

6110. Trading Otherwise than on an Exchange

The Rule

Notices

(a) Members are required to report transactions in NMS stocks, as defined in Rule 600(b)(47) of SEC Regulation NMS, effected otherwise than on or through a national securities exchange to FINRA. For purposes of the Rule 6100 Series, "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.

(b) Trading Information for OTC Transactions in NMS Stocks Executed Outside of Alternative Trading Systems

(1) FINRA will publish on its public web site the Trading Information for each member with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b) on the following timeframes:

(A) no earlier than two weeks following the end of the Trading Information week, aggregate weekly Trading Information regarding NMS stocks in Tier 1 of the NMS Plan to Address Extraordinary Market Volatility;

(B) no earlier than four weeks following the end of the Trading Information week, aggregate weekly Trading Information regarding NMS stocks that are subject to FINRA trade reporting requirements and are not in Tier 1 of the NMS Plan to Address Extraordinary Market Volatility; and

(C) no earlier than one month following the end of the Trading Information month, aggregate volume totals across all NMS stocks.

(2) Published Trading Information will be presented on FINRA's web site as follows:

(A) Trading Information will be aggregated for all Market Participant Identifiers (MPIDs) used by a single member (excluding, if applicable, any MPIDs used by the member for reporting trades executed in its alternative trading system).

(B) Trading Information by security will be aggregated for members that have executed on average fewer than 200 transactions per day in the security during the applicable Trading Information period.

(3) FINRA will publish on its public web site monthly aggregate block trading statistics, with elements to be determined from time to time by FINRA in its discretion as stated in a Regulatory Notice or other equivalent publication, for each member with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b). For each member, such block trading statistics shall be aggregated for all MPIDs used by the member (excluding, if applicable, any MPIDs used by the member for reporting trades executed in its alternative trading system), be aggregated across all NMS stocks, be for a minimum time period of one month of trading, and be published no earlier than one month following the end of the month for which trading was aggregated.

(4) For purposes of this paragraph (b), "Trading Information" includes:

(A) the number of shares of an NMS stock executed by the member with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b) and reported to FINRA; and

(B) the number of trades in an NMS stock executed by the member with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b) and reported to FINRA.

"Trading Information" for purposes of this paragraph (b) shall not include any ATS Trading Information, as that term is defined in paragraph (c) (3).

(c) Trading Information for OTC Transactions in NMS Stocks Executed on Alternative Trading Systems

(1) FINRA will publish on its public web site the aggregate weekly ATS Trading Information for each ATS with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b) on the following timeframes:

(A) no earlier than two weeks following the end of the ATS Trading Information week, aggregate weekly ATS Trading Information regarding NMS stocks in Tier 1 of the NMS Plan to Address Extraordinary Market Volatility; and

(B) no earlier than four weeks following the end of the ATS Trading Information week, aggregate weekly ATS Trading Information regarding NMS stocks that are subject to FINRA trade reporting requirements and are not in Tier 1 of the NMS Plan to Address Extraordinary Market Volatility.

(2) FINRA will publish on its public web site monthly aggregate ATS block trading statistics, with elements to be determined from time to time by FINRA in its discretion as stated in a Regulatory Notice or other equivalent publication, for each ATS with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b). For each ATS, such block trading statistics shall be aggregated across all NMS stocks, be for a minimum time period of one month of trading, and be published no earlier than one month following the end of the month for which trading was aggregated.

(3) For purposes of this paragraph (c):

(A) "ATS" has the same meaning as the term "alternative trading system" as that term is defined in Rule 300 of SEC Regulation ATS; and

(B) "ATS Trading Information" includes:

(i) the number of shares of an NMS stock executed on an ATS with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b) and reported to FINRA; and

(ii) the number of trades in an NMS stock executed on an ATS with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b) and reported to FINRA.

Amended by SR-FINRA-2019-019 eff. Dec. 2, 2019.
Amended by SR-FINRA-2016-002 eff. Oct. 3, 2016.
Amended by SR-FINRA-2015-020 and SR-FINRA-2016-002 eff, Apr. 2, 2016.
Amended by SR-FINRA-2016-002 eff. Feb. 9, 2016.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Amended by SR-NASD-2005-087 eff. Aug. 1, 2006.

Selected Notices: 08-57, 15-48, 16-14, 19-29.

VERSIONS

Dec 02, 2019 onwards



6120. Trading Halts

(a) Authority to Initiate Halts In Trading Otherwise Than on an Exchange in NMS Stocks

FINRA, pursuant to the procedures set forth in paragraph (b):

(1) shall halt trading otherwise than on an exchange in any NMS stock, as defined in Rule 600(b)(47) of SEC Regulation NMS, whenever any market that has the authority to call a regulatory halt in the security imposes a trading halt, or suspends the listing, to:

- (A) permit dissemination of material news;
- (B) obtain information from the issuer relating to material news;
- (C) obtain information relating to the issuer's ability to meet listing qualification requirements; or
- (D) obtain any other information that is necessary to protect investors and the public interest.

(2) shall halt trading otherwise than on an exchange in any NMS stock when:

(A) extraordinary market activity in the security is occurring, such as the execution of a series of transactions for a significant dollar value at prices substantially unrelated to the current market for the security, as measured by the national best bid and offer, and

(B) FINRA determines that such extraordinary market activity is likely to have a material effect on the market for the security; and

(C)(i) FINRA determines that such extraordinary market activity is caused by the misuse or malfunction of an electronic quotation, communication, reporting, or execution system operated by, or linked to, FINRA; or

(ii) After consultation with a national securities exchange trading the security, FINRA determines that such extraordinary market activity is caused by the misuse or malfunction of an electronic quotation, communication, reporting, or execution system operated by, or linked to, such other national securities exchange.

(3) shall close the Alternative Display Facility (ADF) or any Trade Reporting Facility (TRF) to quotation and/or trade reporting activity, as applicable, whenever the ADF or such TRF is unable to transmit real-time trade reporting information to the applicable Securities Information Processor. If the ADF or any TRF closes trading pursuant to this subparagraph (3), members would not be prohibited from trading through other markets for which trading is not halted.

Members shall promptly notify FINRA whenever they have knowledge of any matter related to an NMS stock or the issuer thereof that has not been adequately disclosed to the public or where they have knowledge of a regulatory problem relating to such security.

(b) Commencement and Termination of a Trading Halt

(1) In the event FINRA determines that a basis exists under this Rule 6120 to initiate a trading halt or close the ADF or any TRF, the commencement of the trading halt or closure will be effective simultaneously with appropriate notice.

(2) Trading shall resume upon appropriate notice that a trading halt or closure is no longer in effect.

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

Selected Notice: 08-57.

©2022 FINRA. All Rights Reserved.

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



6121. Trading Halts Due to Extraordinary Market Volatility

The Rule

Notices

Pursuant to the procedures set forth in [Rule 6120\(b\)](#), FINRA shall halt all trading otherwise than on an exchange in any NMS stock, as defined in [Rule 600\(b\)\(55\)](#) of SEC Regulation NMS, if other major securities markets initiate market-wide trading halts in response to their rules or extraordinary market conditions or if otherwise directed by the SEC. Members must halt quoting and trading otherwise than on an exchange in any NMS stock as of the time the market-wide trading halt is publicly disseminated.

••• Supplementary Material: -----

.01 Resumption of Trading in Securities Subject to the Regulation NMS Plan to Address Extraordinary Market Volatility

The Regulation NMS Plan to Address Extraordinary Market Volatility (Plan) sets forth the circumstances under which the Primary Listing Exchange shall declare a Trading Pause for an NMS Stock. The Plan expressly provides that no trades in an NMS Stock shall occur during a Trading Pause. The Plan also sets forth the circumstances under which trading in an NMS Stock can resume after a Trading Pause.

(a) A member may not resume trading otherwise than on an exchange following a Trading Pause or Regulatory Halt in an NMS Stock that is subject to the Plan unless trading has commenced on the Primary Listing Exchange and either:

(1) the member has received the Price Bands from the Processor; or

(2) if the Processor has not yet disseminated Price Bands, but a Reference Price is available, the member calculates and applies Price Bands based on the same Reference Price that the Processor would use for calculating such Price Bands until such member receives Price Bands from the Processor, consistent with Section V(A)(1) of the Plan.

(b) Notwithstanding paragraph (a) above, a member may resume trading otherwise than on an exchange in such NMS Stock if the Primary Listing Exchange notifies the Processor that it is unable to reopen an NMS Stock due to a systems or technology issue, or if the Primary Listing Exchange reopens trading with a quotation that has a zero bid or zero offer, or both, and:

(1) the member has received the Price Bands from the Processor; and

(2) trading has commenced on at least one other national securities exchange.

(c) For purposes of this Supplementary Material .01, the following terms shall have the meanings as set forth in the Regulation NMS Plan to Address Extraordinary Market Volatility: "NMS Stock," "Price Bands," "Primary Listing Exchange," "Processor," "Regulatory Halt," "Reference Price" and "Trading Pause."

.02 Market-wide Circuit Breakers in NMS Stocks

(a) In the event of a Level 1, Level 2 or Level 3 Market Decline, as determined by a primary listing market and publicly disseminated, FINRA shall halt trading otherwise than on an exchange in all NMS stocks and shall not permit the resumption of trading for the time periods specified by the primary listing market, except as otherwise provided below.

(b) For purposes of this Rule, a Market Decline means a decline in the value of the S&P 500® Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing value of the S&P 500® Index for the immediately preceding trading day.

(c) (1) If trading is halted in all NMS stocks for a Level 1 or a Level 2 Market Decline, FINRA will halt trading otherwise than on an exchange in all NMS stocks until trading has resumed on the primary listing market. If, however, the primary listing market does not reopen a security within 15 minutes following the end of the 15-minute halt period, FINRA may permit the resumption of trading otherwise than on an exchange in that security if trading in the security has commenced on at least one other national securities exchange.

(2) If a Level 3 Market Decline occurs at any time during the trading day, FINRA shall halt trading otherwise than on an exchange in all NMS stocks for the remainder of the trading day.

(d) Market-Wide Circuit Breaker ("MWCB") Testing.

(1) FINRA will participate in all industry-wide tests of the MWCB mechanism. Members designated pursuant to Rule 4380 with respect to a FINRA Trade Reporting Facility (TRF) or the Alternative Display Facility (ADF) to participate in FINRA's periodic, scheduled testing of their

business continuity and disaster recovery (BC/DR) plans are required to participate in at least one industry-wide MWCB test each year and to verify their participation in that test by attesting that they are able to or have attempted to:

- (A) receive and process MWCB halt messages from the securities information processors (“SIPs”);
- (B) receive and process resume messages from the SIPs following a MWCB halt;
- (C) receive and process market data from the SIPs relevant to MWCB halts; and
- (D) send quotes, trades or both, as applicable, to the facility or facilities for which the member has been designated pursuant to Rule 4380 following a Level 1 or Level 2 MWCB halt in a manner consistent with their usual trading behavior.

(2) To the extent that a member participating in a MWCB test is unable to receive and process any of the messages identified in paragraph (d)(1)(A) through (D) of this Supplementary Material .02, its attestation should notify FINRA which messages it was unable to process and, if known, why.

(3) Members not designated pursuant to Rule 4380 are permitted to participate in any MWCB test.

(e) In the event that a halt is triggered under this Supplementary Material .02 following a Level 1, Level 2, or Level 3 Market Decline, FINRA, together with other SROs and industry representatives (the “MWCB Working Group”), will review such event. The MWCB Working Group will prepare a report that documents its analysis and recommendations and will provide that report to the SEC within six months of the event.

(f) In the event that there is (1) a Market Decline of more than five percent, or (2) an SRO implements a rule that changes its reopening process following a MWCB Halt, FINRA, together with the MWCB Working Group, will review such event and consider whether any modifications should be made to this Supplementary Material .02. If the MWCB Working Group recommends that a modification should be made to this Supplementary Material .02, the MWCB Working Group will prepare a report that documents its analysis and recommendations and provide that report to the SEC.

Amended by SR-FINRA-2022-010 eff. Apr. 12, 2022.
Amended by SR-FINRA-2022-005 eff. Mar. 10, 2022.
Amended by SR-FINRA-2021-027 eff. Oct. 7, 2021.
Amended by SR-FINRA-2020-033 eff. Oct. 8, 2020
Amended by SR-FINRA-2020-009 eff. Mar. 20, 2020
Amended by SR-FINRA-2019-023 eff. Sept. 19, 2019
Amended by SR-FINRA-2019-013 eff. Apr. 11, 2019.
Amended by SR-FINRA-2019-010 eff. Apr. 5, 2019.
Amended by SR-FINRA-2017-031 eff. Nov. 20, 2017.
Amended by SR-FINRA-2016-028 and SR-FINRA-2016-034 eff. Oct. 24, 2016.
Amended by SR-FINRA-2013-016 eff. Apr. 8, 2013.
Amended by SR-FINRA-2011-054 and SR-FINRA-2013-011 eff. Apr. 8, 2013.
Amended by SR-FINRA-2013-010 eff. Feb. 1, 2013.
Amended by SR-FINRA-2012-037 eff. July 23, 2012.
Amended by SR-FINRA-2012-006 eff. Jan. 24, 2012.
Amended by SR-FINRA-2011-068 eff. Nov. 21, 2011.
Amended by SR-FINRA-2011-023 eff. Aug. 8, 2011.
Amended by SR-FINRA-2011-038 eff. Aug. 5, 2011.
Amended by SR-FINRA-2011-015 eff. Mar. 30, 2011.
Amended by SR-FINRA-2010-064 eff. Dec. 7, 2010.
Amended by SR-FINRA-2010-033 eff. Sept. 14, 2010.
Amended by SR-FINRA-2010-025 eff. June 10, 2010.
Adopted by SR-FINRA-2008-048 eff. Oct. 7, 2008.

Selected Notices: [10-30](#), [10-43](#), [13-12](#), [16-26](#).

VERSIONS

Apr 12, 2022 onwards

**Accessed from <http://www.finra.org>. ©2022 FINRA. All rights reserved.
FINRA is a registered trademark of the Financial Industry Regulatory Authority, Inc.
Reprinted with permission from FINRA. Version date May 10, 2022.**

©2022 FINRA. All Rights Reserved.

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



6130. Transactions Related to Initial Public Offerings

The Rule

Notices

(a) No member or person associated with a member shall execute or cause to be executed, directly or indirectly, a transaction otherwise than on an exchange in a security subject to an initial public offering until such security has first opened for trading on the national securities exchange listing the security, as indicated by the dissemination of an opening transaction in the security by the listing exchange.

(b) A security is subject to an "initial public offering" for purposes of paragraph (a) of this Rule if:

(1) the offering of the security is registered under the Securities Act; and

(2) the issuer of the security, immediately prior to filing the registration statement with respect to such offering, was not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act.

Amended by SR-FINRA-2011-024 eff. June 17, 2011.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Amended by SR-NASD-2006-087 eff. Aug. 1, 2006
Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006.

Selected Notice: 08-57.

VERSIONS

Jun 17, 2011 onwards

6140. Other Trading Practices

The Rule

Notices

(a) No member shall execute or cause to be executed or participate in an account for which there are executed purchases of any NMS stock as defined in Rule 600(b)(47) of SEC Regulation NMS ("designated security") at successively higher prices, or sales of any such security at successively lower prices, for the purpose of creating or inducing a false, misleading or artificial appearance of activity in such security or for the purpose of unduly or improperly influencing the market price for such security or for the purpose of establishing a price which does not reflect the true state of the market in such security.

(b) No member shall, for the purpose of creating or inducing a false or misleading appearance of activity in a designated security or creating or inducing a false or misleading appearance with respect to the market in such security:

(1) execute any transaction in such security which involves no change in the beneficial ownership thereof; or

(2) enter any order or orders for the purchase of such security with the knowledge that an order or orders of substantially the same size, and at substantially the same price, for the sale of any such security, has been or will be entered by or for the same or different parties; or

(3) enter any order or orders for the sale of any such security with the knowledge that an order or orders of substantially the same size, and at substantially the same price, for the purchase of such security, has been or will be entered by or for the same or different parties.

(c) No member shall execute purchases or sales of any designated security for any account in which such member is directly or indirectly interested, which purchases or sales are excessive in view of the member's financial resources or in view of the market for such security.

(d) No member shall participate or have any interest, directly or indirectly, in the profits of a manipulative operation or knowingly manage or finance a manipulative operation.

(1) Any pool, syndicate or joint account organized or used intentionally for the purpose of unfairly influencing the market price of a designated security shall be deemed to be a manipulative operation.

(2) The solicitation of subscriptions to or the acceptance of discretionary orders from any such pool, syndicate or joint account shall be deemed to be managing a manipulative operation.

(3) The carrying on margin of a position in such securities or the advancing of credit through loans to any such pool, syndicate or joint account shall be deemed to be financing a manipulative operation.

(e) No member shall make any statement or circulate and disseminate any information concerning any designated security which such member knows or has reasonable grounds for believing is false or misleading or would improperly influence the market price of such security.

(f) No member or person associated with a member shall, directly or indirectly, hold any interest or participation in any joint account for buying or selling a designated security, unless such joint account is promptly reported to FINRA. The report should contain the following information for each account:

(1) Name of the account, with names of all participants and their respective interests in profits and losses;

(2) a statement regarding the purpose of the account;

(3) name of the member carrying and clearing the account; and

(4) a copy of any written agreement or instrument relating to the account.

(g) No member shall offer that a transaction or transactions to buy or sell a designated security will influence the closing transaction in that security.

Amended by SR-FINRA-2012-026 and SR-FINRA-2013-004 eff. March 4, 2013.

Amended by SR-FINRA-2012-027 eff. July 9, 2012.

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

Adopted by SR-NASD-2006-104 eff. Feb. 12, 2007.

Selected Notice: 08-57, 12-50.

[← 6130. TRANSACTIONS RELATED TO INITIAL PUBLIC OFFERINGS](#)

[UP](#)

[6150. OBLIGATION TO PROVIDE INFORMATION →](#)

VERSIONS

Mar 04, 2013 onwards

©2022 FINRA. All Rights Reserved.

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



6150. Obligation to Provide Information

(a) A FINRA member operating in or participating in any FINRA system or facility shall provide information orally, in writing, or electronically (if such information is, or is required to be, maintained in electronic form) to the staff of FINRA when FINRA staff makes an oral, written or electronically communicated request for information relating to a specific FINRA rule, SEC rule, or provision of a joint industry plan (e.g., UTP, CTA and CQA) (as promulgated and amended from time to time).

(b) A failure to comply in a timely, truthful and/or complete manner with a request for information made pursuant to this Rule may be deemed conduct inconsistent with just and equitable principles of trade.

Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Adopted by SR-NASD-2006-104 eff. Feb. 12, 2007.

Selected Notice: 08-57.



6160. Multiple MPIDs for Trade Reporting Facility Participants

The Rule

Notices

(a) Any Trade Reporting Facility Participant that is required to obtain, or otherwise wishes to use, more than one Market Participant Symbol ("MPID") for purposes of reporting trades to a Trade Reporting Facility must submit a written request, in the form required by FINRA, to, and obtain approval from, FINRA Market Operations for such additional MPID(s).

(b) A Trade Reporting Facility Participant that posts a quotation on a FINRA system and reports to that FINRA system or another FINRA system a trade resulting from such posted quotation must utilize the same MPID for reporting purposes (e.g., a member that is both a Trade Reporting Facility Participant and a Registered Reporting ADF ECN must use the same MPID when reporting a trade that resulted from its posted quotation on ADF).

(c) Except as set forth in paragraph (d), a Trade Reporting Facility Participant that operates an alternative trading system ("ATS"), as that term is defined in Rule 300 of SEC Regulation ATS, must obtain a single, separate MPID for each such ATS designated for exclusive use for reporting each ATS's transactions. The member must use such separate MPID to report all transactions executed within the ATS to a Trade Reporting Facility (or Facilities), except if the member is submitting a clearing-only, non-regulatory report pursuant to Rule 7230A(i)(4) or 7230B(h)(4). The member shall not use such separate MPID to report any transaction that is not executed within the ATS. Any member that operates multiple ATSs must obtain a separate MPID for each ATS. Members must have policies and procedures in place to ensure that trades reported with a separate MPID obtained under this paragraph are restricted to trades executed within the ATS.

(d) An ATS is permitted to use two separate MPIDs only if one MPID is used exclusively for reporting transactions to TRACE and the other MPID is used exclusively for reporting transactions to the equity trade reporting facilities (the Alternative Display Facility, the OTC Reporting Facility, the FINRA/Nasdaq TRF, or the FINRA/NYSE TRF).

••• Supplementary Material: -----

.01 FINRA considers the issuance of, and trade reporting with, multiple MPIDs to be a privilege and not a right. A Trade Reporting Facility Participant must identify the purpose(s) and system(s) for which the multiple MPIDs will be used. If FINRA determines that the use of multiple MPIDs is detrimental to the marketplace, or that a Trade Reporting Facility Participant is using one or more additional MPIDs improperly or for other than the purpose(s) identified by the Participant, FINRA staff retains full discretion to limit or withdraw its grant of the additional MPID(s) to such Trade Reporting Facility Participant for purposes of reporting trades to a Trade Reporting Facility.

.02 Any FINRA Trade Reporting Facility Business Member that chooses to publish aggregate daily trading volume for transactions executed within an ATS "dark pool" (defined for purposes of this Rule as an ATS that does not display quotations or subscribers' orders to any person or entity either internally within the ATS dark pool or externally beyond the ATS dark pool (other than employees of the ATS)) and reported to the Trade Reporting Facility will base such volume solely on transactions reported by the ATS dark pool for purposes of publication. The Business Member will prominently disclose that its web site may not reflect 100% of the volume for any given ATS dark pool and interested parties must consult all Business Members' web sites for purposes of obtaining an ATS dark pool's total volume.

A member's dark pool transaction data will not be included in the published volume unless the member affirmatively opts in to have its data included. A member operating an ATS dark pool must certify in writing to FINRA that (1) the member is affirmatively opting in for purposes of having its dark pool transaction data included in the published data and acknowledges that its data may be presented as an overall percentage volume only or may be broken down by security; (2) the member meets the definition of ATS dark pool above; and (3) the member has obtained a separate MPID that will be used exclusively for reporting all transactions executed within the ATS dark pool as required by paragraph (c) of this Rule.

Amended by SR-FINRA-2015-035 eff. Feb. 1, 2016.
Amended by SR-FINRA-2014-042 eff. Feb. 2, 2015.
Amended by SR-FINRA-2014-017 eff. Feb. 2, 2015.
Amended by SR-FINRA-2013-042 eff. Jan 17, 2014 and Feb. 2, 2015.
Amended by SR-FINRA-2013-008 eff. Jan. 25, 2013.
Amended by SR-FINRA-2011-074 eff. Jan. 27, 2012.
Amended by SR-FINRA-2011-003 eff. Jan. 28, 2011.
Amended by SR-FINRA-2010-001 eff. March 5, 2010.
Amended by SR-FINRA-2009-094 eff. Jan. 29, 2010.
Amended by SR-FINRA-2008-068 eff. Jan. 30, 2009.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Amended by SR-NASD-2008-003 eff. Jan. 25, 2008.
Amended by SR-NASD-2007-008 eff. Jan. 26, 2007.
Adopted by SR-NASD-2006-108 eff. Nov. 27, 2006.

Selected Notice: 08-57, 14-07, 15-51.

[← 6150. OBLIGATION TO PROVIDE INFORMATION](#)

[UP](#)

[6170. MULTIPLE MPIDS FOR ALTERNATIVE DISPLAY FACILITY PARTICIPANTS →](#)

VERSIONS

Feb 01, 2016 onwards



6170. Multiple MPIDs for Alternative Display Facility Participants

The Rule

Notices

(a) Terms used in this Rule 6170 shall have the same meaning as defined in Rule 6220.

(b) Any ADF participant that is required to obtain, or otherwise wishes to use, more than one Market Participant Identifier ("MPID") for purposes of displaying quotes/orders or reporting trades through the ADF must submit a written request, in the form required by FINRA, to, and obtain approval from, FINRA Market Operations for such additional MPID(s).

(c) An ADF Market Participant that posts a quotation on the ADF and reports a trade to the ADF or a Trade Reporting Facility resulting from such a posted quotation must utilize the same MPID for reporting purposes (e.g., Registered Reporting ADF ECNs must use the same MPID for ADF trade reporting as was used for ADF quotation posting).

(d) Except as set forth in paragraph (e), a member reporting trades to the ADF that operates an alternative trading system ("ATS"), as that term is defined in Rule 300 of SEC Regulation ATS, must obtain a single, separate MPID for each such ATS designated for exclusive use for reporting each ATS's transactions. The member must use such separate MPID to report all transactions executed within the ATS to the ADF, except if the member is submitting a clearing-only, non-regulatory report pursuant to Rule 7130(g)(4). The member shall not use such separate MPID to report any transaction that is not executed within the ATS. Any member that operates multiple ATSs must obtain a separate MPID for each ATS. Members must have policies and procedures in place to ensure that trades reported with a separate MPID obtained under this paragraph are restricted to trades executed within the ATS.

(e) An ATS is permitted to use two separate MPIDs only if one MPID is used exclusively for reporting transactions to TRACE and the other MPID is used exclusively for reporting transactions to the equity trade reporting facilities (the Alternative Display Facility, the OTC Reporting Facility, the FINRA/Nasdaq TRF, or the FINRA/NYSE TRF).

••• Supplementary Material: -----

.01 FINRA considers the issuance of, the display of, and the trade reporting with multiple MPIDs to be a privilege and not a right. An ADF participant must identify the purpose(s) and system(s) for which the multiple MPIDs will be used. If FINRA determines that the use of multiple MPIDs is detrimental to the marketplace, or that an ADF participant is using one or more additional MPIDs improperly or for other than the purpose(s) identified by the participant, FINRA staff retains full discretion to limit or withdraw its grant of the additional MPID(s) to such ADF participant for purposes of displaying quotes/orders or reporting trades through the ADF.

.02 Each of a Registered Reporting ADF ECN's MPIDs will be subject to the requirements of Rule 6279.

.03 If an ADF Market Participant no longer fulfills the conditions appurtenant to one of its MPIDs (e.g., by being placed into an unexcused withdrawal), it may not use another MPID for any purpose in that security.

Amended by SR-FINRA-2016-031 eff. Sep. 12, 2016.
Amended by SR-FINRA-2015-035 eff. Feb. 1, 2016.
Amended by SR-FINRA-2014-042 eff. Feb. 2, 2015.
Amended by SR-FINRA-2014-017 eff. Feb. 2, 2015.
Amended by SR-FINRA-2014-045 eff. Dec. 1, 2014.
Amended by SR-FINRA-2013-042 eff. Jan. 17, 2014 and Feb. 2, 2015.
Amended by SR-FINRA-2013-008 eff. Jan. 25, 2013.
Amended by SR-FINRA-2011-074 eff. Jan. 27, 2012.
Amended by SR-FINRA-2011-003 eff. Jan. 28, 2011.
Amended by SR-FINRA-2009-094 eff. Jan. 29, 2010.
Amended by SR-FINRA-2008-068 eff. Jan. 30, 2009.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Adopted by SR-NASD-2006-096 eff. Aug. 8, 2006.

Selected Notice: 08-57, 14-07, 15-51, 16-33.

VERSIONS

Sep 12, 2016 onwards

©2022 FINRA. All Rights Reserved.

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

6181. Timely Transaction Reporting

The Rule

Notices

FINRA emphasizes the obligations of members to report securities transactions within the required time period. All reportable transactions not reported within the required time period shall be marked late, and FINRA routinely monitors members' compliance with the reporting requirements. If FINRA finds a pattern or practice of unexcused late reporting, that is, repeated reports of executions submitted after the required time period without reasonable justification or exceptional circumstances, the member may be found to be in violation of Rule 2010. Exceptional circumstances will be determined on a case-by-case basis and may include instances of system failure by a member or service bureau, or unusual market conditions, such as extreme volatility in a security, or in the market as a whole. Timely reporting of all transactions is necessary and appropriate for the fair and orderly operation of the marketplace, and FINRA will view noncompliance as a rule violation.

Amended by SR-FINRA-2009-061 eff. Nov. 1, 2010.
Amended by SR-FINRA-2009-005 eff. Feb. 17, 2009.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006.

Selected Notice: 08-57, 10-24.

VERSIONS

Nov 01, 2010 onwards



6182. Trade Reporting of Short Sales

The Rule

Notices

Pursuant to applicable trade reporting rules, members must indicate on trade reports submitted to FINRA whether a transaction is a short sale or a short sale exempt transaction ("short sale reporting requirements"). The short sale reporting requirements apply to transactions in all NMS stocks, as defined in Rule 600(b)(47) of SEC Regulation NMS. Thus, all short sale transactions in these securities reported to FINRA must carry a "short sale" indicator (or a "short sale exempt" indicator if it is a short sale transaction in a "covered security" that may be marked "short exempt" pursuant to SEC Regulation SHO).

Amended by SR-FINRA-2010-058 eff. Feb. 28, 2011.
Amended by SR-FINRA-2010-043 eff. Feb. 28, 2011.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Amended by SR-NASD-2007-047 eff. July 6, 2007.
Amended by SR-NASD-2006-087 eff. Aug. 1, 2006
Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006

Selected Notices: 07-31, 08-57, 10-48.

◀ 6181. TIMELY TRANSACTION REPORTING

UP

6183. EXEMPTION FROM TRADE REPORTING OBLIGATION FOR CERTAIN
ALTERNATIVE TRADING SYSTEMS ▶

VERSIONS

Feb 28, 2011 onwards



6183. Exemption from Trade Reporting Obligation for Certain Alternative Trading Systems

(a) Pursuant to the Rule 9600 Series, the staff for good cause shown after taking into consideration all relevant factors, may exempt, upon application and subject to specified terms and conditions, a member alternative trading system ("ATS") from the trade reporting obligation under paragraph (b) of Rules 6282, 6380A and 6380B, if such exemption is consistent with the protection of investors and the public interest. The staff will grant an exemption only if all of the following criteria are satisfied:

- (1) Trades are between ATS subscribers that are both FINRA members.
- (2) The ATS demonstrates that:
 - (A) The member subscribers are fully disclosed to one another at all times on the ATS;
 - (B) The system does not permit automatic execution, and a member subscriber must take affirmative steps beyond the submission of an order to agree to a trade with another member subscriber;
 - (C) The trade does not pass through any ATS account, and the ATS does not in any way hold itself out to be a party to the trade; and
 - (D) The ATS does not exchange shares or funds on behalf of the member subscribers, take either side of the trade for clearing or settlement purposes, including, but not limited to, at DTC or otherwise, or in any other way insert itself into the trade.
- (3) The ATS and the member subscribers acknowledge and agree in writing that the ATS shall not be deemed a party to the trade for purposes of trade reporting and that trades shall be reported by the member subscriber that, as between the two member subscribers, would satisfy the definition of "executing party" under FINRA trade reporting rules.
- (4) The ATS agrees to provide to FINRA on a monthly basis, or such other basis as prescribed by FINRA, data relating to the volume of trades by security executed by the ATS's member subscribers using the ATS's system, and the ATS acknowledges that failure to report such data to FINRA, in addition to constituting a violation of FINRA rules, will result in revocation of any exemption granted pursuant to this Rule.
- (5) The ATS provides FINRA with a link to a public website that contains, at no charge and in a substantially similar format to ATS Trading Information published by FINRA pursuant to Rule 6110, its ATS Trading Information for NMS stocks on the following timeframes:
 - (A) no later than two weeks following the end of the ATS Trading Information week, ATS Trading Information regarding NMS stocks in Tier 1 of the NMS Plan to Address Extraordinary Market Volatility; and
 - (B) no later than four weeks following the end of the ATS Trading Information week, ATS Trading Information regarding NMS stocks that are subject to FINRA trade reporting requirements and are not in Tier 1 of the NMS Plan to Address Extraordinary Market Volatility.

(b) Where FINRA has granted an exemption under this Rule, trades shall be reported to FINRA by the member subscriber that, as between the two member subscribers, satisfies the definition of "executing party" under paragraph (b) of Rule 6282, 6380A or 6380B.

(c) Definitions

For purposes of this Rule, the term:

- (1) "NMS stock" has the same meaning as that term is defined in Rule 600(b)(47) of SEC Regulation NMS; and
- (2) "ATS Trading Information" means:
 - (A) the number of shares of each NMS stock executed within the ATS or executed by the ATS's member subscribers using the ATS's system; and
 - (B) the number of trades in each NMS stock executed within the ATS or executed by the ATS's member subscribers using the ATS's system.

Reprinted with permission from FINRA. Version date May 10, 2022.

.01 When calculating and posting the volume of securities traded and the number of trades pursuant to paragraph (a)(5), an ATS shall include only those trades executed by the ATS's member subscribers using the ATS's system. If two orders are crossed by the ATS, the volume shall include only the number of shares crossed as a single trade (e.g., crossing a buy order of 1,000 shares with a sell order of 1,000 shares would be calculated as a single trade of 1,000 shares of volume). In addition, to meet the "substantially similar format" requirement in paragraph (a)(5), the data must include the same data elements for the same timeframes, be accessible in the same manner as FINRA makes data available (e.g., downloadable), and include data for the same time periods (including current and historical data).

.02 For purposes of calculating and posting volume under paragraph (a)(5) of this Rule, a trade is considered to be executed within an ATS if the ATS (i) executes the trade; (ii) is considered the "executing party" to the trade under FINRA rules; or (iii) otherwise matches orders constituting the trade in a manner as contemplated by SEA Rule 3b-16 or SEC Regulation ATS. This would include, but not be limited to: any trade executed as a result of the ATS bringing together the purchaser and seller on or through its systems; any trade executed by the ATS's subscribers where the subscribers used the ATS to negotiate the trade, even if the ATS did not itself execute the trade; or any trade in which the ATS takes either side of a trade for clearing or settlement or in any other way inserts itself into a trade (e.g., exchanging securities or funds on behalf of one or both subscribers taking part in the trade). If an ATS routes an order to another member firm or other execution venue for handling or execution where that initial order matches against interest resident at the other venue, then the ATS would not be considered the executing party and would not include such volume for reporting purposes. A trade continues to be considered executed "within an ATS" for purposes of calculating and posting volume under this Rule, even if the ATS has been granted an exemption to its trade reporting obligations under the Rule.

Amended by SR-FINRA-2016-002 eff. Feb. 9, 2016.

Adopted by SR-FINRA-2011-051 eff. Nov. 4, 2011.

[← 6182. TRADE REPORTING OF SHORT SALES](#)

[UP](#)

[6184. TRANSACTIONS IN EXCHANGE-TRADED MANAGED FUND SHARES](#)

[\("NEXTSHARES"\) >](#)

VERSIONS

Feb 09, 2016 onwards



6184. Transactions in Exchange-Traded Managed Fund Shares ("NextShares")

(a) Members that effect secondary market transactions otherwise than on an exchange in exchange-traded managed fund shares or "NextShares," as defined under Nasdaq Rule 5745, must report such transactions to a FINRA/Nasdaq Trade Reporting Facility or the Alternative Display Facility in accordance with this Rule and the rules applicable to the trade reporting facility used by the reporting member. Such transactions cannot be reported to the FINRA/NYSE Trade Reporting Facility. As used in this Rule 6184, the term "FINRA/Nasdaq Trade Reporting Facility" means the FINRA/Nasdaq Trade Reporting Facility Carteret or the FINRA/Nasdaq Trade Reporting Facility Chicago, as applicable, depending on the facility to which the member elects to report.

(b) Reports of transactions in NextShares executed outside of Regular Market Session hours, in violation of Nasdaq Rule 5745, will be rejected by the FINRA trade reporting facility to which the trade report was submitted. "Regular Market Session" for purposes of this Rule shall have the meaning set forth under Nasdaq Rule 4120(b)(4).

(c) Except as otherwise provided in paragraph (d) of this Rule, members must use the "proxy price" format established by Nasdaq, and not the final trade price, on all reports of transactions in NextShares submitted to FINRA, including all tape and non-tape reports, intraday clearing reports, as/of reports and reports of reversals.

(d) Submission of Transactions in NextShares for Clearing

(1) Transactions in NextShares can only be designated for submission by FINRA to the National Securities Clearing Corporation ("NSCC") for clearance and settlement through the FINRA/Nasdaq Trade Reporting Facility. The Alternative Display Facility does not accept such transactions for clearing purposes. Members that do not clear through the FINRA/Nasdaq Trade Reporting Facility must have an alternative means of clearing (e.g., via direct Qualified Special Representative ("QSR") submission to NSCC) such transactions.

(2) Where a member submits a transaction in NextShares for submission by the FINRA/Nasdaq Trade Reporting Facility to NSCC, the following requirements apply:

(A) For each transaction, members must submit two clearing reports to the FINRA/Nasdaq Trade Reporting Facility. First, the member must submit a clearing report intraday in the proxy price format in accordance with paragraph (c) of this Rule. Second, following publication of the NextShares Fund's net asset value per share ("NAV"), the member must submit a separate "Clearing Copy" report in accordance with paragraph (d)(2)(B) to reflect the final NAV-based trade price.

(B) Reporting the Final NAV-Based Trade Price

(i) Members must submit a separate clearing-only report for the transaction (a "Clearing Copy" report) with the final NAV-based trade price before the close of the FINRA/Nasdaq Trade Reporting Facility on the same day as submission of the transaction in the proxy price format.

(ii) Clearing Copy reports should only be submitted to the FINRA/Nasdaq Trade Reporting Facility if the transaction was originally reported in the proxy price format to the FINRA/Nasdaq Trade Reporting Facility.

(iii) Multiple transactions reported in the proxy price format cannot be aggregated and submitted in a single Clearing Copy report.

(iv) Clearing Copy reports must contain (1) the unique indicator specified by FINRA to denote a Clearing Copy report; and (2) the control number of the original transaction report assigned by the FINRA/Nasdaq Trade Reporting Facility.

(v) Following submission of the Clearing Copy report, the member is not required to cancel the initial clearing submission for the transaction in the proxy price format.

(C) Clearing reports for the purpose of transferring a position related to a previously executed trade, such as step-outs, must reflect the final NAV-based trade price, if submitted after publication of the NAV. Such reports shall not be "Clearing Copy" reports, as described in paragraph (d)(2)(B).

.01 Proxy Price Format

As provided under Nasdaq Rule 5745, NextShares will trade at market-based premiums or discounts to the fund's next-determined NAV. Because the NAV is not determined until after the market closes, the final NAV-based trade price will not be known at the time of trade execution. Accordingly, pursuant to paragraph (c) of this Rule, when reporting transactions in NextShares to FINRA, members are required to use the "proxy price" format established by Nasdaq to reflect the trade price. In proxy price format, a NextShares Fund's next-determined NAV is represented as 100.00 and a premium or discount of a stated amount to the next-determined NAV is represented by the same increment or decrement from 100.00. For example, NAV-\$0.01 will be reported as 99.99 and NAV+\$0.01 will be reported as 100.01. The securities information processor will publicly disseminate trades in the proxy price format. Thus, all transactions reported to FINRA for publication purposes must reflect the trade price in the proxy price format, in accordance with paragraph (c) of this Rule, even if the final NAV-based trade price is known at the time of submission (e.g., trades reported on an as/of basis).

Transactions that are designated for submission by the FINRA/Nasdaq Trade Reporting Facility to NSCC must be reported for clearing purposes both intraday in the proxy price format (even if the final NAV-based trade price is known at the time of submission, e.g., trades reported on an as/of basis) and at the final NAV-based trade price. However, transactions will not be submitted by the FINRA/Nasdaq Trade Reporting Facility to NSCC in the proxy price format. Rather, the FINRA/Nasdaq Trade Reporting Facility will calculate the contract price of the trade based on the fund's last published Intraday Indicative Value ("IIV"), as defined under Nasdaq Rule 5745, and submit the transaction in real-time to NSCC for purposes of intraday risk management. Transactions will not clear and settle at the price reported in the proxy price format or the IIV-based price, but instead at the final NAV-based trade price submitted by the reporting member in accordance with paragraph (d)(2)(B) of this Rule.

.02 End of Day Processing

Members that clear transactions in NextShares directly at NSCC, e.g., via direct QSR submission, must ensure that they submit to NSCC all pricing information, including the IIV-based price on intraday submissions and the final NAV-based trade price after market close, in accordance with NSCC requirements; such information will not be provided to NSCC by FINRA.

Following publication of the NAV, the FINRA/Nasdaq Trade Reporting Facility will make available to market participants a daily file with the final NAV-based trade price for each transaction in NextShares reported during the trading day to the FINRA/Nasdaq Trade Reporting Facility for public dissemination purposes.

Amended by SR-FINRA-2018-013 eff. Sept. 10, 2018.
Amended by SR-FINRA-2016-012 eff. April 4, 2016.
Adopted by SR-FINRA-2015-043, eff. Feb. 26, 2016.

[← 6183. EXEMPTION FROM TRADE REPORTING OBLIGATION FOR CERTAIN ALTERNATIVE TRADING SYSTEMS](#)

[UP](#)

[6190. COMPLIANCE WITH REGULATION NMS PLAN TO ADDRESS EXTRAORDINARY MARKET VOLATILITY →](#)

VERSIONS

Sep 10, 2018 onwards

6190. Compliance with Regulation NMS Plan to Address Extraordinary Market Volatility

The Rule

Notices

A member that is a trading center in an NMS Stock shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the requirements of the Regulation NMS Plan to Address Extraordinary Market Volatility (Plan) and specifically to prevent:

- (a) the execution of trades at prices that are below the Lower Price Band or above the Upper Price Band for an NMS Stock, except as permitted under the Plan;
- (b) the display of offers below the Lower Price Band and bids above the Upper Price Band for an NMS Stock; and
- (c) the execution of trades in an NMS Stock during a Trading Pause; however, bids and offers may be displayed during a Trading Pause, as permitted under the Plan.

••• Supplementary Material: -----

.01 For purposes of this Rule, the following terms shall have the meanings as set forth in the Regulation NMS Plan to Address Extraordinary Market Volatility: "Lower Price Band," "NMS Stock," "trading center," "Trading Pause" and "Upper Price Band."

Amended by SR-FINRA-2019-013 eff. Apr. 11, 2019.

Adopted by SR-FINRA-2013-016 eff. April 8, 2013.

Selected Notice: 13-12.

VERSIONS

Apr 11, 2019 onwards

6191. Compliance with Regulation NMS Plan to Implement a Tick Size Pilot Program

(a) Compliance with Quoting and Trading Restrictions

(1) Member Compliance

Members shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the applicable quoting and trading requirements of the Plan.

(2) FINRA Compliance

FINRA systems will not display quotations in violation of the Plan and this Rule.

(3) Pilot Securities That Drop Below \$1.00 during the Pilot Period

If the price of a Pilot Security drops below \$1.00 during regular trading hours on any trading day, such Pilot Security will continue to be subject to the Plan and the requirements enumerated in subparagraphs (4) through (6) below and will continue to trade in accordance with such Rules. However, if the Closing Price of a Pilot Security on any given trading day is below \$1.00, such Pilot Security will be moved out of its Pilot Test Group into the Control Group, and may then be quoted and traded at any price increment that is currently permitted for the remainder of the Pilot Period. Notwithstanding anything contained herein to the contrary, at all times during the Pilot Period, Pilot Securities (whether in the Control Group or any Pilot Test Group) will continue to be subject to the requirements contained in Paragraph (b).

(4) Pilot Securities in Test Group One

No member may display, rank, or accept from any person any displayable or nondisplayable bids or offers, orders, or indications of interest in any Pilot Security in Test Group One in increments other than \$0.05. However, orders priced to execute at the midpoint of the national best bid and national best offer ("NBBO") or best protected bid and best protected offer ("PBBO") and orders entered in a Participant-operated retail liquidity program may be ranked and accepted in increments of less than \$0.05. Pilot Securities in Test Group One may continue to trade at any price increment that is currently permitted by applicable Participant, SEC and FINRA rules.

(5) Pilot Securities in Test Group Two

(A) No member may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in any Pilot Security in Test Group Two in increments other than \$0.05. However, orders priced to execute at the midpoint of the NBBO or PBBO and orders entered in a Participant-operated retail liquidity program may be ranked and accepted in increments of less than \$0.05.

(B) Absent any of the exceptions listed in subparagraph (5)(C) below, no member may execute orders in any Pilot Security in Test Group Two in price increments other than \$0.05. The \$0.05 trading increment will apply to all trades, including Brokered Cross Trades.

(C) Pilot Securities in Test Group Two may trade in increments less than \$0.05 under the following circumstances:

- (i) Trading may occur at the midpoint between the NBBO or the PBBO;
- (ii) Retail Investor Orders may be provided with price improvement that is at least \$0.005 better than the PBBO;
- (iii) Negotiated Trades may trade in increments less than \$0.05; and

(iv) Executions of a customer order to comply with FINRA Rule 5320 following the execution of a proprietary trade by the member at an increment other than \$0.05, where such proprietary trade was permissible pursuant to an exception under the Plan.

(6) Pilot Securities in Test Group Three

(A) No member may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in any Pilot Security in Test Group Three in increments other than \$0.05. However, orders priced to execute at the midpoint of the NBBO or PBBO and orders entered in a Participant-operated retail liquidity program may be ranked and accepted in increments of less than \$0.05.

(B) Absent any of the exceptions listed in subparagraph (6)(C) below, no member may execute orders in any Pilot Security in Test Group Three in price increments other than \$0.05. The \$0.05 trading increment will apply to all trades, including Brokered Cross Trades.

(C) Pilot Securities in Test Group Three may trade in increments less than \$0.05 under the following circumstances:

(i) Trading may occur at the midpoint between the NBBO or PBBO;

(ii) Retail Investor Orders may be provided with price improvement that is at least \$0.005 better than the PBBO;

(iii) Negotiated Trades may trade in increments less than \$0.05; and

(iv) Executions of a customer order to comply with FINRA Rule 5320 following the execution of a proprietary trade by the member at an increment other than \$0.05, where such proprietary trade was permissible pursuant to an exception under the Plan.

(i) Absent any of the exceptions listed in subparagraph (D)(ii) below, no member that operates a Trading Center may execute a sell order for a Pilot Security in Test Group Three at the price of a Protected Bid or execute a buy order for a Pilot Security in Test Group Three at the price of a Protected Offer during regular trading hours ("Trade-at Prohibition"). Under the Trade-at Prohibition, a member that operates a Trading Center that is displaying a quotation, via either a processor or an SRO quotation feed, that is at a price equal to the traded-at Protected Bid or Protected Offer is permitted to execute orders at that level, but only up to the amount of its displayed size. A member that operates a Trading Center that was not displaying a quotation at a price equal to the traded-at Protected Quotation, via either a processor or an SRO quotation feed, is prohibited from price-matching protected quotations unless an exception applies;

(ii) A member that operates a Trading Center may execute a sell order for a Pilot Security in Test Group Three at the price of a Protected Bid or execute a buy order for a Pilot Security in Test Group Three at the price of a Protected Offer under the following circumstances:

- a. The order is executed within the same independent aggregation unit of the member that operates the Trading Center that displayed the quotation via either a processor or an SRO Quotation Feed, to the extent such member uses independent aggregation units, at a price equal to the traded-at Protected Quotation that was displayed before the order was received, but only up to the full displayed size of that independent aggregation unit's previously displayed quote. A Trading Center that is displaying a quotation as agent or riskless principal may only execute as agent or riskless principal and a Trading Center displaying a quotation as principal (excluding riskless principal) may execute as principal, agent or riskless principal. "Independent aggregation unit" has the same meaning as provided under Rule 200(f) of SEC Regulation SHO;
- b. The order is of Block Size at the time of origin and may not be:
 1. An aggregation of non-block orders; or
 2. Broken into orders smaller than Block Size prior to submitting the order to a Trading Center for execution.
- c. The order is a Retail Investor Order executed with at least \$0.005 price improvement;
- d. The order is executed when the Trading Center displaying the Protected Quotation that was traded at was experiencing a failure, material delay, or malfunction of its systems or equipment;
- e. The order is executed as part of a transaction that was not a "regular way" contract;
- f. The order is executed as part of a single-priced opening, reopening, or closing transaction by the Trading Center;
- g. The order is executed when a Protected Bid was priced higher than a Protected Offer in the Pilot Security;
- h. The order is identified as a Trade-at Intermarket Sweep Order;
- i. The order is executed by a Trading Center that simultaneously routed Trade-at Intermarket Sweep Orders or Intermarket Sweep Orders to execute against the full displayed size of a Protected Quotation that was traded at;
- j. The order is executed as part of a Negotiated Trade;
- k. The order is executed when the Trading Center displaying the Protected Quotation that was traded at had displayed, within one second prior to execution of the transaction that constituted the Trade-at, a Best Protected Bid or Best Protected Offer, as applicable, for the Pilot Security with a price that was inferior to the price of the Trade-at transaction;
- l. The order is executed by a Trading Center which, at the time of order receipt, the Trading Center had guaranteed an execution at no worse than a specified price (a "stopped order"), where:
 1. The stopped order was for the account of a customer;
 2. The customer agreed to the specified price on an order-by-order basis; and
 3. The price of the Trade-at transaction was, for a stopped buy order, equal to or less than the National Best Bid in the Pilot Security at the time of execution or, for a stopped sell order, equal to or greater than the National Best Offer in the Pilot Security at the time of execution, as long as such order is priced at an acceptable increment; or
- m. The order is for a fractional share of a Pilot Security, provided that such fractional share order was not the result of breaking an order for one or more whole shares of a Pilot Security into orders for fractional shares or was not otherwise effected to evade the requirements of the Trade-at Prohibition or any other provisions of the Plan; or

n. The order is to correct a bona fide error, which is recorded by the Trading Center in its error account. A bona fide error is defined as:

1. The inaccurate conveyance or execution of any term of an order including, but not limited to, price, number of shares or other unit of trading; identification of the security; identification of the account for which securities are purchased or sold; lost or otherwise misplaced order tickets; short sales that were instead sold long or vice versa; or the execution of an order on the wrong side of a market;
2. The unauthorized or unintended purchase, sale, or allocation of securities, or the failure to follow specific client instructions;
3. The incorrect entry of data into relevant systems, including reliance on incorrect cash positions, withdrawals, or securities positions reflected in an account; or
4. A delay, outage, or failure of a communication system used to transmit market data prices or to facilitate the delivery or execution of an order.

(7) Operation of Certain Exceptions to Tick Size Pilot Program

(A) Retail Investor Order Exception.

(i) "Retail Investor Order" means an order that originates from a natural person, provided that, prior to submission, no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. A Retail Investor Order may be an odd lot, round lot, or partial round lot.

(ii) Any member that operates a Trading Center may execute against a Retail Investor Order otherwise than on an exchange to satisfy the Retail Investor Order exceptions to the Tick Size Pilot Program.

(iii) Any member for which FINRA is the Designated Examining Authority ("DEA") that operates a Trading Center and executes Retail Investor Orders must submit a signed attestation to FINRA that substantially all orders to be executed as Retail Investor Orders will qualify as such under this Rule.

(B) A member relying on an exception to the Trade-At Prohibition for a transaction otherwise than on a national securities exchange must include all applicable modifiers in trade reports pursuant to Rules 6282, 6380A and 6380B.

(C) Trade-at Requirement

"Trade-at Intermarket Sweep Order" means a limit order for a Pilot Security that meets the following requirements:

- (i) When routed to a Trading Center, the limit order is identified as a Trade-at Intermarket Sweep Order; and
- (ii) Simultaneously with the routing of the limit order identified as a Trade-at Intermarket Sweep Order, one or more additional limit orders, as necessary, are routed to execute against the full displayed size of any protected bid, in the case of a limit order to sell, or the full displayed size of any protected offer, in the case of a limit order to buy, for the Pilot Security with a price that is better than or equal to the limit price of the limit order identified as a Trade-at Intermarket Sweep Order. These additional routed orders also must be marked as Trade-at Intermarket Sweep Orders or Intermarket Sweep Orders.

(b) Compliance with Data Collection Requirements

(1) Policies and Procedures Requirement

A member that operates a Trading Center shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the data collection and transmission requirements of Items I and II of Appendix B to the Plan, and a member that is a Market Maker shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the data collection and transmission requirements of Item IV of Appendix B to the Plan and Item I of Appendix C of the Plan.

(2) Trading Center Data Requirements

(A) Trading Center Data Collection and Submission Requirements

(i) A member that operates a Trading Center subject to the Tick Size Pilot Program and for which FINRA is the Designated Examining Authority ("DEA") shall collect and transmit to FINRA the data described in Items I and II of Appendix B to the Plan with respect to:

a. Each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

b. Each Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period.

(ii) Each member subject to paragraph (b)(2)(A) above shall comply with their collection and transmission obligations under Items I and II of Appendix B to the Plan and this Rule through their submission of the following OATS information when an order in a Pilot Security or Pre-Pilot Data Collection Security is received or originated:

a. Whether the member is a Trading Center in either the Pilot Security or the Pre-Pilot Data Collection Security;

b. If the member is an ADF Market Participant under Rule 6220, the display size of the order; and

c. Whether the order is routable.

(iii) When an order in a Pilot Security or Pre-Pilot Data Collection Security is executed, each member subject to paragraph (b)(2)(A) above shall comply with its collection and transmission obligations under Items I and II of Appendix B to the Plan and this Rule by identifying whether the member is relying upon the Retail Investor Order exception with respect to the execution of the order.

(iv) Members shall submit such OATS data by 8:00 a.m. EST the calendar day following the OATS-reportable event in accordance with Rule 7440 and this Rule.

(B) FINRA shall transmit the data required by Items I and II of Appendix B to the Plan, and collected pursuant to paragraph (b)(2)(A) above, to the SEC in a pipe delimited format on a disaggregated basis by Trading Center within 30 calendar days following month end. FINRA also shall make such data publicly available on the FINRA website within 120 calendar days following month end at no charge and shall not identify the Trading Center that generated the data.

(3) Daily Market Maker Participation Statistics Requirement

(A) A member that is a Market Maker for which FINRA is the DEA shall collect and transmit to FINRA data relating to Item IV of Appendix B to the Plan, with respect to activity conducted on any Trading Center in furtherance of its status as a Market Maker, including a Trading Center that executes trades otherwise than on a national securities exchange, for transactions that have settled or reached settlement date. Market Makers shall transmit such data in a pipe delimited format by 12:00 p.m. EST on T+4:

(i) For transactions in each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

(ii) For transactions in each Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period.

(B) FINRA shall transmit the data relating to Market Maker activity required by Item IV of Appendix B to the Plan, and collected pursuant to paragraph (b)(3)(A) above, to the Participant operating the Trading Center on which such activity occurred in a pipe delimited format on a disaggregated basis by Market Maker during the Pre-Pilot Period and within 15 calendar days following month end during the Pilot Period.

(C) FINRA shall transmit the data relating to Market Maker activity conducted otherwise than on a national securities exchange required by Item IV of Appendix B to the Plan, and collected pursuant to paragraph (b)(3)(A) above, to the SEC in a pipe delimited format on a disaggregated basis by Trading Center within 30 calendar days following month end. FINRA also shall make such data publicly available on the FINRA website within 120 calendar days following month end at no charge and shall not identify the Trading Center that generated the data.

(4) Market Maker Profitability