



6434. Minimum Pricing Increment for OTC Equity Securities

The Rule

Notices

(a) No member shall display, rank, or accept a bid or offer, an order, or an indication of interest in any OTC Equity Security priced in an increment smaller than \$0.01 if that bid or offer, order or indication of interest is priced equal to or greater than \$1.00 per share.

(b) No member shall display, rank, or accept a bid or offer, an order, or an indication of interest in any OTC Equity Security priced in an increment smaller than \$0.0001 if that bid or offer, order or indication of interest is priced less than \$1.00 per share except, where an order or indication of interest is priced less than \$0.0001, a member may rank or accept (but not display) such order or indication of interest in an increment of \$0.000001 or greater.

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

Selected Notice: 10-42.



6435. Withdrawal of Quotations in an OTC Equity Security in Compliance with SEC Regulation M

(a) A member that is a distribution participant, affiliated purchaser, selling security holder or issuer in a distribution of an OTC Equity Security that is a covered security subject to Rule 101 or 102 of SEC Regulation M and is entering quotations in such security shall, unless another member has assumed responsibility in writing for compliance with this Rule:

(1) withdraw all quotations in the OTC Equity Security to comply with the applicable restricted period under Rule 101 or 102 of SEC Regulation M; and

(2) not enter a stabilizing bid for the OTC Equity Security pursuant to Rule 104 of SEC Regulation M.

(b) For purposes of this Rule, the following terms shall have the meanings as defined in Rule 100 of SEC Regulation M: "affiliated purchaser," "covered security," "distribution," "distribution participant," "restricted period," "selling security holder," and "stabilizing."

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

Adopted by SR-FINRA-2008-039.

Selected Notices: 08-57, 08-74, 10-42.

VERSIONS

Feb 11, 2011 onwards



6437. Prohibition from Locking or Crossing Quotations in OTC Equity Securities

The Rule

Notices

(a) Members must implement policies and procedures that reasonably avoid displaying, or engaging in a pattern or practice of displaying, locking or crossing quotations in any OTC Equity Security.

(b) For purposes of this Rule, the following definitions shall apply:

(1) The term "crossing quotation" shall mean the display of a bid for an OTC Equity Security at a price that is higher than the displayed price of an offer for such OTC Equity Security in the same inter-dealer quotation system, or the display of an offer for an OTC Equity Security at a price that is lower than the displayed price of a bid for such OTC Equity Security in the same inter-dealer quotation system.

(2) The term "locking quotation" shall mean the display of a bid for an OTC Equity Security at a price that equals the displayed price of an offer for such OTC Equity Security in the same inter-dealer quotation system, or the display of an offer for an OTC Equity Security at a price that equals the displayed price of a bid for such OTC Equity Security in the same inter-dealer quotation system.

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

Selected Notice: 10-42.



6438. Displaying Priced Quotations in Multiple Quotation Mediums

The Rule

Notices

Members that display priced quotations on a real-time basis for an OTC Equity Security in two or more quotation mediums that permit quotation updates on a real-time basis must display the same priced quotations for the security in each medium, except with respect to a price quotation that represents a customer limit order displayed on an electronic communications network in conformance with the exception to Rule 6460 provided in paragraph (b)(5) of that rule.

Adopted by SR-FINRA-2011-052 eff. May 31, 2012.

Selected Notice: 12-13.



6439. Requirements for Member Inter-Dealer Quotation Systems

A member inter-dealer quotation system (whether or not also an alternative trading system or "ATS" as defined by Rule 300(a) of SEC Regulation ATS) that permits quotation updates on a real-time basis in OTC Equity Securities must comply with the following requirements:

(a) The member inter-dealer quotation system must establish, maintain and enforce written policies and procedures relating to the collection and dissemination of quotation information in OTC Equity Securities on or through its system. Such written policies and procedures and any material updates, modifications and revisions thereto must be prominently disclosed to subscribers within five business days following the date of establishment of the policy or procedure or implementation of the material change and provided to prospective subscribers upon request. These policies and procedures must be reasonably designed to ensure that quotations received and disseminated are informative, reliable, accurate, firm and treated in a not unfairly discriminatory manner, including by establishing non-discretionary standards under which quotations are prioritized and displayed;

(b) The member inter-dealer quotation system must establish non-discriminatory written standards for granting access to quoting and trading in OTC Equity Securities on its system that do not unreasonably prohibit or limit any person in respect to access to services offered by such member inter-dealer quotation system. Such written standards and any material updates, modifications and revisions thereto must be prominently disclosed to subscribers within five business days following the date of establishment of the written standards or implementation of the material change and provided to prospective subscribers upon request. A member inter-dealer quotation system must make and keep records of all grants of access including (for all subscribers) the reasons for granting such access and all denials or limitations of access and reasons (for each applicant) for denying or limiting access;

(c) Member inter-dealer quotation systems that do not automatically execute all orders presented for execution against displayed quotations for which a member subscriber has a Rule 5220 obligation must establish, maintain and enforce written policies and procedures reasonably designed to address instances of unresponsiveness to orders in an OTC Equity Security. These policies and procedures must, at a minimum, specify an efficient process for:

- (1) monitoring subscriber unresponsiveness;
- (2) subscribers submitting to the member inter-dealer quotation system complaints regarding potential instances of order unresponsiveness;
- (3) documenting the subscriber's rationale for unresponsiveness; and
- (4) determining specified steps when an instance or repeated order unresponsiveness may have occurred;

(d)(1) Member inter-dealer quotation systems that do not automatically execute all orders presented for execution against displayed quotations for which a member subscriber has a Rule 5220 obligation must report to FINRA the below order and related response information for such orders in an OTC Equity Security. The following information must be reported on a monthly basis in the form and manner prescribed by FINRA:

(A) MPID-level Aggregate Information. The member inter-dealer quotation system must provide to FINRA aggregated information per member subscriber market participant identifier (MPID) across all symbols quoted by the MPID during the preceding calendar month; specifically:

- (i) Total number of marketable orders presented for execution against the MPID's quotation;
- (ii) Average execution (full or partial) time for marketable orders presented against the MPID's quotation based on the time an order is presented;
- (iii) Total number of full or partial executions based on the time a marketable order is presented that are within the following execution timeframes: < 5 seconds; ≥ 5 seconds and < 10 seconds; ≥10 and < 20 seconds; and ≥ 20 seconds;
- (iv) Total number of marketable orders presented against the MPID's quotation that did not receive a full or partial execution; and
- (v) Average response time of the highest 10% and highest 50% of the MPID's response times for marketable orders (for full or partial executions);

(B) Order-level Information. The member inter-dealer quotation system must provide to FINRA information for each order presented against an MPID's quotation during the preceding calendar month; specifically:

- (i) Buy/Sell;
- (ii) Security symbol;
- (iii) Price;
- (iv) Size;
- (v) All or None indicator (Y/N);
- (vi) Order entry firm MPID;
- (vii) Order receipt time;
- (viii) Time in force;
- (ix) Response time;
- (x) Order Response (e.g., execute, reject, cancel, etc.);
- (xi) Executed quantity;
- (xii) System-generated order number (if any); and
- (xiii) Position in queue for quote (e.g., IL, IL2);

(2) Member inter-dealer quotation systems are not required to report to FINRA pursuant to this Rule any of the items of information specified in paragraph (d)(1)(B) of this Rule if, at a minimum, the items specified in paragraph (d)(1)(B)(i) through (xi) are subject to reporting to the Consolidated Audit Trail under Rule 6830;

(e) The member inter-dealer quotation system must make available to customers on its (or its affiliate distributor's) website a written description of each OTC Equity Security order- or quotation-related data product offered by such member inter-dealer quotation system and all related pricing information, including fees, rebates, discounts and cross-product pricing incentives. Such information must be made available at least two business days in advance of offering the data product. The website page(s) describing the OTC Equity Security order or quotation data product offerings and all related pricing information must be kept accurate and up-to-date with respect to the required data product descriptions and pricing information. Member inter-dealer quotation systems are not precluded from negotiating lower fees with customers, provided that the member inter-dealer quotation system discloses on such website page(s) the circumstances under which it may do so; and

(f) The member inter-dealer quotation system must provide FINRA with prompt notification when it reasonably becomes aware of any non-de minimis systems disruption that degrades, limits, or otherwise impacts the member inter-dealer quotation system's functionality with respect to trading or the dissemination of market data. Such notification must include, on a reasonable best efforts basis, a brief description of the event, its impact, and the member inter-dealer quotation system's resolution efforts.

Adopted by SR-FINRA-2020-031 eff. Oct. 1, 2021 and Nov. 8, 2021.

Selected Notice: [21-28](#), [21-38](#).

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VERSIONS

Nov 08, 2021 onwards

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6440. Trading and Quotation Halt in OTC Equity Securities

The Rule

Notices

(a) Authority for Initiating a Trading and Quotation Halt

In circumstances in which it is necessary to protect investors and the public interest, FINRA may direct members, pursuant to the procedures set forth in paragraph (b), to halt trading and quotations in OTC Equity Securities (as such term is defined in Rule 6420) if:

(1) the OTC Equity Security or the security underlying an American Depositary Receipt ("ADR") that is an OTC Equity Security ("OTC ADR") is listed on or registered with a foreign securities exchange or market, and the foreign securities exchange, market, or regulatory authority overseeing such issuer, exchange, or market, halts trading in such security for regulatory reasons because of public interest concerns or for news pending; provided, however, that FINRA will not impose a trading and quotation halt if the Foreign Regulatory Halt was imposed solely for a regulatory filing deficiency, or operational reasons ("Foreign Regulatory Halt");

(2) the OTC Equity Security or the security underlying an OTC ADR is a derivative or component of a security listed on or registered with a national securities exchange or foreign securities exchange or market ("listed security") and the national securities exchange, or foreign securities exchange or market imposes a trading halt in the listed security ("Derivative Halt"); or

(3) FINRA determines that an extraordinary event has occurred or is ongoing that has had a material effect on the market for the OTC Equity Security or the security underlying an OTC ADR or has caused or has the potential to cause major disruption to the marketplace or significant uncertainty in the settlement and clearance process ("Extraordinary Event Halt").

(b) Procedure for Initiating a Trading and Quotation Halt

(1) Upon notice of a Foreign Regulatory Halt or Derivative Halt from: (A) the national or foreign securities exchange or market on which the OTC Equity Security or the security underlying the OTC ADR is listed or registered, (B) a regulatory authority overseeing such issuer, exchange, or market, or (C) another reliable third-party source where FINRA can validate the information provided, FINRA will promptly initiate a trading and quotation halt in the OTC Equity Security. The commencement of the trading and quotation halt for the OTC Equity Security will be effective simultaneous with the issuance of appropriate public notice by FINRA.

(2) After FINRA initiates a halt in an OTC Equity Security as a result of a Foreign Regulatory Halt or a Derivative Halt, FINRA may continue the halt in trading and quoting in the OTC market for the OTC Equity Security until such time as FINRA receives notice that the applicable regulatory authority has or intends to resume trading in the security.

(3) After FINRA initiates a halt in an OTC Equity Security as a result of an Extraordinary Event Halt, trading and quotations in the OTC market for the OTC Equity Security may resume when FINRA determines that the basis for the halt no longer exists, or when ten business days have elapsed from the date FINRA initiated the trading and quotation halt in the security, whichever occurs first.

(4) FINRA shall disseminate appropriate public notice that a trading and quotation halt initiated under this Rule is no longer in effect.

(c) Violation of OTC Trading and Quotation Halt Rule

If a security is subject to a trading and quotation halt initiated pursuant to this Rule, it shall be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 2010 for a member:

(1) to effect, directly or indirectly, a trade in such security; or

(2) to publish a quotation, a priced bid and/or offer, an unpriced indication of interest (including "bid wanted" and "offer wanted" indications), or a bid or offer accompanied by a modifier to reflect unsolicited customer interest, in any quotation medium. For purposes of this Rule, "quotation medium" shall mean any: system of general circulation to brokers or dealers that regularly disseminates quotations of identified brokers or dealers; or publication, alternative trading system or other device that is used by brokers or dealers to disseminate quotations to others.

.01 Discretion for Extraordinary Event Halts. FINRA may impose a trading and quotation halt in an OTC Equity Security pursuant to Rule 6440(a)(3) where FINRA determines, in its discretion, based on the facts and circumstances of the particular event, that halting trading in the security is the appropriate mechanism to protect investors and ensure a fair and orderly marketplace. As a general matter, FINRA does not favor imposing a trading and quotation halt in an OTC Equity Security and will exercise this authority in very limited circumstances. FINRA may also determine to extend an Extraordinary Event Halt that has been initiated pursuant to Rule 6440 (a)(3) to continue in effect for subsequent periods of up to 10 business days each if, at the time of any such extension, FINRA finds that the extraordinary event is ongoing and determines that the continuation of the halt beyond the prior 10 business day period is necessary in the public interest and for the protection of investors.

.02 Factors Considered. In determining whether to impose an Extraordinary Event Halt under Rule 6440(a)(3), FINRA will consider several factors in making its determination, including but not limited to: (1) the material nature of the event; (2) the material facts surrounding the event are undisputed and not in conflict; (3) the event has caused widespread confusion in the trading of the security; (4) there has been a material negative effect on the market for the subject security; (5) the potential exists for a major disruption to the marketplace; (6) there is significant uncertainty in the settlement and clearance process for the security; and/or (7) such other factors as FINRA deems relevant in making its determination. FINRA may review all or some of these factors as it determines appropriate.

.03 Market-wide Circuit Breaker in OTC Equity Securities. In the event FINRA has halted trading otherwise than on an exchange in all NMS stocks pursuant to Rule 6121, FINRA also shall halt trading in all OTC Equity Securities until such time that the market-wide circuit breaker no longer is in effect for NMS stocks. Members must halt quoting and trading in all OTC Equity Securities as of the time the market-wide trading halt in NMS stocks is publicly disseminated.

Amended by SR-FINRA-2012-010 eff. May 9, 2013.
Amended by SR-FINRA-2011-054 eff. Feb 4, 2013.
Amended by SR-FINRA-2009-054 eff. Feb. 11, 2011.
Amended by SR-FINRA-2008-057 eff. Dec. 15, 2008.
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.
Renumbered from Rule 6545 and amended by SR-NASD-2006-039 eff. March 16, 2007.
Amended by SR-NASD-2005-089 eff. Oct. 1, 2005.
Adopted by SR-NASD-99-33 eff. June 26, 2000.

Selected Notice: 00-41, 07-09, 07-22, 08-57, 10-42, 13-13.

VERSIONS

May 09, 2013 onwards



6450. Restrictions on Access Fees

The Rule

Notices

A member shall not impose, nor permit to be imposed, non-subscriber access or post-transaction fees against its published quotation in any OTC Equity Security that exceed or accumulate to more than:

(a) \$0.003 per share, if the published quotation is priced equal to or greater than \$1.00; or

(b) the lesser of 0.3% of the published quotation price on a per share basis or 30% of the minimum pricing increment under Rule 6434 relevant to the display of the quotation on a per share basis if the published quotation is less than \$1.00.

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

Selected Notice: 10-42.



6460. Display of Customer Limit Orders

The Rule

Notices

(a) Each OTC Market Maker displaying a priced quotation in any OTC Equity Security in an inter-dealer quotation system shall publish immediately a bid or offer that reflects:

(1) The price and the full size of each customer limit order held by the OTC Market Maker that is at a price that would improve the bid or offer of such OTC Market Maker in such security; and

(2) The full size of each customer limit order held by the OTC Market Maker that:

(A) Is priced equal to the bid or offer of such OTC Market Maker for such security;

(B) Is priced equal to the best bid or best offer of the inter-dealer quotation system in which the OTC Market Maker is quoting; and

(C) Represents more than a de minimis change in relation to the size associated with the OTC Market Maker's bid or offer.

(b) The requirements in paragraph (a) of this Rule shall not apply to any customer limit order:

(1) That is executed upon receipt of the order.

(2) That is placed by a customer who expressly requests, either at the time that the order is placed or prior thereto pursuant to an individually negotiated agreement with respect to such customer's orders, that the order not be displayed.

(3) That is an odd-lot order.

(4) That is a block size order, unless a customer placing such order requests that the order be displayed.

(5) That is delivered immediately upon receipt to a national securities exchange or an electronic communications network that widely disseminates such order and that complies with paragraph (c) below with respect to that order.

(6) That is delivered immediately upon receipt to another OTC Market Maker that complies with the requirements of this Rule with respect to that order.

(7) That is an all-or-none order.

(8) That is priced less than \$0.0001 per share.

(c) The electronic communications network:

(1) Provides to a national securities exchange, national securities association or inter-dealer quotation system the prices and sizes of the orders at the highest buy price and the lowest sell price for such security entered in, and widely disseminated by, the electronic communications network; and

(2) Provides, to any broker or dealer, the ability to effect a transaction with a priced order widely disseminated by the electronic communications network entered therein by an OTC market maker that is:

(A) Equivalent to the ability of any broker or dealer to effect a transaction with an OTC market maker pursuant to the rules of the applicable national securities exchange, national securities association or inter-dealer quotation system to which the electronic communications network supplies such bids and offers; and

(B) At the price of the highest priced buy order or lowest priced sell order, or better, for the lesser of the cumulative size of such priced orders entered therein by OTC market makers at such price, or the size of the execution sought by the broker or dealer, for such security.

(d) Definitions

For purposes of this Rule, the following definitions shall apply:

(1) Best bid and best offer mean the highest priced bid and the lowest priced offer.

(2) Block size with respect to an order means it is of at least 10,000 shares and has a market value of at least \$100,000.

(3) Customer limit order means an order to buy or sell an OTC Equity Security at a specified price that is not for the account of either a broker or dealer; provided, however, that the term customer limit order shall include an order transmitted by a broker or dealer on behalf of a customer.

Adopted by SR-FINRA-2009-054 eff. May 9, 2011.

Selected Notice: 10-42.

[← 6450. RESTRICTIONS ON ACCESS FEES](#)

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[6480. MULTIPLE MPIDS FOR QUOTING AND TRADING IN OTC EQUITY SECURITIES →](#)

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6480. Multiple MPIDs for Quoting and Trading in OTC Equity Securities

The Rule

Notices

(a) Any member that is required to obtain, or otherwise wishes to use, more than one Market Participant Symbol ("MPID") for purposes of quoting and trading OTC Equity Securities or for reporting trades to the OTC 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 member that posts a quotation in an OTC Equity Security and reports to a FINRA system a trade resulting from such posted quotation must utilize the same MPID for reporting purposes.

(c) Except as set forth in paragraph (d), an OTC 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 the OTC Reporting Facility, except if the member is submitting a clearing-only, non-regulatory report pursuant to Rule 7330(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 member 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 member is using one or more additional MPIDs improperly or for other than the purpose(s) identified by the member, FINRA staff retains full discretion to limit or withdraw its grant of the additional MPID(s) to such member.

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-2009-094 eff. Jan. 29, 2010.
Adopted by SR-FINRA-2009-051 eff. July 23, 2009.

Selected Notices: 14-07, 15-51.

VERSIONS

Feb 01, 2016 onwards

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6490. Processing of Company-Related Actions

The Rule

Notices

This version was introduced with the filing of SR-FINRA-2020-015, and extended by SR-FINRA-2020-017, SR-FINRA-2020-022, SR-FINRA-2020-042, SR-FINRA-2021-006, SR-FINRA-2021-019, SR-FINRA-2021-031 and SR-FINRA-2022-004, which were filed for immediate effectiveness. This version is temporary and effective from May 8, 2020, through July 31, 2022, pending any future extensions.

(a) General

(1) In furtherance of FINRA's obligations to foster cooperation and coordination of the clearing, settling and processing of transactions in equity and debt securities of any issuer with a class of publicly traded, non-exchange listed, securities in the OTC market and, in general, to protect investors and the public interest, FINRA's Operations Department ("Department") reviews and processes documents related to announcements for SEA Rule 10b-17 Actions and Other Company-Related Actions to facilitate the orderly trading and settlement of OTC securities.

(2) For purposes of this Rule, the term "SEA Rule 10b-17 Actions" includes, dividends or other distributions in cash or kind, stock splits or reverse stock splits, or rights or other subscription offerings, and such other actions as are provided for in SEA Rule 10b-17; and the term "Other Company-Related Actions" includes, but is not limited to, any issuance or change to a symbol or name, mergers, acquisitions, dissolutions or other company control transactions; and bankruptcy or liquidations.

(3) This Rule details the advance notification, supporting documentation and fees required by FINRA to process documentation related to such requests.

(b) Request for FINRA Action

(1) An issuer or other duly authorized representative of the issuer may request that FINRA process documentation related to an SEA Rule 10b-17 Action or Other Company-Related Action by submitting a signed request in the manner and form required by FINRA ("Requesting Party"). Initial symbol set up requests may also be submitted by members or associated persons of members in order to comply with regulatory reporting requirements.

(2) All requests to process documentation related to an SEA Rule 10b-17 Action must be complete and submitted to the Department, in the manner and form required, no later than the time frame specified in SEA Rule 10b-17. A Requesting Party that does not submit a completed request to the Department, in the manner and form required, within the time frame specified in SEA Rule 10b-17, shall be deemed "late" and, as set forth in this Rule, subject to an additional fee before the request may be processed. Nothing in the Rule shall alter the obligations of an issuer under SEA Rule 10b-17 and the processing of documentation related to a "late" SEA Rule 10b-17 Action request by FINRA shall not relieve an issuer of any violations under such rule.

(3) All requests to process documentation related to Other Company-Related Actions must be complete and submitted to the Department, in the manner and form required, no later than the time period prescribed for such Other Company-Related Action by FINRA. Notice and information submitted for Other Company-Related Actions must be submitted no later than 10 calendar days prior to the effective date of the company action. A Requesting Party that does not submit a completed FINRA action form to the Department, in the manner and form prescribed, at least ten (10) calendar days prior to the proposed effective date of the company action, shall be deemed "late" and as set forth in this Rule, subject to an additional fee before being processed.

(4) The Department may request such additional information or documentation as may be necessary for the Department to review the request to process documentation related to an SEA Rule 10b-17 Action or Other Company-Related Action and verify the accuracy of the information submitted.

(c) Fees

The Requesting Party shall pay the following non-refundable fees for the review and processing of documentation related to an SEA Rule 10b-17 Action and Other Company-Related Action:

SEA Rule 10b-17 Action	Fee
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Timely SEA Rule 10b-17 Notification	\$200
Late SEA Rule 10b-17 Notification Submitted at least 5 calendar days prior to Corporate Action Date	\$1,000
Late SEA Rule 10b-17 Notification Submitted at least 1 calendar day prior to Corporate Action Date	\$2,000
Late SEA Rule 10b-17 Notification Submitted on or after Corporate Action Date	\$5,000
Other Company-Related Action	Fee
Voluntary Symbol Request Change	\$500
Initial Symbol Set Up	No Charge
Symbol Deletion	No Charge
Appeals	Fee
Action Determination Appeal Fee	\$4,000

(d) Procedures for Reviewing Submissions

(1) Review

The Department shall review all requests to process documentation related to SEA Rule 10b-17 Actions and Other Company-Related Actions that are submitted pursuant to this Rule, including any additional documents or information requested in accordance with paragraph (b) above. All such requests must be accompanied by proof of payment of the requisite fee when appropriate in accordance with paragraph (c) above.

(2) Lapsed Requests

Where a Requesting Party does not, in the reasonable determination of the Department, sufficiently respond to any request by the Department for additional information or documentation pursuant to paragraph (b)(3) above within 90 calendar days following such Department request, such party's request shall be deemed "lapsed" and be closed.

(3) Deficiency Determination

In circumstances where an SEA Rule 10b-17 Action or Other Company-Related Action is deemed deficient, the Department may determine that it is necessary for the protection of investors, the public interest and to maintain fair and orderly markets, that documentation related to such SEA Rule 10b-17 Action or Other Company-Related Action will not be processed. In instances where the Department makes such a deficiency determination, the request to process documentation related to the SEA Rule 10b-17 Action or Other Company-Related Action, as applicable, will be closed, subject to paragraphs (d)(4) and (e) of this Rule. The Department shall make such deficiency determinations solely on the basis of one or more of the following factors: (1) FINRA staff reasonably believes the forms and all supporting documentation, in whole or in part, may not be complete, accurate or with proper authority; (2) the issuer is not current in its reporting requirements, if applicable, to the SEC or other regulatory authority; (3) FINRA has actual knowledge that the issuer, associated persons, officers, directors, transfer agent, legal adviser, promoters or other persons connected to the issuer or the SEA Rule 10b-17 Action or Other Company-Related Action are the subject of a pending, adjudicated or settled regulatory action or investigation by a federal, state or foreign regulatory agency, or a self-regulatory organization; or a civil or criminal action related to fraud or securities laws violations; (4) a state, federal or foreign authority or self-regulatory organization has provided information to FINRA, or FINRA otherwise has actual knowledge indicating that the issuer, associated persons, officers, directors, transfer agent, legal adviser, promoters or other persons connected with the issuer or the SEA Rule 10b-17 Action or Other Company-Related Action may be potentially involved in fraudulent activities related to the securities markets and/or pose a threat to public investors; and/or (5) there is significant uncertainty in the settlement and clearance process for the security.

(4) Notice Regarding Determination

If the Department determines that a request to process documentation related to a SEA Rule 10b-17 Action or a Other Company-Related Action is deficient, FINRA staff shall provide written notice to the Requesting Party. Any notice issued under this paragraph shall state the specific factor(s) that caused the request to be deemed deficient and the Requesting Party may appeal a determination pursuant to paragraph (e) of this Rule.

(5) Notice Issuance

A notice issued under this paragraph shall be issued by facsimile or electronic mail, or pursuant to [Rule 9134](#).

(e) Request for an Appeal to Subcommittee of Uniform Practice Code Committee

A Requesting Party issued a notice under this Rule may appeal a determination made under paragraph (d)(3) of this Rule to a three-member subcommittee comprised of current or former industry members of FINRA's Uniform Practice Code Committee in writing via electronic mail, unless the parties agree to an alternative method of service, within 30 calendar days after service of the notice. Service of the appeal by electronic mail shall be deemed complete upon sending. The written request for an appeal must be accompanied by proof of payment of the non-refundable Action Determination Appeal Fee. A request for an appeal must set forth with specificity any and all defenses to the Department's determination that a request was unacceptable or otherwise deficient. An appeal to the subcommittee shall operate to stay the processing of the company-related action (i.e., the requested company-related action shall not be processed during the period that the Requesting Party requests an appeal or while any such appeal is pending). Once a written appeal has been received, the Requesting Party may submit any additional supporting written documentation via electronic mail, unless the parties agree to an alternative method, up until the time the appeal is considered by the subcommittee. The subcommittee shall convene at least once every 90 days to consider all appeals received under this Rule during the prior 90 days. The subcommittee shall render a determination within three business days following the day the appeal is considered by the subcommittee. The subcommittee's determination shall constitute final action by FINRA. The subcommittee's determination shall not constitute an estoppel as to FINRA nor bind FINRA in any subsequent administrative, civil, or disciplinary proceeding. If the Requesting Party fails to file a written request for an appeal within 30 calendar days after service of the notice by the Department, the Department's determination shall constitute final action by FINRA.

••• Supplementary Material: -----

.01 SEA Rule 10b-17 Fee Accumulations. In accordance with the time-frames specified in SEA Rule 10b-17, OTC issuers must provide FINRA with written notice prior to a dividend or any other distribution in cash or in kind, rights or other subscription offerings, forward stock splits, and reverse stock splits. In addition, pursuant to Rule 6490 OTC issuers must pay any applicable fees. Notwithstanding the timeliness of the SEA Rule 10b-17 Action submission or the failure to pay applicable fees, FINRA will make its best efforts to process documentation related to SEA Rule 10b-17 Actions that are not otherwise deemed incomplete or otherwise deficient by FINRA because of the critical nature of this information to the marketplace. Although FINRA may process documentation related to SEA Rule 10b-17 Actions even if a fee remains unpaid, FINRA accumulates all unpaid SEA Rule 10b-17 Action fees associated with a specific OTC issuer symbol. Regardless of the current ownership status or transaction history of an OTC issuer, FINRA will not process documentation related to Voluntary Symbol Request Changes until all unpaid accumulated late fees have been paid for the associated OTC symbol.

.02 Requests by Third-Parties. Pursuant to SEA Rule 10b-17, OTC issuers must provide FINRA with written notice generally within the time-frames specified in SEA Rule 10b-17. In certain circumstances, FINRA is contacted by a third-party, such as DTCC, foreign exchanges or regulators, members or associated persons, regarding an SEA Rule 10b-17 Action or Other Company Related Action. In such cases, FINRA requests that the third-party contact the issuer in question regarding its obligations under SEA Rule 10b-17 or other rules and regulations, as applicable, and instruct such issuer to contact FINRA directly to provide notice and complete the requisite forms. However, FINRA may in its discretion review and process an SEA Rule 10b-17 Action or Other Company-Related Action based on information from a third-party when it believes such action is necessary for the protection of the market and investors and/or FINRA has been unable to obtain notification from the issuer.

Amended by SR-FINRA-2022-004 eff. Mar. 7, 2022.
Amended by SR-FINRA-2021-031 eff. Dec. 7, 2021.
Amended by SR-FINRA-2021-019 eff. August 13, 2021.
Amended by SR-FINRA-2021-006 eff. April 1, 2021.
Amended by SR-FINRA-2020-042 eff. Dec. 1, 2020.
Amended by SR-FINRA-2020-022 eff. July 27, 2020.
Amended by SR-FINRA-2020-017 eff. June 10, 2020.
Amended by SR-FINRA-2020-015 eff. May 8, 2020.
Amended by SR-FINRA-2010-057 eff. Nov. 12, 2010.
Adopted by SR-FINRA-2009-089 eff. Sep. 27, 2010.

Selected Notice: [10-38](#).

VERSIONS

May 08, 2020 - Jul 31, 2022

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6610. General

The Rule

Notices

(a) Members are required to report transactions (other than transactions executed on or through an exchange) in OTC Equity Securities, including secondary market transactions in non-exchange-listed Direct Participation Program securities, and Restricted Equity Securities to the OTC Reporting Facility in compliance with the Rule 6600 and 7300 Series, as well as all other applicable rules and regulations.

(b) Trading Information for OTC Transactions in OTC Equity Securities 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 Rule 6622(b) on the following timeframes:

(A) no earlier than four weeks following the end of the Trading Information week, aggregate weekly Trading Information for OTC Equity Securities; and

(B) no earlier than one month following the end of the Trading Information month, aggregate volume totals across all OTC Equity Securities.

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

(A) the number of shares of an OTC Equity Security executed by the member with the trade reporting obligation under Rule 6622(b) and reported to FINRA;

(B) the number of trades in an OTC Equity Security executed by the member with the trade reporting obligation under Rule 6622(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) (2).

(c) Trading Information for OTC Transactions in OTC Equity Securities Executed on Alternative Trading Systems

(1) FINRA will publish on its public web site the aggregate weekly ATS Trading Information for each alternative trading system with the trade reporting obligation under Rules 6622(b) no earlier than four weeks following the end of the ATS Trading Information week.

(2) For purposes of this paragraph (c), "ATS Trading Information" includes:

(A) the number of shares of an OTC Equity Security executed on an alternative trading system with the trade reporting obligation under Rule 6622(b) and reported to FINRA; and

(B) the number of trades in an OTC Equity Security executed on an alternative trading system with the trade reporting obligation under Rule 6622(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-2010-051 eff. Nov. 1, 2010.
Amended by SR-FINRA-2009-061 eff. Nov. 1, 2010.
Amended by SR-FINRA-2010-003 eff. June 28, 2010.
Adopted by SR-FINRA-2008-021 eff. Dec. 15, 2008.

Selected Notices: 08-57, 10-26, 10-24, 15-48, 16-14, 19-29.

[← 6600. OTC REPORTING FACILITY](#)

[UP](#)

[6620. REPORTING TRANSACTIONS IN OTC EQUITY SECURITIES AND RESTRICTED EQUITY SECURITIES](#) [▶](#)

VERSIONS

Dec 02, 2019 onwards

> [FINRA RULES](#) > [6000. QUOTATION, ORDER, AND TRANSACTION REPORTING FACILITIES](#) > [6600. OTC REPORTING FACILITY](#)
> [6620. REPORTING TRANSACTIONS IN OTC EQUITY SECURITIES AND RESTRICTED EQUITY SECURITIES](#)

6621. Definitions

Terms used in this [Rule 6620](#) Series shall have the same meanings as defined in [Rule 6420](#).

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

Selected Notice: [08-57](#).

< [6620. REPORTING TRANSACTIONS IN OTC EQUITY SECURITIES AND RESTRICTED EQUITY SECURITIES](#)

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[6622. TRANSACTION REPORTING](#) >

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6622. Transaction Reporting

The Rule

Notices

This version is valid from Nov 17, 2014 through Nov 13, 2022.

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

(a) When and How Transactions are Reported

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

(2) Transaction Reporting Outside Normal Market Hours

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

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

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

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

(3) Transaction Reporting for Restricted Equity Securities

(A) Last sale reports of transactions in Restricted Equity Securities effected under Securities Act Rule 144A and executed between midnight and 8:00 p.m. Eastern Time shall be reported on the same business day as the transaction.

(B) Last sale reports of transactions in Restricted Equity Securities effected under Securities Act Rule 144A executed (i) between 8:00 p.m. and midnight Eastern Time or (ii) on any non-business day (i.e., weekend or holiday) shall be reported the following business day by 8:00 p.m. Eastern Time and be designated "as/of" trades to denote their execution on a prior day.

(4) Transactions not reported within 10 seconds after execution, or such other time period prescribed by rule, shall be designated as late. Any transaction that is required to be reported on trade date, but is not reported on trade date, must be reported on an "as/of" basis on a subsequent date (T+N) and shall be designated as late. Any transaction that is required to be reported on an "as/of" basis the following business day (T+1), but is not reported T+1, must be reported on a subsequent date (T+N) and shall be designated as late. A pattern or practice of late reporting without reasonable justification or exceptional circumstances may be considered conduct inconsistent with high standards of commercial honor and just and equitable principles of trade in violation of [Rule 2010](#).

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

- (A) if the trade is executed during normal market hours and it is reported later than 10 seconds after execution;
- (B) if the trade is a Seller's Option Trade, denoting the number of days for delivery;
- (C) if the trade is a Cash Trade;

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

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

(F) if the trade is a Stop Stock Transaction (as defined in [Rule 6420](#)) (Note: the transaction report shall include both the time of execution of the trade and the time at which the member and the other party agreed to the Stop Stock Price; if the Stop Stock Transaction is executed and reported within 10 seconds of the time the member and the other party agree to the Stop Stock Price, the designated modifier shall not be appended and only the time of execution of the trade shall be reported);

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

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

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

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

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

(8) All members shall report as soon as practicable to the Market Regulation Department on Form T, last sale reports of transactions in OTC Equity Securities or Restricted Equity Securities for which electronic submission to the OTC Reporting Facility is not possible (e.g., the ticker symbol for the security is no longer available or a market participant identifier is no longer active). Transactions that can be reported to the OTC Reporting Facility, whether on trade date or on a subsequent date on an "as/of" basis (T+N), shall not be reported on Form T.

(b) Which Party Reports Transaction

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

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

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

(c) Information To Be Reported

Each last sale report shall contain the following information:

(1) Symbol of the OTC Equity Security or Restricted Equity Security;

(2) Number of shares;

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

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

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

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

Members that are required to report pursuant to paragraph (b) above shall transmit last sale reports for all purchases and sales in OTC Equity Securities and Restricted Equity Securities in the following manner:

(1) Reporting Agency Transactions

(2) Reporting Dual Agency Transactions

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

(3) Reporting Principal and Riskless Principal Transactions

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

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

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

(ii) Regardless of whether a member has a reporting obligation pursuant to paragraph (b) above, the firm must submit, for the offsetting, "riskless" portion of the transaction, either:

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

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

Example:

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

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

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

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

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

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

Any member that has a reporting obligation pursuant to paragraph (b) above and is acting in a riskless principal or agency capacity on behalf of one or more other members shall submit to FINRA one or more non-tape (either non-tape, clearing-only or non-tape, non-clearing) report(s) identifying such other member(s) as a party to the transaction, if such other member(s) is not identified on the initial trade report submitted to FINRA or a report submitted to FINRA pursuant to Rule 6622(d)(3)(B) for the offsetting leg of a riskless principal transaction. Nothing in this Rule 6622(d)(4) shall negate or modify the riskless principal transaction reporting requirements set forth in Rule 6622(d)(3)(B).

Example #1:

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

Member A has the reporting obligation under Rule 6622(b)

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

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

Example #2A:

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

Member A has the reporting obligation under Rule 6622(b)

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

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

Example #2B:

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

Member A has the reporting obligation under Rule 6622(b)

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

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

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

Example #3:

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

DO NOT TAPE REPORT this leg if reported to foreign exchange

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

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

(1) The following shall not be reported to the OTC Reporting Facility:

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

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

(C) transactions reported on or through an exchange;

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

(E) the transfer of equity securities for the sole purpose of creating or redeeming an instrument that evidences ownership of or otherwise tracks the underlying securities transferred (e.g., an American Depositary Receipt or exchange-traded fund).

(2) The following shall not be reported to the OTC Reporting Facility for publication purposes, but shall be reported for regulatory transaction fee assessment purposes under [Rule 7330\(g\)](#):

(A) Transactions where the buyer and seller have agreed to trade at a price substantially unrelated to the current market for the security;

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

(C) Transfers of proprietary securities positions where the transfer (1) is effected in connection with a merger or direct or indirect acquisition and (2) is not in furtherance of a trading or investment strategy. Members must provide FINRA at least three business days advance written notice of their intent to use this exception, including the basis for their determination that the transfer meets the terms of the exception.

(f) Reporting Cancelled and Reversed Trades

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

With the exception of trades cancelled in accordance with the [Rule 11890](#) Series, members shall report to the OTC Reporting Facility the cancellation or reversal of any trade previously submitted to the OTC Reporting Facility. The member responsible under Rule 6622 for

submitting the original trade report shall submit the cancellation or reversal report in accordance with the procedures set forth in paragraphs (f)(2), (3) and (4).

(2) Deadlines for Reporting Cancelled and Reversed Trades in OTC Equity Securities

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

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

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

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

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

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

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

(3) Deadlines for Reporting Cancelled and Reversed Trades in Restricted Equity Securities

(A) For trades previously submitted to the OTC Reporting Facility and cancelled before 8:00 p.m. Eastern Time on the date of execution, the member responsible under paragraph (f)(1) shall report the cancellation by 8:00 p.m.

(B) For trades cancelled at or after 8:00 p.m. Eastern Time on the date of execution, the member responsible under paragraph (f)(1) shall report the cancellation on the following business day by 8:00 p.m.

(C) For any trade cancelled or reversed on any date after the date of execution, the member responsible under paragraph (f)(1) shall report the cancellation or reversal

(i) by 8:00 p.m. on the date of cancellation if the trade is cancelled before 8:00 p.m., or

(ii) by 8:00 p.m. on the following business day if the trade is cancelled at or after 8:00 p.m.

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

(g) Transactions in Foreign Equity Securities

(1) For purposes of this paragraph, the term "foreign equity security" means any OTC Equity Security that is issued by a corporation or other entity incorporated or organized under the laws of any foreign country.

(2) Transactions in foreign equity securities shall be reported to the OTC Reporting Facility unless:

(A) the transaction is executed on and reported to a foreign securities exchange; or

(B) the transaction is executed over the counter in a foreign country and is reported to the regulator of securities markets for that country.

(h) A member may agree to allow another member to report and lock-in trades on its behalf, if both parties have completed an agreement to that effect (a "give up agreement") as specified by FINRA and submitted it to the OTC Reporting Facility. However, the member with the reporting

obligation remains responsible for the transaction submitted on its behalf. Further, both the member with the reporting obligation and the member submitting the trade to the OTC Reporting Facility are responsible for ensuring that the information submitted is in compliance with all applicable rules and regulations.

• • • **Supplementary Material:** -----

.01 For purposes of reporting secondary market transactions in non-exchange-listed DPP securities pursuant to this Rule 6622, the following definitions shall apply. "Date of execution" means the date when the parties to a transaction in a DPP have agreed to all of the essential terms of the transaction, including the price and number of the units to be traded. "Time of execution" means the time when the parties to a transaction in a DPP have agreed to all of the essential terms of the transaction, including the price and number of the units to be traded.

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

.03 Trade Reporting Time Frame

(a) With respect to the requirement under paragraphs (a) and (f) of this Rule that members report trades and trade cancellations "as soon as practicable," a member with the trade reporting obligation under paragraph (b) of this Rule must adopt policies and procedures reasonably designed to comply with this requirement and must implement systems that commence the trade reporting process without delay upon execution (or cancellation, as applicable). Where a member has such reasonably designed policies, procedures and systems in place, the member generally will not be viewed as violating the "as soon as practicable" requirement because of delays in trade reporting that are due to extrinsic factors that are not reasonably predictable and where the member does not purposely intend to delay the reporting of the trade. In no event may a member purposely withhold trade reports, e.g., by programming its systems to delay reporting until the last permissible second.

(b) FINRA recognizes that a very small universe of trades are reported manually, and as a result, even where a member does not purposely withhold trade reports, the trade reporting process may not be completed within 10 seconds following execution. In these cases, for purposes of determining whether "reasonable justification" exists to excuse what otherwise may be deemed to be a pattern or practice of late trade reporting under this Rule and [Rule 6623](#), FINRA will take into consideration such factors as the complexity and manual nature of the execution and reporting of the trade, where the trade details must be manually entered into the trade reporting system following execution.

.04 All time fields required by this Rule must be reported in hours, minutes, seconds and milliseconds, if the member's system captures time in milliseconds.

Cross Reference-

[6623, Transaction Reporting](#)
