. 10, 2018.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Amended by SR-NASD-2006-104 eff. March 5, 2007.
Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006.

Selected Notice: 08-57.

VERSIONS

Sep 10, 2018 onwards

FINLA.

7210A. Definitions

(a) The term "Browse" shall mean the function that permits a Participant to review (or query) for trades in the System identifying the Participant as a party to the transaction, subject to the specific uses contained in the System Users Guide.

(b) The term "Clearing Broker-Dealer" or "Clearing Broker" shall mean the member firm that has been identified in the System as principal for clearing and settling a trade, whether for its own account or for a correspondent firm.

(c) The term "Correspondent Executing Broker-Dealer" or "Correspondent Executing Broker" shall mean the member firm that has been identified in the System as having a correspondent relationship with a clearing firm whereby it executes trades and the clearing function is the responsibility of the clearing firm.

(d) The term "Introducing Broker-Dealer" or "introducing broker" shall mean the member firm that has been identified in the System as a party to the transaction, but does not execute or clear trades.

(e) The terms "Participant," "Correspondent executing broker-dealer," "Correspondent executing broker," "Introducing broker-dealer," "Introducing broker," "Clearing broker-dealer," and "Clearing broker" shall also include, where appropriate, the Non-Member Clearing Organizations listed in Rule 7220A(a)(4) below and their qualifying members.

(f) The term "Parties to the Transaction" shall mean the executing brokers, Introducing Brokers and Clearing Brokers, if any.

(g) The term "Reportable Security" shall mean all designated securities as defined in Rule 6320A.

(h) The term "Reportable System Transaction" shall mean those transactions in Reportable Securities that are eligible to be submitted using the System pursuant to FINRA rules. The term also shall include transactions in Reportable Securities that are for less than one round lot.

(i) The term "Reporting Party" shall mean the Participant that is required to input the trade information, according to the requirements of the trade report input rules applicable to the System contained in Rule 7230A.

(j) The term "System" shall mean the FINRA/Nasdaq Trade Reporting Facility for purposes of trades in designated securities as defined in Rule 6320A.

(k) The term "Trade Reporting Participant" or "Participant" shall mean any member of FINRA in good standing that uses the System.

Amended by SR-FINRA-2008-011 eff. Aug. 3, 2009.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Amended by SR-NASD-2006-104 eff. March 5, 2007.
Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006.

Selected Notices: 08-57, 09-08.

VERSIONS

Aug 03, 2009 onwards

7220A. Trade Reporting Participation Requirements

(a) Mandatory Participation for Clearing Agency Members

(1) Participation in the System is mandatory for any member that has an obligation to report an over-the-counter transaction to FINRA, unless the member has an alternative electronic mechanism pursuant to FINRA rules for reporting and clearing such transaction. Such participation in the System shall include the reconciliation of all over the counter clearing agency eligible transactions.

(2) Participation in the System shall be conditioned upon the initial and continuing compliance with the following requirements:

(A) execution of, and continuing compliance with, a Participant Application Agreement;

(B) membership in, or maintenance of an effective clearing arrangement with a participant of, a clearing agency registered pursuant to the Exchange Act;

(C) compliance with all applicable rules and operating procedures of FINRA and the SEC;

(D) maintenance of the physical security of the equipment located on the premises of the participant to prevent unauthorized entry of information into the System; and

(E) acceptance and settlement of each trade that the System identifies as having been effected by such participant, or if settlement is to be made through a clearing member, guarantee or the acceptance and settlement of each System identified trade by the clearing member on the regularly scheduled settlement date.

(3) Participation in the System as a Clearing Broker shall be conditioned upon the Clearing Broker's initial and continuing compliance with the following requirements:

(A) execution of, and continuing compliance with, a Participant Application Agreement;

(B) membership in a clearing agency registered pursuant to the Exchange Act;

(C) compliance with all applicable rules and operating procedures of FINRA and the SEC;

(D) maintenance of the physical security of the equipment located on the premises of the Clearing Broker to prevent the unauthorized entry of information into the System; and

(E) acceptance and settlement of each trade that the System identifies as having been effected by itself or any of its correspondents on the regularly scheduled settlement date.

(4)(A) Upon compliance with the conditions specified in subparagraph (B) below, access to and participation in the System shall be granted to the following Non- Member Clearing Organizations:

(i) West Canada Clearing Corporation; and

(ii) The Canadian Depository for Securities.

(B) Non-Member Clearing Organization access to and participation in the System shall be conditioned upon the Organization's initial and continuing compliance with the following requirements:

(i) execution of and continuing compliance with a Non-Member Clearing Organization Participation Application Agreement;

(ii) a Non-Member Clearing Organization shall only have access to the System to operate as a service bureau for its members functioning as Reporting Order Entry Firms, Correspondent Executing Broker-Dealers, Correspondent Executing Brokers, Clearing Broker-Dealers, or Clearing Brokers, as those terms are defined in Rule 7210A;

(iii) registration as a clearing agency pursuant to the Exchange Act, membership in a clearing agency registered pursuant to the Exchange Act, or maintenance of an effective clearing arrangement with a registered clearing agency;

(iv) compliance with all applicable rules and operating procedures of FINRA and the SEC;

(v) maintenance of the physical security of the equipment located on the premises of the Non-Member Clearing Organization to prevent the unauthorized entry of information into the System; and

(vi) a Non-Member Clearing Organization may only participate in the System on behalf of its members who have:

a. executed a Non-Member Access Participant Application Agreement and

b. have been in continuing compliance with such agreement.

(C) A Non-Member Clearing Organization may permit its members functioning as Reporting Order Entry Firms to have direct access to the System, provided the member of the Non-Member Clearing Organization complies with the following requirements:

(i) execution of a Non-Member Participant Application Agreement;

(ii) membership in a Non-Member Clearing Organization listed in paragraph (a)(4)(A) above; and

(iii) compliance with paragraph (a)(3)(C) through (E) above.

(D) A Non-Member Clearing Organization may permit its members functioning as Clearing Brokers to have direct access to the System provided the member of the Non-Member Clearing Organization complies with the following requirements:

(i) execution of a Non-Member Participant Application Agreement;

(ii) membership in a Non-Member Clearing Organization listed in paragraph (a)(4)(A) above; and

(iii) compliance with paragraph (a)(3)(C) through (E) above.

(5) Each Participant shall be obligated to inform FINRA of non-compliance with any of the participation requirements set forth above.

(b) Participant Obligations

(1) Access

Upon execution and receipt by FINRA of the Participant Application Agreement, as applicable, a Participant may commence input and validation of trade information in Reportable Securities. Participants may access the service through computer interface or such other service as may be designated by FINRA during the hours of operation specified by FINRA. Prior to such input, all Participants, including those that have trade report information submitted by any third party, must obtain from the System a unique identifying Market Participant Symbol ("MPID"), and use that identifier for trade reporting and audit trail purposes.

(2) System Participant Obligations

(A) Participants shall commence participation in the System by initially contacting the System Operation Center to verify authorization for submitting trade data to the System for Reportable Securities.

(B) A Participant that is a self-clearing firm shall be obligated to accept and clear each trade that the System identifies as having been effected by that Participant.

(C) A Participant that is an Introducing Broker or a Correspondent Executing Broker shall identify its Clearing Broker when it becomes a Participant and notify the System Operation Center if its Clearing Broker is to be changed; this will necessitate execution of a revised Participant Application Agreement.

(D) If at any time a Participant fails to maintain a clearing arrangement, it shall be removed from the System until such time as a clearing arrangement is reestablished and notice of such arrangement, with an amended Reporting Participant Application Agreement, is filed with FINRA.

(3) Clearing Broker Obligations

(A) System Clearing Brokers shall be obligated to accept and clear as a party to the transaction each trade that the System identifies as having been effected by itself or any of its Correspondent Executing Brokers. Clearing Brokers may cease to act as principal for a Correspondent Executing Broker at any time provided that notification has been given to, received and acknowledged by the System Operation Center and affirmative action has been completed by the Center to remove the Clearing Broker from the System for that Correspondent Executing Broker. The Clearing Broker's obligation to accept and clear trades for its correspondents shall not cease prior to the completion of all of the steps detailed in this subparagraph (3).

(B) If at any time a System Clearing Broker fails to maintain a clearing arrangement, it shall be removed from the System until such time as a clearing arrangement is reestablished, and notice of such arrangement, with an amended Participant Application Agreement, is filed with FINRA.

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

Amended by SR-NASD-2006-108 eff. Nov. 27, 2006.

Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006.

Selected Notice: 08-57.

FINra.

7230A. Trade Report Input

(a) Reportable Transactions

Members shall comply with the Rule 7200A Series when reporting transactions to the System, including executions of less than one round lot if those executions are to be compared and locked-in. All trades that are reportable transactions will be processed pursuant to an effective transaction reporting plan. Trades that are not already locked-in trades will be compared and locked-in through the System.

(b) When and How Trade Reports are Submitted

Participants shall transmit trade reports to the System for transactions in Reportable Securities as soon as practicable but no later than 10 seconds after execution, or such other time period prescribed by rule, or shall use the Browse function to accept or decline trades within twenty (20) minutes after execution, according to the requirements of paragraph (c) of this Rule.

(c) Which Party Inputs Trade Reports

Participants shall, subject to the input requirements below, either input trade reports or use the Browse feature to accept or decline a trade within the applicable time-frames as specified in paragraph (b) of this Rule. Trade reports shall be submitted by the member as required by Rule 6380A(b).

(d) Trade Information To Be Input

The information listed below must be provided for each transaction that is reported to the System. Unless the contra side will have an opportunity to provide its own trade information, the Reporting Member is responsible for the complete and accurate submission of information for both sides of the trade.

(1) Security identification symbol of the eligible security (SECID);

(2) Number of shares;

(3) Unit price, excluding commissions, mark-ups or mark-downs;

(4) 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 on the report;

(5) A symbol indicating whether the party submitting the trade report represents the Reporting Member (denoted as the Executing Party or "EPID") side or the Non-Reporting Party (denoted as the Contra Party or "CPID") side;

(6) A symbol indicating whether the transaction is a buy, sell or cross, and if applicable, a symbol indicating that the transaction is a sell short or sell short exempt trade from the Reporting Member perspective or contra side perspective, irrespective of whether the contra side is a member, except the sell short or sell short exempt indicator is not required on any clearing-only, non-regulatory report submitted pursuant to Rule 7230A(i)(4);

(7) A symbol indicating whether the trade is as principal, riskless principal, or agent;

(8) Reporting side Clearing Broker (if other than normal Clearing Broker);

(9) Reporting side executing broker as "give-up" (if any);

(10) Contra side executing broker;

(11) Contra side introducing broker in case of "give-up" trade;

(12) Contra side Clearing Broker (if other than normal Clearing Broker).

(13) 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)).

(14) For any transaction for which the FINRA/Nasdaq Trade Reporting Facility is used to transfer a transaction fee between two FINRA members, the trade report must comply with the requirements of Rule 7230A(h).

(15) If applicable, a unique indicator specified by FINRA to denote a clearing-only, non-regulatory report in accordance with Rule 7230A(i)(4).

(e) Aggregation of Transaction Reports for Clearing Purposes Only

Individual executions of orders in a security at the same price and with the identical contra party may be aggregated into a single report and submitted to the System for purposes of clearing only; provided, however, that a Reporting Party may not withhold reporting a trade in anticipation of aggregating the transaction with other transactions.

(f) Reporting Cancelled and Reversed Trades

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

With the exception of trades cancelled by FINRA staff in accordance with the Rule 11890 Series, members shall report to the System the cancellation or reversal of any trade previously submitted to the System. The member responsible under FINRA rules for submitting the original trade report shall submit the cancellation or reversal report in accordance with the requirements set forth in paragraph (f)(2).

(2) Deadlines and Other Requirements for Reporting Cancelled and Reversed Trades

Members shall comply with deadlines and other requirements set forth in Rule 6380A for reporting cancelled and reversed trades.

(g) Reporting Certain Transactions for Purposes of Regulatory Transaction Fee Assessment

The following types of transactions that are assessed a regulatory transaction fee in accordance with Section 3 of Schedule A to the FINRA By-Laws shall be reported in the manner prescribed by FINRA to denote that they are submitted for regulatory purposes and not for dissemination. Transactions must be submitted to the System by 8:00 p.m. Eastern Time (or the end of the System reporting session that is in effect at that time). Transactions may be entered as clearing or non-clearing.

(1) Transactions where the buyer and seller have agreed to trade at a price substantially unrelated to the current market for the security, and consideration is given (away from the market sales);

(2) Transactions effected pursuant to the exercise of an OTC option; and

(3) Transfers 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. 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.

(h) Inclusion of Transaction Fees in Clearing Reports Submitted to the FINRA/Nasdaq Trade Reporting Facility

FINRA members may agree in advance to transfer a transaction fee charged by one member to another member on a transaction in NMS stocks, as defined in Rule 600(b)(47) of SEC Regulation NMS, effected otherwise than on an exchange through the submission of a clearing report to the FINRA/Nasdaq Trade Reporting Facility. Such report, inclusive of the transaction fee, will be submitted to the National Securities Clearing Corporation for processing. To facilitate the transfer of the transaction fee, the report submitted to the FINRA/Nasdaq Trade Reporting Facility shall provide, in addition to all other information required to be submitted by any other rule, a total per share or contract price amount, inclusive of the transaction fee. Prior to submitting any such report, both members and their respective clearing firms, as applicable, must have executed an agreement, as specified by FINRA, permitting the facilitation of the transfer of the transaction fee through the FINRA/Nasdaq Trade Reporting Facility, as well as any other applicable agreement, such as a give up agreement pursuant to Rule 6380A(h), and submitted the executed agreement(s) to the FINRA/Nasdaq Trade Reporting Facility. Such agreement(s) are considered member records for purposes of Rule 4511 and must be made and preserved by both members in conformity with applicable FINRA rules. Nothing in this paragraph shall relieve a member from its obligations under FINRA rules and the federal securities laws, including but not limited to, Rule 2232 and SEA Rule 10b-10.

Example:

SELL 100 shares to another member at 10 plus a transaction fee of .01 per share;

REPORT 100 shares at 10 (the per share price exclusive of the transaction fee) to the FINRA/Nasdaq Trade Reporting Facility for publication and also report 10.01 (the per share price inclusive of the transaction fee) for purposes of clearance and settlement through the National Securities Clearing Corporation.

(i) Submission of Non-Tape Reports Associated With Previously Executed Trades

(1) Members shall not submit to the System any non-tape report (either a non-tape, non-clearing report or a clearing-only report), including but not limited to reports of step-outs and reversals, associated with a previously executed trade that was not reported to the

System, unless such report is submitted, pursuant to Rule 6380A(d), to reflect the offsetting riskless portion of a riskless principal transaction.

(2) Where permitted by subparagraph (1) above, any non-tape report (either a non-tape, non-clearing report or a clearing-only report) associated with a previously executed trade(s) that was not reported to the System must identify the facility or market where the associated trade(s) was reported, as specified by FINRA. For any such report, members must retain and produce, upon request, documentation relating to the associated trade(s).

(3) Where permitted by subparagraph (1) above, if both parties are submitting a clearing-only report to effectuate a step-out, the member transferring out of the position must report a "step-out" and the member receiving the position must report a "step-in."

(4) Clearing-Only, Non-Regulatory Reports

(A) For a previously executed trade for which a tape report has been submitted to the System, or for the offsetting portion of a riskless principal or agency transaction for which a non-tape, non-clearing report has been submitted to the System, a member may submit a "clearing-only, non-regulatory report" to the System solely for purposes of clearing the transaction. A clearing-only, non-regulatory report cannot be used to satisfy any regulatory reporting requirement under FINRA rules that may apply to the transaction, e.g., the identification of other members for agency or riskless principal transactions under Rule 6380A(d). As such, submission of a clearing-only, non-regulatory report constitutes certification by the member that it has satisfied all applicable regulatory reporting requirements under FINRA rules relating to the transaction through the submission of other reports (tape or non-tape, non-clearing) to the System.

(B) Members that submit a clearing-only, non-regulatory report must use the unique indicator specified by FINRA to denote that the report is submitted solely for purposes of clearing the transaction and not for purposes of satisfying any regulatory reporting requirements.

(C) Except where otherwise expressly provided under FINRA rules, information contained in a clearing-only, non-regulatory report must be consistent with information in any other report submitted to the System for the same transaction.

• • • **Supplementary Material:** —–-——

.01 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-2015-035 eff. Feb. 1, 2016.
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-2011-065 eff. Dec. 5, 2011.
Amended by SR-FINRA-2011-061 eff. Oct. 14, 2011.
Amended by SR-FINRA-2011-024 eff. June 17, 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-2007-012 eff. May 3, 2010.
Amended by SR-FINRA-2010-002 eff. Feb. 15, 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-2008-021 eff. Dec. 15, 2008.
Amended by SR-FINRA-2007-017 eff. March 3, 2008.
Amended by SR-FINRA-2007-003 eff. Jan. 2, 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-2007-046 eff. July 9, 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-2006-129 eff. Dec. 1, 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, 07-31, 07-33, 07-38, 07-63, 08-57, 09-08, 09-21, 09-54, 10-24, 10-48, 13-19, 14-21, 15-51, 20-41, 21-21.

VERSIONS

Nov 15, 2021 onwards

FINRA.

7240A. Trade Report Processing

(a) Locked-in trades may be determined in the System by matching the trade information submitted by the Reporting Parties through one of the following methods:

(1) Trade by Trade Match

Both parties to the trade submit transaction data and the System performs an on-line match;

(2) Trade Acceptance

The Reporting Party enters its version of the trade into the System and the contra party reviews the trade report and accepts or declines the trade. An acceptance results in a locked-in trade. A declined trade report will be carried over at the end of trade date processing and will remain in the System, but will not be subject to the automatic lock-in process. A declined trade must be cancelled by the Reporting Party pursuant to Rule 6380A(g) if the trade was originally reported to the System for dissemination purposes.

(3) Automatic Lock-in

Any trade that remains open (i.e. unmatched or unaccepted) at the end of its entry day will be carried over for continued comparison and reconciliation. The System will automatically lock in and submit to DTCC as such any carried-over T to T+21 (calendar day) trade if it remains open as of 2:30 p.m. on the next business day. The System will carry over any T+22 (calendar day) or older "as/of" trade that remains open, but such trade will not be subject to the automatic lock-in process.

(b) T+N Trade Processing

T+N (or "as/of") entries may be submitted until 8:00 p.m. each business day. "As/of" reports of trades executed on non-business days and T+365 or greater trades will not be submitted to clearing by the System.

Amended by SR-FINRA-2013-050 and SR-FINRA-2015-008 eff. July 13, 2015.
Amended by SR-FINRA-2013-001 eff. Feb. 4, 2013.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006.

Selected Notice: 08-57.

VERSIONS

FINLa.

7250A. Obligation to Honor Trades

If a Participant is reported by the System as a party to a trade that has been treated as locked-in and sent to DTCC, notwithstanding any other agreement to the contrary, that party shall be obligated to act as a principal to the trade and shall honor such trade on the scheduled settlement date.

Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006.

Selected Notice: 08-57.

‹ 7240A. TRADE REPORT PROCESSING   UP   7260A. AUDIT TRAIL REQUIREMENTS ›

FINCA

7260A. Audit Trail Requirements

The data elements specified in Rule 7230A(d) are critical to FINRA's compilation of a transaction audit trail for regulatory purposes. As such, all member firms utilizing the trade reporting service of the System have an ongoing obligation to input 7230A(d) information accurately and completely.

Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006.

Selected Notice: 08-57.

FINГA.

7270A. Violation of Reporting Rules

Failure of a Participant or person associated with a Participant to comply with any of the rules or requirements of the System may be considered conduct inconsistent with high standards of commercial honor and just and equitable principles of trade, in violation of Rule 2010.

Amended by SR-FINRA-2008-057 eff. Dec. 15, 2008.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006.

Selected Notice: 08-57.

FINUA.

7280A. Termination of Access

FINRA may, upon notice, terminate access to the trade reporting service of the System as to a Participant in the event that a Participant fails to abide by any of the rules or operating procedures of the trade reporting service of the System 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 trade reporting service of the System. For avoidance of doubt, any determination by FINRA to terminate access to the services of one of the two FINRA/Nasdaq Trade Reporting Facilities with respect to a Participant will also terminate access to the services of the other FINRA/Nasdaq Trade Reporting Facility with respect to that Participant.

Amended by SR-FINRA-2018-013 eff. Sept. 10, 2018.
Amended by SR-FINRA-2015-034 eff. Dec. 20, 2015.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006.

Selected Notices: 08-57, 16-04.

‹ 7270A. VIOLATION OF REPORTING RULES   UP   7200B. FINRA/NYSE TRADE REPORTING FACILITY ›

VERSIONS

Sep 10, 2018 onwards

7210B. Definitions

(a) The term "Clearing Broker-Dealer" or "Clearing Broker" shall mean the member firm that has been identified in the System as principal for clearing and settling a trade, whether for its own account or for a correspondent firm.

(b) The term "Correspondent Executing Broker-Dealer" or "Correspondent Executing Broker" shall mean the member firm that has been identified in the System as having a correspondent relationship with a clearing firm whereby it executes trades and the clearing function is the responsibility of the clearing firm.

(c) The term "Introducing Broker-Dealer" or "Introducing Broker" shall mean the member firm that has been identified in the System as a party to the transaction, but does not execute or clear trades.

(d) The term "Parties to the Transaction" shall mean the executing brokers, Introducing Brokers and Clearing Brokers, if any.

(e) The term "Reportable Security" shall mean all designated securities as defined in Rule 6320B.

(f) The term "Reportable System Transaction" shall mean those transactions in Reportable Securities that are eligible to be submitted using the System pursuant to FINRA rules. The term also shall include transactions in Reportable Securities that are for less than one round lot.

(g) The term "Reporting Party" shall mean the Participant that is required to input the trade information, according to the requirements of the trade report input rules applicable to the System contained in Rule 7230B.

(h) The term "System" shall mean the FINRA/NYSE Trade Reporting Facility for purposes of trades in designated securities as defined in Rule 6320B.

(i) The term "Trade Reporting Participant" or "Participant" shall mean any member of FINRA in good standing that uses the System.

Amended by SR-FINRA-2008-011 eff. Aug. 3, 2009.
Renumbered from Rule 7210C 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 Notices: 08-57, 09-08.

VERSIONS

Aug 03, 2009 onwards

FINra.

7220B. Trade Reporting Participation Requirements

(a) Participation Requirements

(1) Only members of FINRA in good standing may participate in the FINRA/NYSE Trade Reporting Facility.

(2) Participation in the System shall be conditioned upon the initial and continuing compliance with the following requirements:

(A) execution of, and continuing compliance with, a Participant Application Agreement;

(B) membership in, or maintenance of an effective clearing arrangement with a participant of, a clearing agency registered pursuant to the Exchange Act;

(C) compliance with all applicable rules and operating procedures of FINRA and the SEC;

(D) maintenance of the physical security of the equipment located on the premises of the participant to prevent unauthorized entry of information into the System; and

(E) acceptance and settlement of each trade that the System identifies as having been effected by such participant, or if settlement is to be made through a clearing member, guarantee or the acceptance and settlement of each System identified trade by the clearing member on the regularly scheduled settlement date.

(3) Participation in the System as a Clearing Broker shall be conditioned upon the Clearing Broker's initial and continuing compliance with the following requirements:

(A) execution of, and continuing compliance with, a Participant Application Agreement;

(B) membership in a clearing agency registered pursuant to the Exchange Act;

(C) compliance with all applicable rules and operating procedures of FINRA and the SEC;

(D) maintenance of the physical security of the equipment located on the premises of the Clearing Broker to prevent the unauthorized entry of information into the System; and

(E) acceptance and settlement of each trade that the System identifies as having been effected by itself or any of its correspondents on the regularly scheduled settlement date.

(4) Each Participant shall be obligated to inform FINRA of non-compliance with any of the participation requirements set forth above.

(b) Participant Obligations

(1) Access

Upon execution and receipt by the FINRA/NYSE Trade Reporting Facility of a Participant Application Agreement, a Participant may commence input and validation of trade information in Reportable Securities. Participants may access the service through computer interface or such other service as may be designated by the FINRA/NYSE Trade Reporting Facility during the hours of operation specified by the FINRA/NYSE Trade Reporting Facility. Prior to such input, all Participants, including those that have trade report information submitted by any third party, must obtain from FINRA Operations a unique identifying Market Participant Symbol ("MPID"), and use that identifier for trade reporting and audit trail purposes.

(2) System Participant Obligations

(A) Participants shall commence participation in the System by initially contacting the System Operation Center to verify authorization for submitting trade data to the System for Reportable Securities.

(B) A Participant that is a self-clearing firm shall be obligated to accept and clear each trade that the System identifies as having been effected by that Participant.

(C) A Participant that is an Introducing Broker or a Correspondent Executing Broker shall identify its Clearing Broker when it becomes a Participant and notify the System Operation Center if its Clearing Broker is to be changed; this may necessitate execution of a revised Participant Application Agreement.

(D) If at any time a Participant fails to maintain a clearing arrangement, it shall be removed from the System until such time as a clearing arrangement is reestablished and notice of such arrangement, with an amended Participant Application Agreement, is filed, as applicable.

(3) Clearing Broker Obligations

(A) System Clearing Brokers shall be obligated to accept and clear as a party to the transaction each trade that the System identifies as having been effected by itself or any of its Correspondent Executing Brokers. Clearing Brokers may cease to act as principal for a Correspondent Executing Broker at any time provided that notification has been given to, received and acknowledged by the System Operation Center and affirmative action has been completed by the Center to remove the Clearing Broker from the System for that Correspondent Executing Broker. The Clearing Broker's obligation to accept and clear trades for its correspondents shall not cease prior to the completion of all of the steps detailed in this subparagraph (3).

(B) If at any time a System Clearing Broker fails to maintain a clearing arrangement, it shall be removed from the System until such time as a clearing arrangement is reestablished, and notice of such arrangement, with an amended Participant Application Agreement, is filed, as applicable.

Renumbered from Rule 7220C 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.

7230B. Trade Report Input

(a) Reportable Transactions

Members shall comply with the Rule 7200B Series when reporting transactions to the System, including executions of less than one round lot. All trades that are reportable transactions will be processed pursuant to an effective transaction reporting plan. Trades that are not already locked-in trades will not be accepted by the System. Members must use an alternative mechanism to report and clear these trades.

(b) When and How Trade Reports are Submitted

Participants shall transmit trade reports to the System for transactions in Reportable Securities as soon as practicable but no later than 10 seconds after execution, or such other time period prescribed by rule.

(c) Which Party Inputs Trade Reports

Participants shall, subject to the input requirements below, input trade reports. Trade reports shall be submitted by the member as required by Rule 6380B(b).

(d) Trade Information To Be Input

The information listed below must be provided for each transaction that is reported to the System. Unless the contra side will have an opportunity to provide its own trade information, the Reporting Member is responsible for the complete and accurate submission of information for both sides of the trade.

>   (1) Security Identification Symbol of the eligible security (SECID);

>   (2) Number of shares or bonds;

>   (3) Unit price, excluding commissions, mark-ups or mark-downs;

>   (4) 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 on the report;

>   (5) A symbol indicating whether the party submitting the trade report represents the Reporting Member (denoted as the Executing Party or "EPID") side or the Non-Reporting Party (denoted as the Contra Party or "CPID") side;

>   (6) A symbol indicating whether the transaction is a buy, sell or cross, and if applicable, a symbol indicating that the transaction is a sell short or sell short exempt trade from the Reporting Member perspective or contra side perspective, irrespective of whether the contra side is a member, except the sell short or sell short exempt indicator is not required on any clearing-only, non-regulatory report submitted pursuant to Rule 7230B(h)(4);

>   (7) A symbol indicating whether the trade is as principal, riskless principal, or agent;

>   (8) Reporting side Clearing Broker (if other than normal Clearing Broker);

>   (9) Reporting side executing broker in the case of a give up agreement, as defined in Rule 6380B(g);

>   (10) Contra side executing broker;

>   (11) Contra side Introducing Broker in the case of a give up agreement, as defined in Rule 6380B(g);

>   (12) Contra side Clearing Broker (if other than normal Clearing Broker); and

>   (13) 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)).

>   (14) For any transaction for which the FINRA/NYSE Trade Reporting Facility is used to transfer a transaction fee between two FINRA members, the trade report must comply with the requirements of Rule 7230B(i).