



[Text only](#)

[Print](#)

## 7000. CLEARING, TRANSACTION AND ORDER DATA REQUIREMENTS, AND FACILITY CHARGES

### 7100. ALTERNATIVE DISPLAY FACILITY

#### 7110. Definitions

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

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

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

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

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

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

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

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

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

Amended by SR-FINRA-2014-045 eff. Dec. 1, 2014.

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

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

Amended by SR-NASD-2006-091 eff. March 5, 2007.

Amended by SR-NASD-2006-087 eff. Aug. 1, 2006.

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

Amended by SR-NASD-2005-108 eff. Sep. 8, 2005.

Adopted by SR-NASD-2002-97 eff. July 29, 2002.

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

#### 7120. Trade Reporting Participation Requirements

##### (a) Mandatory Participation for Clearing Agency Members

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **(b) Participant Obligations**

### **(1) Access**

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

### **(2) Participant Obligations**

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

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

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

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

(E) Testing

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

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

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

### **(3) Clearing Broker Obligation**

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

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

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

**Selected Notices:** [08-57](#), [16-33](#).

## 7130. Trade Report Input

### (a) Reportable System Transactions

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

### (b) When and How Trade Reports are Submitted

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

### (c) Which Party Inputs Trade Reports

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

### (d) Trade Information To Be Input

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

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

(2) Number of shares;

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

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

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

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

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

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

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

(10) Contra side executing broker;

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

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

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

(14) For any transaction in an order for which a member has recording and reporting obligations under Rules [7440](#) and [7450](#), the trade report must include an order identifier, meeting such parameters as may be prescribed by FINRA, assigned to the order that uniquely identifies the order for the date it was received (see [Rule 7440\(b\)\(1\)](#)).

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

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

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

#### **(e) Reporting Cancelled and Reversed Trades**

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

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

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

Members shall comply with deadlines and other requirements set forth in [Rule 6282](#) for reporting cancelled and reversed trades.

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

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

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

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

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

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

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

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

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

##### **(4) Clearing-Only, Non-Regulatory Reports**

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

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

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

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

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

#### Example:

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

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

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

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

Amended by SR-FINRA-2015-035 eff. Feb. 1, 2016.  
 Amended by SR-FINRA-2013-050 and SR-FINRA-2015-008 eff. July 13, 2015.  
 Amended by SR-FINRA-2013-050 and SR-FINRA-2014-039 eff. Nov. 10, 2014.  
 Amended by SR-FINRA-2013-053 eff. Feb. 3, 2014.  
 Amended by SR-FINRA-2013-013 eff. Nov. 4, 2013.  
 Amended by SR-FINRA-2011-061 eff. Oct. 14, 2011.  
 Amended by SR-FINRA-2009-061 eff. Nov. 1, 2010.  
 Amended by SR-FINRA-2007-012 eff. May 3, 2010.  
 Amended by SR-FINRA-2009-027 eff. Aug. 3, 2009.  
 Amended by SR-FINRA-2009-024 eff. May 4, 2009.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Amended by SR-FINRA-2007-017 eff. March 3, 2008.  
 Amended by SR-NASD-2007-040 eff. Nov. 5, 2007.  
 Amended by SR-NASD-2006-055 eff. Dec. 1, 2006.  
 Amended by SR-NASD-2005-087 eff. Aug. 1, 2006.  
 Adopted by SR-NASD-2002-97 eff. July 29, 2002.

**Selected Notices:** [06-39](#), [07-33](#), [07-38](#), [07-63](#), [08-57](#), [09-21](#), [09-54](#), [10-24](#), [13-19](#), [14-21](#), [15-51](#).

## 7140. Trade Report Processing

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

### (1) Trade by Trade Match

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

### (2) Trade Acceptance

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

### (3) Automatic Lock-in

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

#### (b) T+N Trade Processing

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

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

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

### 7150. Obligation to Honor Trades

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

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

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

### 7160. Audit Trail Requirements

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

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

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

### 7170. Violation of Reporting Rules

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

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

### 7180. Termination of Access

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

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

**Selected Notices:** [08-57](#), [16-04](#).

## 7200. TRADE REPORTING FACILITIES

## 7200A. FINRA/NASDAQ TRADE REPORTING FACILITIES

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

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

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

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

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

## 7210A. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

**Selected Notices:** [08-57](#), [09-08](#).

## 7220A. Trade Reporting Participation Requirements

### (a) Mandatory Participation for Clearing Agency Members

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) West Canada Clearing Corporation; and

(ii) The Canadian Depository for Securities.

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

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

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

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

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

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

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

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

b. have been in continuing compliance with such agreement.



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

- (i) execution of a Non-Member Participant Application Agreement;
- (ii) membership in a Non-Member Clearing Organization listed in paragraph (a)(4)(A) above; and
- (iii) compliance with paragraph (a)(3)(C) through (E) above.

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

- (i) execution of a Non-Member Participant Application Agreement;
- (ii) membership in a Non-Member Clearing Organization listed in paragraph (a)(4)(A) above; and
- (iii) compliance with paragraph (a)(3)(C) through (E) above.

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

## **(b) Participant Obligations**

### **(1) Access**

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

### **(2) System Participant Obligations**

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

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

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

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

### **(3) Clearing Broker Obligations**

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

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

Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Amended by SR-NASD-2006-108 eff. Nov. 27, 2006.  
Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006.

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

## **7230A. Trade Report Input**

### **(a) Reportable Transactions**

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

#### **(b) When and How Trade Reports are Submitted**

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

#### **(c) Which Party Inputs Trade Reports**

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

#### **(d) Trade Information To Be Input**

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

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

(2) Number of shares;

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

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

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

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

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

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

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

(10) Contra side executing broker;

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

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

(13) For any transaction in an order for which a member has recording and reporting obligations under Rules [7440](#) and [7450](#), the trade report must include an order identifier, meeting such parameters as may be prescribed by FINRA, assigned to the order that uniquely identifies the order for the date it was received (see [Rule 7440\(b\)\(1\)](#)).

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

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

#### **(e) Aggregation of Transaction Reports for Clearing Purposes Only**

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Example:**

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

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

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

(1) Members shall not submit to the System any non-tape report (either a non-tape, non-clearing report or a clearing-only report), including but not limited to reports of step-outs and reversals, associated with a previously executed trade that was not reported to the System, unless such report is submitted, pursuant to [Rule 6380A\(d\)](#), to reflect the offsetting riskless portion of a riskless principal transaction.

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

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

### **(4) Clearing-Only, Non-Regulatory Reports**

(A) For a previously executed trade for which a tape report has been submitted to the System, or for the offsetting portion of a riskless principal or agency transaction for which a non-tape, non-clearing report has been submitted to the System, a member may submit a "clearing-only, non-regulatory report" to the System solely for purposes of clearing the transaction. A clearing-only, non-regulatory report cannot be used to satisfy any regulatory reporting requirement under

FINRA rules that may apply to the transaction, e.g., the identification of other members for agency or riskless principal transactions under [Rule 6380A\(d\)](#). As such, submission of a clearing-only, non-regulatory report constitutes certification by the member that it has satisfied all applicable regulatory reporting requirements under FINRA rules relating to the transaction through the submission of other reports (tape or non-tape, non-clearing) to the System.

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

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

••• **Supplementary Material:** -----

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

Amended by SR-FINRA-2015-035 eff. Feb. 1, 2016.  
 Amended by SR-FINRA-2013-050 and SR-FINRA-2015-008 eff. July 13, 2015.  
 Amended by SR-FINRA-2013-050 and SR-FINRA-2014-039 eff. Nov. 10, 2014.  
 Amended by SR-FINRA-2013-013 eff. Nov. 4, 2013.  
 Amended by SR-FINRA-2011-065 eff. Dec. 5, 2011.  
 Amended by SR-FINRA-2011-061 eff. Oct. 14, 2011.  
 Amended by SR-FINRA-2011-024 eff. June 17, 2011.  
 Amended by SR-FINRA-2010-058 eff. Feb. 28, 2011.  
 Amended by SR-FINRA-2010-043 eff. Feb. 28, 2011.  
 Amended by SR-FINRA-2009-061 eff. Nov. 1, 2010.  
 Amended by SR-FINRA-2007-012 eff. May 3, 2010.  
 Amended by SR-FINRA-2010-002 eff. Feb. 15, 2010.  
 Amended by SR-FINRA-2009-027 eff. Aug. 3, 2009.  
 Amended by SR-FINRA-2008-011 eff. Aug. 3, 2009.  
 Amended by SR-FINRA-2009-024 eff. May 4, 2009.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Amended by SR-FINRA-2007-017 eff. March 3, 2008.  
 Amended by SR-FINRA-2007-003 eff. Jan. 2, 2008.  
 Amended by SR-NASD-2007-040 eff. Nov. 5, 2007.  
 Amended by SR-NASD-2007-037 eff. July 16, 2007.  
 Amended by SR-NASD-2007-046 eff. July 9, 2007.  
 Amended by SR-NASD-2007-002 eff. July 9, 2007.  
 Amended by SR-NASD-2007-047 eff. July 6, 2007.  
 Amended by SR-NASD-2007-020 eff. March 5, 2007.  
 Amended by SR-NASD-2006-104 eff. March 5, 2007.  
 Amended by SR-NASD-2006-129 eff. Dec. 1, 2006.  
 Amended by SR-NASD-2006-098 eff. Dec. 1, 2006.  
 Amended by SR-NASD-2006-055 eff. Dec. 1, 2006.  
 Adopted by SR-NASD-2005-087 eff. Aug. 1, 2006.

**Selected Notices:** [06-39](#), [07-31](#), [07-33](#), [07-38](#), [07-63](#), [08-57](#), [09-08](#), [09-21](#), [09-54](#), [10-24](#), [10-48](#), [13-19](#), [14-21](#), [15-51](#).

## 7240A. Trade Report Processing

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

### (1) Trade by Trade Match

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

### (2) Trade Acceptance

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

### (3) Automatic Lock-in

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

### **(b) T+N Trade Processing**

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

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

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

## **7250A. Obligation to Honor Trades**

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

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

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

## **7260A. Audit Trail Requirements**

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

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

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

## **7270A. Violation of Reporting Rules**

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

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

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

## **7280A. Termination of Access**

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

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

**Selected Notices:** [08-57](#), [16-04](#).

## 7200B. FINRA/NYSE TRADE REPORTING FACILITY

### 7210B. Definitions

- (a) The term "Clearing Broker-Dealer" or "Clearing Broker" shall mean the member firm that has been identified in the System as principal for clearing and settling a trade, whether for its own account or for a correspondent firm.
- (b) The term "Correspondent Executing Broker-Dealer" or "Correspondent Executing Broker" shall mean the member firm that has been identified in the System as having a correspondent relationship with a clearing firm whereby it executes trades and the clearing function is the responsibility of the clearing firm.
- (c) The term "Introducing Broker-Dealer" or "Introducing Broker" shall mean the member firm that has been identified in the System as a party to the transaction, but does not execute or clear trades.
- (d) The term "Parties to the Transaction" shall mean the executing brokers, Introducing Brokers and Clearing Brokers, if any.
- (e) The term "Reportable Security" shall mean all designated securities as defined in [Rule 6320B](#).
- (f) The term "Reportable System Transaction" shall mean those transactions in Reportable Securities that are eligible to be submitted using the System pursuant to FINRA rules. The term also shall include transactions in Reportable Securities that are for less than one round lot.
- (g) The term "Reporting Party" shall mean the Participant that is required to input the trade information, according to the requirements of the trade report input rules applicable to the System contained in [Rule 7230B](#).
- (h) The term "System" shall mean the FINRA/NYSE Trade Reporting Facility for purposes of trades in designated securities as defined in [Rule 6320B](#).
- (i) The term "Trade Reporting Participant" or "Participant" shall mean any member of FINRA in good standing that uses the System.

Amended by SR-FINRA-2008-011 eff. Aug. 3, 2009.  
 Renumbered from Rule 7210C and amended by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Adopted by SR-NASD-2007-011 eff. April 18, 2007.

**Selected Notices:** [08-57](#), [09-08](#).

## 7220B. Trade Reporting Participation Requirements

### (a) Participation Requirements

- (1) Only members of FINRA in good standing may participate in the FINRA/NYSE Trade Reporting Facility.
- (2) Participation in the System shall be conditioned upon the initial and continuing compliance with the following requirements:
- (A) execution of, and continuing compliance with, a Participant Application Agreement;
  - (B) membership in, or maintenance of an effective clearing arrangement with a participant of, a clearing agency registered pursuant to the Exchange Act;
  - (C) compliance with all applicable rules and operating procedures of FINRA and the SEC;
  - (D) maintenance of the physical security of the equipment located on the premises of the participant to prevent unauthorized entry of information into the System; and
  - (E) acceptance and settlement of each trade that the System identifies as having been effected by such participant, or if settlement is to be made through a clearing member, guarantee or the acceptance and settlement of each System identified trade by the clearing member on the regularly scheduled settlement date.
- (3) Participation in the System as a Clearing Broker shall be conditioned upon the Clearing Broker's initial and continuing compliance with the following requirements:
- (A) execution of, and continuing compliance with, a Participant Application Agreement;
  - (B) membership in a clearing agency registered pursuant to the Exchange Act;
  - (C) compliance with all applicable rules and operating procedures of FINRA and the SEC;
  - (D) maintenance of the physical security of the equipment located on the premises of the Clearing Broker to prevent the unauthorized entry of information into the System; and

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

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

## **(b) Participant Obligations**

### **(1) Access**

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

### **(2) System Participant Obligations**

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

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

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

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

### **(3) Clearing Broker Obligations**

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

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

Renumbered from Rule 7220C by SR-FINRA-2008-066 eff. Jan. 1, 2009.

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

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

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

## **7230B. Trade Report Input**

### **(a) Reportable Transactions**

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

### **(b) When and How Trade Reports are Submitted**

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

### **(c) Which Party Inputs Trade Reports**

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

**(d) Trade Information To Be Input**

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

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

(2) Number of shares or bonds;

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

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

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

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

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

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

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

(10) Contra side executing broker;

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

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

(13) For any transaction in an order for which a member has recording and reporting obligations under Rules [7440](#) and [7450](#), the trade report must include an order identifier, meeting such parameters as may be prescribed by FINRA, assigned to the order that uniquely identifies the order for the date it was received (see [Rule 7440\(b\)\(1\)](#)).

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

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

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

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

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

Members shall comply with deadlines and other requirements set forth in [Rule 6380B](#) for reporting cancelled and reversed trades.

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

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

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

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

(3) Transfers of proprietary securities positions where the transfer (A) is effected in connection with a merger or direct or indirect acquisition and (B) is not in furtherance of a trading or investment strategy. Members must provide FINRA at least three



business days advance written notice of their intent to use this exception, including the basis for their determination that the transfer meets the terms of the exception. Members must report such transfers on the same day as the ultimate transfer of the positions on their books and records, unless later reporting is warranted under specific circumstances.

#### **(g) Prohibition on Aggregation of Transaction Reports**

Individual executions of orders in a security at the same price may not be aggregated for System reporting purposes.

#### **(h) Submission of Non-Tape Reports Associated With Previously Executed Trades**

(1) Members shall not submit to the System any non-tape report (either a non-tape, non-clearing report or a clearing-only report), including but not limited to reports of step-outs and reversals, associated with a previously executed trade that was not reported to the System, unless such report is submitted, pursuant to [Rule 6380B\(d\)](#), to reflect the offsetting riskless portion of a riskless principal transaction.

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

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

##### **(4) Clearing-Only, Non-Regulatory Reports**

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

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

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

#### **(i) Inclusion of Transaction Fees in Clearing Reports Submitted to the FINRA/NYSE Trade Reporting Facility**

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

##### **Example:**

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

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

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

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

Amended by SR-FINRA-2015-035 eff. Feb. 1, 2016.

Amended by SR-FINRA-2013-050 and SR-FINRA-2015-008 eff. July 13, 2015.

Amended by SR-FINRA-2013-044 eff. March 23, 2014.  
 Amended by SR-FINRA-2013-050 and SR-FINRA-2014-039 eff. Nov. 10, 2014.  
 Amended by SR-FINRA-2013-013 eff. Nov. 4, 2013.  
 Amended by SR-FINRA-2011-061 eff. Oct. 14, 2011.  
 Amended by SR-FINRA-2010-058 eff. Feb. 28, 2011.  
 Amended by SR-FINRA-2010-043 eff. Feb. 28, 2011.  
 Amended by SR-FINRA-2009-061 eff. Nov. 1, 2010.  
 Amended by SR-FINRA-2007-012 eff. May 3, 2010.  
 Amended by SR-FINRA-2010-002 eff. Feb. 15, 2010.  
 Amended by SR-FINRA-2009-027 eff. Aug. 3, 2009.  
 Amended by SR-FINRA-2008-011 eff. Aug. 3, 2009.  
 Amended by SR-FINRA-2009-024 eff. May 4, 2009.  
 Renumbered from Rule 7230C and amended by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Amended by SR-FINRA-2007-017 eff. March 3, 2008.  
 Amended by SR-FINRA-2008-002 eff. Jan. 28, 2008.  
 Amended by SR-NASD-2007-040 eff. Nov. 5, 2007.  
 Amended by SR-FINRA-2007-015 eff. Sep. 19, 2007.  
 Amended by SR-NASD-2007-037 eff. July 16, 2007.  
 Amended by SR-NASD-2007-047 eff. July 6, 2007.  
 Adopted by SR-NASD-2007-011 eff. April 18, 2007.

**Selected Notices:** [07-31](#), [07-33](#), [07-38](#), [07-63](#), [08-57](#), [09-08](#), [09-21](#), [09-54](#), [10-24](#), [10-48](#), [13-19](#), [14-21](#), [15-51](#).

## 7240B. Trade Report Processing

(a) All trades submitted to the System must be locked-in trades prior to entry into the System.

### (b) T+N Trade Processing

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

Amended by SR-FINRA-2013-050 and SR-FINRA-2015-008 eff. July 13, 2015.  
 Renumbered from Rule 7240C by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Amended by SR-FINRA-2007-015 eff. Sep. 19, 2007.  
 Adopted by SR-NASD-2007-011 eff. April 18, 2007.

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

## 7250B. Obligation to Honor Trades

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

Renumbered from Rule 7250C by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Amended by SR-FINRA-2007-015 eff. Sep. 19, 2007.  
 Adopted by SR-NASD-2007-011 eff. April 18, 2007.

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

## 7260B. Audit Trail Requirements

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

Renumbered from Rule 7260C and amended by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Adopted by SR-NASD-2007-011 eff. April 18, 2007.

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

## 7270B. Violation of Reporting Rules

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

Renumbered from Rule 7270C by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
Amended by SR-FINRA-2008-057 eff. Dec. 15, 2008.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Adopted by SR-NASD-2007-011 eff. April 18, 2007.

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

## 7280B. Termination of Access

FINRA may, upon notice, terminate access to the trade reporting service of the System as to a Participant in the event that a Participant fails to abide by any of the rules or operating procedures of the trade reporting service of the System or FINRA, or fails to honor contractual agreements entered into with FINRA or FINRA Regulation or the Participant Application Agreement, or fails to pay promptly for services rendered by the trade reporting service of the System.

Amended by SR-FINRA-2015-034 eff. Dec. 20, 2015.  
Renumbered from Rule 7280C by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Adopted by SR-NASD-2007-011 eff. April 18, 2007.

**Selected Notices:** [08-57](#), [16-04](#).

## 7300. OTC REPORTING FACILITY

### 7310. Definitions

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

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

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

(d) The terms "Participant," "Correspondent executing broker-dealer," "Correspondent executing broker," "Introducing broker-dealer," "Introducing broker," "Clearing broker-dealer," and "Clearing broker" shall also include, where appropriate, the Non-Member Clearing Organizations listed in [Rule 7320\(a\)\(4\)](#) below and their qualifying members.

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

(f) The term "Reportable Security" shall mean all OTC Equity Securities and Restricted Equity Securities as defined in [Rule 6420](#).

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

(h) The term "Reporting Party" shall mean the Participant that is required to input the trade information, according to the requirements of the trade report input rules applicable to the System contained in [Rule 7330](#).

(i) The term "System" shall mean the OTC Reporting Facility.

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

Amended by SR-FINRA-2013-050 and SR-FINRA-2014-039 eff. Nov. 17, 2014.  
Amended by SR-FINRA-2010-051 eff. Nov. 1, 2010.  
Amended by SR-FINRA-2009-061 eff. Nov. 1, 2010.  
Amended by SR-FINRA-2010-003 eff. June 28, 2010.  
Amended by SR-FINRA-2008-011 eff. Aug. 3, 2009.  
Adopted by SR-FINRA-2008-021 eff. Dec. 15, 2008.

**Selected Notices:** [08-57](#), [09-08](#), [10-24](#), [10-26](#), [14-21](#).

## 7320. Trade Reporting Participation Requirements

**(a) Mandatory Participation for Clearing Agency Members**

(1) Participation in the System is mandatory for any member that has an obligation to report an over-the-counter transaction to FINRA. Such participation in the System shall include the reconciliation of all over the counter clearing agency eligible transactions.

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) West Canada Clearing Corporation; and

(ii) The Canadian Depository for Securities.

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

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

(ii) a Non-Member Clearing Organization shall only have access to the System to operate as a service bureau for its members functioning as Reporting Order Entry Firms, Correspondent Executing Broker-Dealers, Correspondent Executing Brokers, Clearing Broker-Dealers, or Clearing Brokers, as those terms are defined in [Rule 7310](#);

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

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

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

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

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

b. have been in continuing compliance with such agreement.

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

- (i) execution of a Non-Member Participant Application Agreement;
- (ii) membership in a Non-Member Clearing Organization listed in paragraph (a)(4)(A) above; and
- (iii) compliance with paragraph (a)(3)(C) through (E) above.

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

- (i) execution of a Non-Member Participant Application Agreement;
- (ii) membership in a Non-Member Clearing Organization listed in paragraph (a)(4)(A) above; and
- (iii) compliance with paragraph (a)(3)(C) through (E) above.

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

## **(b) Participant Obligations**

### **(1) Access**

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

### **(2) System Participant Obligations**

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

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

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

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

### **(3) Clearing Broker Obligations**

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

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

Amended by SR-FINRA-2013-050 and SR-FINRA-2014-039 eff. Nov. 17, 2014.  
Adopted by SR-FINRA-2008-021.

**Selected Notice:** [08-57](#), [14-21](#).

## **7330. Trade Report Input**

### **(a) Reportable Transactions**

Members shall comply with the [Rule 7300](#) Series when reporting transactions to the System, including executions of less than one round lot if those executions are to be compared and locked-in. All trades that are reportable transactions will be processed pursuant to an effective transaction reporting plan. Trades that are not already locked-in trades will be compared and locked-in through the System.

**(b) When and How Trade Reports are Submitted**

Participants shall transmit trade reports to the System for Reportable System Transactions within the time period required in [Rule 6622](#), or, in the case of trades in OTC Equity Securities, shall accept or decline trades within twenty (20) minutes after execution, according to the requirements of paragraph (c) of this Rule.

**(c) Which Party Inputs Trade Reports**

Participants shall, subject to the input requirements below, either input trade reports or accept or decline a trade within the applicable time-frames as specified in paragraph (b) of this Rule. Trade reports shall be submitted by the member as required by [Rule 6622\(b\)](#).

**(d) Trade Information To Be Input**

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

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

(2) Number of shares;

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

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

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

(6) A symbol indicating whether the transaction is a buy, sell or cross, and if applicable, a symbol indicating whether the transaction is a sell short trade from the Reporting Member perspective or contra side perspective, irrespective of whether the contra side is a member, except the sell short indicator is not required on any clearing-only, non-regulatory report submitted pursuant to Rule 7330(h)(4);

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

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

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

(10) Contra side executing broker;

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

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

(13) For any transaction in an order for which a member has recording and reporting obligations under Rules [7440](#) and [7450](#), the trade report must include an order identifier, meeting such parameters as may be prescribed by FINRA, assigned to the order that uniquely identifies the order for the date it was received (see [Rule 7440\(b\)\(1\)](#)).

(14) For any transaction for which the OTC Reporting Facility is used to transfer a transaction fee between two FINRA members, the trade report must comply with the requirements of Rule 7330(i).

(15) If applicable, a unique indicator specified by FINRA to denote a clearing-only, non-regulatory report in accordance with Rule 7330(h)(4).

**(e) Aggregation of Transaction Reports for Clearing Purposes Only**

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

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

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

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

Members shall comply with deadlines and other requirements set forth in [Rule 6622](#) for reporting cancelled and reversed trades.

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

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

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

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

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

#### **(h) Submission of Non-Tape Reports Associated With Previously Executed Trades**

(1) Members shall not submit to the System any non-tape report (either a non-tape, non-clearing report or a clearing-only report), including but not limited to reports of step-outs and reversals, associated with a previously executed trade that was not reported to the System, unless such report is submitted, pursuant to [Rule 6622\(d\)](#), to reflect the offsetting riskless portion of a riskless principal transaction.

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

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

(4) Clearing-Only, Non-Regulatory Reports

(A) For a previously executed trade for which a tape report has been submitted to the System, or for the offsetting portion of a riskless principal or agency transaction for which a non-tape, non-clearing report has been submitted to the System, a member may submit a "clearing-only, non-regulatory report" to the System solely for purposes of clearing the transaction. A clearing-only, non-regulatory report cannot be used to satisfy any regulatory reporting requirement under FINRA rules that may apply to the transaction, e.g., the identification of other members for agency or riskless principal transactions under [Rule 6622\(d\)](#). As such, submission of a clearing-only, non-regulatory report constitutes certification by the member that it has satisfied all applicable regulatory reporting requirements under FINRA rules relating to the transaction through the submission of other reports (tape or non-tape, non-clearing) to the System.

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

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

#### **(i) Inclusion of Transaction Fees in Clearing Reports Submitted to the OTC Reporting Facility**

FINRA members may agree in advance to transfer a transaction fee charged by one member to another member on a transaction reported to the OTC Reporting Facility through the submission of a clearing report to the OTC Reporting Facility. Such report, inclusive of the transaction fee, will be submitted to the National Securities Clearing Corporation for processing. To facilitate the transfer of the transaction fee, the report submitted to the OTC Reporting Facility shall provide, in addition to all other information required to be submitted by any other rule, a total per share or contract price amount, inclusive of the transaction fee. Prior to submitting any such report, both members and their respective clearing firms, as applicable, must have executed an agreement, as specified by FINRA, permitting the facilitation of the transfer of the transaction fee through the OTC Reporting Facility, as well as any other applicable agreement, such as a give up agreement pursuant to [Rule 6622\(h\)](#), and submitted the executed agreement(s) to the OTC Reporting Facility. Such agreement(s) are considered member records for purposes of [Rule 4511](#) and must be made and preserved by both members in conformity with applicable FINRA rules. Nothing in this paragraph shall relieve a member from its obligations under FINRA rules and the federal securities laws, including but not limited to, [Rule 2232](#) and SEA Rule 10b-10.

#### **Example:**

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

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

••• **Supplementary Material:** -----

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

Amended by SR-FINRA-2015-035 eff. Feb. 1, 2016.  
 Amended by SR-FINRA-2013-050 and SR-FINRA-2014-039 eff. Nov. 17, 2014.  
 Amended by SR-FINRA-2011-065 eff. Dec. 5, 2011.  
 Amended by SR-FINRA-2011-061 eff. Oct. 14, 2011.  
 Amended by SR-FINRA-2011-024 eff. June 17, 2011.  
 Amended by SR-FINRA-2010-058 eff. Feb. 28, 2011.  
 Amended by SR-FINRA-2010-043 eff. Feb. 28, 2011.  
 Amended by SR-FINRA-2009-061 eff. Nov. 1, 2010.  
 Amended by SR-FINRA-2010-003 eff. June 28, 2010.  
 Amended by SR-FINRA-2010-017 eff. June 1, 2010.  
 Amended by SR-FINRA-2007-012 eff. May 3, 2010.  
 Amended by SR-FINRA-2010-002 eff. Feb. 15, 2010.  
 Amended by SR-FINRA-2009-027 eff. Aug. 3, 2009.  
 Amended by SR-FINRA-2008-011 eff. Aug. 3, 2009.  
 Amended by SR-FINRA-2009-024 eff. May 4, 2009.  
 Adopted by SR-FINRA-2008-021 eff. Dec. 15, 2008.

**Selected Notices:** [08-57](#), [09-08](#), [09-21](#), [09-54](#), [10-24](#), [10-26](#), [10-48](#), [14-21](#), [15-51](#).

## 7340. Trade Report Processing

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

### (1) Trade by Trade Match

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

### (2) Trade Acceptance

The Reporting Party enters its version of the trade into the System and the contra party reviews the trade report and accepts or declines the trade. An acceptance results in a locked-in trade. A declined trade report will be carried over at the end of trade date processing and will remain in the System, but will not be subject to the automatic lock-in process. A declined trade must be cancelled by the Reporting Party pursuant to [Rule 6622\(f\)](#) if the trade was originally reported to the System for dissemination purposes.

### (3) Automatic Lock-in

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

### (b) T+N Trade Processing

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

Amended by SR-FINRA-2013-050 and SR-FINRA-2014-039 eff. Nov. 17, 2014.  
 Amended by SR-FINRA-2013-001 eff. Feb. 4, 2013.  
 Adopted by SR-FINRA-2008-021.

**Selected Notice:** [08-57](#), [14-21](#).

## 7350. Obligation to Honor Trades

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



Adopted by SR-FINRA-2008-021.

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

## 7360. Audit Trail Requirements

The data elements specified in [Rule 7330\(d\)](#) are critical to FINRA's compilation of a transaction audit trail for regulatory purposes. As such, all member firms utilizing the trade reporting service of the System have an ongoing obligation to input 7330(d) information accurately and completely.

Adopted by SR-FINRA-2008-021.

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

## 7370. Violation of Reporting Rules

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

Amended by SR-FINRA-2008-057 eff. date Dec. 15, 2008.

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

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

## 7380. Termination of Access

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

Amended by SR-FINRA-2015-034 eff. Dec. 20, 2015.

Adopted by SR-FINRA-2008-021.

**Selected Notices:** [08-57](#), [16-04](#).

## 7400. ORDER AUDIT TRAIL SYSTEM

### 7410. Definitions

For purposes of the [Rule 7400](#) Series:

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

(b) "Bunched Order" shall mean two or more orders that are aggregated prior to execution.

(c) "Customer" shall mean a person other than a broker or dealer.

(d) "Electronic Communication Network" shall mean any electronic system that widely disseminates to third parties orders entered therein by an exchange market maker or over-the-counter market maker, and permits such orders to be executed in whole or in part, and as further defined in Rule 600(b)(23) of SEC Regulation NMS.

(e) "Electronic Order" shall mean an order captured by a member in an electronic order-routing or execution system.

(f) "Index Arbitrage Trade" shall have the same meaning as the term "Index Arbitrage" in New York Stock Exchange Rule 7410.

(g) "Intermarket sweep order" shall have the same meaning as contained in Rule 600(b)(30) of SEC Regulation NMS.

(h) "Manual Order" shall mean an order that is captured by a member other than in an electronic order-routing or execution system.

(i) "NMS stock" shall have the same meaning as contained in Rule 600(b)(47) of SEC Regulation NMS.

(j) "Order" shall mean any oral, written, or electronic instruction to effect a transaction in an NMS stock or an OTC equity security that is received by a member from another person for handling or execution, or that is originated by a department of a member for execution by the same or another member, other than any such instruction to effect a proprietary transaction originated by a trading desk in the ordinary course of a member's market making activities.

(k) "Order Audit Trail System" shall mean the automated system owned and operated by FINRA that is designed to capture order information in NMS stocks and OTC equity securities reported by members for integration with trade and quotation information to provide FINRA with an accurate time sequenced record of orders and transactions.

(l) "OTC equity security" shall have the same meaning as defined in [Rule 6420](#), except that for purposes of the [Rule 7400](#) Series, the term OTC equity security shall not include direct participation programs, as defined in [Rule 6420](#).

(m) "Program Trade" shall have the same meaning as the term "Program Trading" in New York Stock Exchange Rule 7410.

(n) "Reporting Agent" shall mean a third party that enters into any agreement with a member pursuant to which the Reporting Agent agrees to fulfill such member's obligations under [Rule 7450](#).

(o) "Reporting Member" shall mean a member that receives or originates an order and has an obligation to record and report information under Rules [7440](#) and [7450](#).

(1) A member shall not be considered a Reporting Member in connection with an order, if the following conditions are met:

(A) the member engages in a non-discretionary order routing process, pursuant to which it immediately routes, by electronic or other means, all of its orders to:

(i) a single receiving Reporting Member; or

(ii) two receiving Reporting Members, provided:

a. orders are routed by the member to each receiving Reporting Member on a pre-determined schedule approved by FINRA; and

b. orders are routed to two receiving Reporting Members pursuant to the schedule for a time period not to exceed one year; and

(B) the member does not direct and does not maintain control over subsequent routing or execution by the receiving Reporting Member(s);

(C) the receiving Reporting Member(s) record(s) and report(s) all information required under Rules [7440](#) and [7450](#) with respect to the order; and

(D) the member has a written agreement with the receiving Reporting Member(s) specifying the respective functions and responsibilities of each party to effect full compliance with the requirements of Rules [7440](#) and [7450](#).

(2) A member shall not be considered a Reporting Member in connection with an order if:

(A) the member was approved as a member pursuant to NASD [IM-1013-1](#) or NASD [IM-1013-2](#);

(B) the member operates consistent with NASD [IM-1013-1](#) or NASD [IM-1013-2](#), including limiting its business operations to "permitted floor activities," as that term is defined in NASD [IM-1013-1](#) and NASD [IM-1013-2](#); and

(C) the order was received by the member through systems operated and regulated by the New York Stock Exchange or NYSE Amex.

(p) "SRO-assigned identifier" shall mean a unique identifier assigned to a broker or dealer by a national securities exchange or national securities association for use by such broker or dealer when accessing the exchange or a facility of the association.

Amended by SR-FINRA-2016-006 eff. Aug. 1, 2016.  
 Amended by SR-FINRA-2014-045 eff. Dec. 1, 2014.  
 Amended by SR-FINRA-2014-024 eff. May 12, 2014.  
 Amended by SR-FINRA-2011-066 eff. Nov. 4, 2011.  
 Amended by SR-FINRA-2011-055 eff. Oct. 17, 2011.  
 Amended by SR-FINRA-2011-050 eff. Oct. 17, 2011.  
 Amended by SR-FINRA-2011-021 eff. Oct. 17, 2011.  
 Amended by SR-FINRA-2010-044 eff. Oct. 17, 2011.  
 Amended by SR-FINRA-2010-051 eff. Nov. 1, 2010.  
 Amended by SR-FINRA-2009-061 eff. Nov. 1, 2010.  
 Amended by SR-FINRA-2010-003 eff. June 28, 2010.  
 Amended by SR-FINRA-2009-005 eff. Feb. 17, 2009.  
 Amended by SR-FINRA-2008-057 eff. Dec. 15, 2008.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Amended by SR-NASD-2007-028 eff. Feb. 4, 2008.  
 Amended by SR-NASD-2005-101 eff. Feb. 4, 2008.  
 Amended by SR-NASD-2006-091 eff. March 5, 2007.  
 Amended by SR-NASD-2007-019 eff. March 1, 2007.  
 Amended by SR-NASD-2006-087 eff. Aug. 1, 2006.  
 Amended by SR-NASD-2005-087 eff. Aug. 1, 2006.

Amended by SR-NASD-2004-076 eff. May 5, 2004.  
Adopted by SR-NASD-97-56 eff. according to schedule in Rule 6957.

**Selected Notices:** [98-33](#), [06-70](#), [08-57](#), [10-24](#), [10-26](#), [11-03](#), [16-20](#).

## 7420. Applicability

(a) Unless otherwise indicated, the requirements of the [Rule 7400](#) Series are in addition to the requirements contained in the FINRA By-Laws and rules.

(b) Unless otherwise indicated, the requirements of the [Rule 7400](#) Series shall apply to all brokers and dealers admitted to membership in FINRA and to their associated persons.

(c) Unless otherwise indicated, the requirements of the [Rule 7400](#) Series shall apply to all executed or unexecuted orders.

(d) (1) For purposes of this paragraph, the term "foreign equity security" shall mean any equity security that is issued by a corporation or other organization incorporated or organized under the laws of any foreign country.

(2) Unless otherwise indicated, the requirements of the [Rule 7400](#) Series shall apply to an order involving an OTC equity security that is a foreign equity security only if the order results in a trade that is subject to the transaction reporting requirements in [Rule 6622](#).

Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Amended by SR-FINRA-2007-001 eff. Feb. 4, 2008.  
Amended by SR-NASD-2005-101 eff. Feb. 4, 2008.  
Amended by SR-NASD-2005-087 eff. Aug. 1, 2006.  
Adopted by SR-NASD-97-56 eff. according to schedule in Rule 6957.

**Selected Notices:** [98-33](#), [06-70](#), [08-57](#).

## 7440. Recording of Order Information

### (a) Procedures

(1) Subject to the terms and conditions contained in Rules [7420](#) through [7460](#), each Reporting Member shall:

(A) immediately following receipt or origination of an order, record each item of information described in paragraph (b) of this Rule that applies to such order, and record any additional information described in paragraph (b) of this Rule that applies to such order immediately after such information is received or becomes available; and

(B) immediately following the transmission of an order to another member, or from one department to another within the same member, record each item of information described in paragraph (c) of this Rule that applies with respect to such transmission; and

(C) immediately following the modification, cancellation, or execution of an order, record each item of information described in paragraph (d) of this Rule that applies with respect to such modification, cancellation, or execution.

(2) Each required record of the time of an event shall be expressed in terms of hours, minutes, and seconds; provided that the time of an event shall be expressed in hours, minutes, seconds, and milliseconds if the member's system captures time in milliseconds.

(3) Each Reporting Member shall, by the end of each business day, record each item of information required to be recorded under this Rule in such electronic form as is prescribed by FINRA from time to time.

(4) With respect to each order that is received or executed at its trading department, each Reporting Member shall record an identification of:

(A) each registered person who receives the order directly from a customer;

(B) each registered person who executes the order; and

(C) the department that originated the order if the order is originated by the member and transmitted manually to another department.

(5) Maintaining and Preserving Records

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

(B) The records required to be maintained and preserved under this Rule may be immediately produced or reproduced on "micrographic media" as defined in SEA Rule 17a-4(f)(1)(i) or by means of "electronic storage media" as defined in SEA

Rule 17a-4(f)(1)(ii) that meet the conditions set forth in SEA Rule 17a-4(f) and be maintained and preserved for the required time in that form.

### **(b) Order Origination and Receipt**

Unless otherwise indicated, the following order information must be recorded under this Rule when an order is received or originated. For purposes of this Rule, the order origination or receipt time is the time the order is received from the customer.

- (1) an order identifier meeting such parameters as may be prescribed by FINRA assigned to the order by the Reporting Member that uniquely identifies the order for the date it was received;
- (2) the identification symbol assigned by FINRA to the security to which the order applies;
- (3) the market participant symbol assigned by FINRA to the Reporting Member;
- (4) the identification of any department or the identification number of any terminal where an order is received directly from a customer;
- (5) where the order is originated by a Reporting Member, the identification of the department of the member that originates the order;
- (6) where the Reporting Member is a party to an agreement described in [Rule 7450\(c\)](#), the identification of the Reporting Agent;
- (7) the number of shares to which the order applies;
- (8) the designation of the order as a buy or sell order;
- (9) the designation of the order as a short sale or a short sale exempt order;
- (10) the designation of the order as a market order, limit order, stop order or stop limit order;
- (11) any limit or stop price prescribed in the order;
- (12) the date on which the order expires, and, if the time in force is less than one day, the time when the order expires;
- (13) the time limit during which the order is in force;
- (14) any request by a customer that a limit order not be displayed, or that a block size limit order be displayed, pursuant to applicable rules;
- (15) special handling requests, specified by FINRA for purposes of this Rule;
- (16) the date and time the order is originated or received by a Reporting Member;
- (17) an identification of the order as related to a Program Trade or an Index Arbitrage Trade;
- (18) the type of account, i.e., retail, wholesale, employee, proprietary, or any other type of account designated by FINRA, for which the order is submitted;
- (19) when the Reporting Member receives an order from a U.S.-registered broker-dealer that is not a member, or from a non-U.S.-registered broker-dealer that is not a member but has received an SRO-assigned identifier for purposes of accessing a FINRA facility pursuant to [Rule 7220A](#) or [7320](#), identification of such broker-dealer by providing an SRO-assigned identifier assigned to the broker-dealer or the number assigned to the broker-dealer in the Central Registration Depository system;
- (20) if the member is relying on the exception provided in [Rule 5320.02](#) with respect to the order, the unique identification of any appropriate information barriers in place at the department within the member where the order was received or originated; and
- (21) if a Reporting Member operates a Trading Center for purposes of [Rule 6191](#), the information required by paragraph (b)(2)(A)(ii) of [Rule 6191](#).

### **(c) Order Transmittal**

Order information required to be recorded under this Rule when an order is transmitted includes the following.

- (1) When a Reporting Member transmits an order to a department within the member, the Reporting Member shall record:
  - (A) the order identifier assigned to the order by the Reporting Member,
  - (B) the market participant symbol assigned by FINRA to the Reporting Member,
  - (C) the date the order was first originated or received by the Reporting Member,
  - (D) an identification of the department and nature of the department to which the order was transmitted,

(E) the date and time the order was received by that department,

(F) the number of shares to which the transmission applies,

(G) any special handling requests, and

(H) if the member is relying on the exception provided in [Rule 5320.02](#) with respect to the order, the unique identification of any appropriate information barriers in place at the department within the member to which the order was transmitted.

(2) When a member electronically transmits an order to another member, other than an order transmitted electronically for execution on an Electronic Communications Network:

(A) the transmitting Reporting Member shall record:

(i) the order identifier assigned to the order by the Reporting Member and the routed order identifier, if different, which the transmitting Reporting Member also must provide to the receiving Reporting Member,

(ii) the market participant symbol assigned by FINRA to the Reporting Member,

(iii) the market participant symbol assigned by FINRA to the member to which the order is transmitted,

(iv) the date the order was first originated or received by the Reporting Member,

(v) the date and time the order is transmitted,

(vi) the number of shares to which the transmission applies,

(vii) whether the order is an intermarket sweep order,

(viii) the price at which the order is transmitted, and

(ix) the designation of the order as short exempt, if applicable; and

(B) the receiving Reporting Member shall record, in addition to all other information items in [Rule 7440\(b\)](#) that apply with respect to such order:

(i) the routed order identifier assigned to the order by the member that transmits the order and

(ii) the market participant symbol assigned by FINRA to the member that transmits the order.

(3) When a member electronically transmits an order for execution on an Electronic Communications Network:

(A) the transmitting Reporting Member shall record:

(i) the fact that the order was transmitted to an Electronic Communications Network,

(ii) the order identifier assigned to the order by the Reporting Member and the routed order identifier, if different, which the transmitting Reporting Member also must provide to the receiving Reporting Member,

(iii) the market participant symbol assigned by FINRA to the Reporting Member,

(iv) the market participant symbol assigned by FINRA to the member to which the order is transmitted,

(v) the date the order was first originated or received by the Reporting Member,

(vi) the date and time the order is transmitted,

(vii) the number of shares to which the transmission applies,

(viii) whether the order is an intermarket sweep order,

(ix) the price at which the order is transmitted, and

(x) the designation of the order as short exempt, if applicable; and

(B) the receiving Reporting Member operating the Electronic Communications Network shall record:

(i) the fact that the order was received by an Electronic Communications Network,

(ii) the routed order identifier assigned to the order by the member that transmits the order,

(iii) the market participant symbol assigned by FINRA to the transmitting Reporting Member, and

(iv) other information items in [Rule 7440\(b\)](#) that apply with respect to such order, which must include information items (1), (2), (3), (6), (7), (8), (10), (11), (12), (13), (15), and (16).

(4) When a member manually transmits an order to another member, other than to an Electronic Communications Network:

(A) the transmitting Reporting Member shall record:

- (i) the fact that the order was transmitted manually,
- (ii) the order identifier assigned to the order by the Reporting Member,
- (iii) the market participant symbol assigned by FINRA to the Reporting Member,
- (iv) the market participant symbol assigned by FINRA to the member to which the order is transmitted,
- (v) the date the order was first originated or received by the Reporting Member,
- (vi) the date and time the order is transmitted,
- (vii) the number of shares to which the transmission applies,
- (viii) for each order to be included in a bunched order, the bunched order route indicator assigned to the bunched order by the Reporting Member,
- (ix) whether the order is an intermarket sweep order,
- (x) the price at which the order is transmitted, and
- (xi) the designation of the order as short exempt, if applicable; and

(B) the receiving Reporting Member shall record, in addition to all other information items in [Rule 7440\(b\)](#) that apply with respect to such order:

- (i) the fact that the order was received manually and
- (ii) the market participant symbol assigned by FINRA to the member that transmits the order.

(5) When a member manually transmits an order to an Electronic Communications Network:

(A) the transmitting Reporting Member shall record:

- (i) the fact that the order was transmitted manually,
- (ii) the order identifier assigned to the order by the Reporting Member,
- (iii) the market participant symbol assigned by FINRA to the Reporting Member,
- (iv) the market participant symbol assigned by FINRA to the member to which the order is transmitted,
- (v) the date the order was first originated or received by the Reporting Member,
- (vi) the date and time the order is transmitted,
- (vii) the number of shares to which the transmission applies,
- (viii) for each order to be included in a bunched order, the bunched order route indicator assigned to the bunched order by the Reporting Member,
- (ix) whether the order is an intermarket sweep order,
- (x) the price at which the order is transmitted, and
- (xi) the designation of the order as short exempt, if applicable; and

(B) the receiving Reporting Member shall record:

- (i) the fact that the order was received manually,
- (ii) the market participant symbol assigned by FINRA to the transmitting Reporting Member, and
- (iii) other information items in [Rule 7440\(b\)](#) that apply with respect to such order, which must include information items (1), (2), (3), (6), (7), (8), (10), (11), (12), (13), (15), and (16).

(6) When a member transmits an order to a non-member, including but not limited to a national securities exchange, the Reporting Member shall record:

- (A) the fact that the order was transmitted to a non-member,
- (B) the order identifier assigned to the order by the Reporting Member,
- (C) the market participant symbol assigned by FINRA to the Reporting Member,
- (D) the date the order was first originated or received by the Reporting Member,
- (E) the date and time the order is transmitted,
- (F) the number of shares to which the transmission applies,
- (G) for each manual order to be included in a bunched order, the bunched order route indicator assigned to the bunched order by the Reporting Member,
- (H) the routed order identifier or other unique identifier required by the non-member receiving the order, as applicable,
- (I) identification of the non-member where the trade was transmitted,
- (J) whether the order is an intermarket sweep order,
- (K) the price at which the order is transmitted, and
- (L) the designation of the order as short exempt, if applicable.

**(d) Order Modifications, Cancellations, and Executions**

Order information required to be recorded under this Rule when an order is modified, canceled, or executed includes the following.

(1) When a Reporting Member modifies or receives a modification to the terms of the order, the Reporting Member shall record, in addition to all other applicable information items (including a new order identifier) that would apply as if the modified order were originated or received at the time of the modification:

- (A) the order identifier assigned to the order by the Reporting Member prior to the modification,
- (B) the date and time the modification was originated or received, and
- (C) the date the order was first originated or received by the Reporting Member.

(2) When the Reporting Member cancels or receives a cancellation of an order, in whole or part, the Reporting Member shall record:

- (A) the order identifier assigned to the order by the Reporting Member,
- (B) the market participant symbol assigned by FINRA to the Reporting member,
- (C) the date the order was first originated or received by the Reporting Member,
- (D) the date and time the cancellation was originated or received,
- (E) if the open balance of an order is canceled after a partial execution, the number of shares canceled, and
- (F) whether the order was canceled on the instruction of a customer or the Reporting Member.

(3) When a Reporting Member executes an order, in whole or in part, the Reporting Member shall record:

- (A) the order identifier assigned to the order by the Reporting Member,
- (B) the market participant symbol assigned by FINRA to the Reporting Member,
- (C) the date the order was first originated or received by the Reporting Member,
- (D) the Reporting Member's number assigned for purposes of identifying transaction data in the Nasdaq Market Center, ADF, Trade Reporting Facility or other system or service as may be designated by FINRA,
- (E) the designation of the order as fully or partially executed,
- (F) the number of shares to which a partial execution applies and the number of unexecuted shares remaining,
- (G) the identification number of the terminal where the order was executed,

(H) the date and time of execution;

(I) the execution price,

(J) the capacity in which the member executed the transaction (e.g., agency, principal or riskless principal), and

(K) the national securities exchange or facility (operated by a registered securities association where the trade was reported).

(4) If a Reporting Member operates a Trading Center for purposes of [Rule 6191](#), the information required by paragraph (b)(2)(A)(iv) of [Rule 6191](#).

Amended by SR-FINRA-2016-026 eff. Aug. 1, 2016.  
 Amended by SR-FINRA-2016-006 eff. Aug. 1, 2016.  
 Amended by SR-FINRA-2015-048 eff. Apr. 4, 2016.  
 Amended by SR-FINRA-2013-050 eff. Apr. 7, 2014.  
 Amended by SR-FINRA-2010-063 eff. Apr. 16, 2012.  
 Amended by SR-FINRA-2010-052 eff. Dec. 5, 2011.  
 Amended by SR-FINRA-2010-058 eff. Feb. 28, 2011.  
 Amended by SR-FINRA-2010-043 eff. Feb. 28, 2011.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Amended by SR-NASD-2007-028 eff. Feb. 4, 2008.  
 Amended by SR-NASD-2006-091 eff. March 5, 2007.  
 Amended by SR-NASD-2006-087 eff. Aug. 1, 2006.  
 Amended by SR-NASD-2005-087 eff. Aug. 1, 2006.  
 Amended by SR-NASD-2004-137 eff. Feb. 14, 2005.  
 Amended by SR-NASD-2004-023 eff. Oct. 4, 2004.  
 Amended by SR-NASD-2004-076 eff. May 5, 2004.  
 Amended by SR-NASD-2002-097 eff. July 29, 2002.  
 Amended by SR-NASD-98-38 eff. according to schedule in Rule 6957.  
 Adopted by SR-NASD-97-56 eff. according to schedule in Rule 6957.

**Selected Notices:** [98-33](#), [98-73](#), [04-48](#), [04-85](#), [05-78](#), [06-15](#), [08-57](#), [10-48](#), [11-19](#), [14-21](#), [16-20](#).

## 7450. Order Data Transmission Requirements

### (a) General Requirement

All applicable order information required to be recorded under [Rule 7440](#) shall be transmitted to the Order Audit Trail System by each Reporting Member or by a Reporting Agent pursuant to an agreement described by paragraph (c) of this Rule.

### (b) Method and Timing of Transmitting Data

(1) Order information shall be transmitted in electronic form, as may be prescribed by FINRA from time to time, to a receiving location designated by FINRA.

(2) Each Reporting Member shall transmit to the Order Audit Trail System a report containing each applicable item of order information identified in [Rule 7440](#)(b), (c), and (d) whenever an order is originated, received, transmitted to another department within the member or to another member, modified, canceled, or executed. The Reporting Member must transmit reports of all order events occurring on an OATS Business Day by 8:00 a.m. Eastern Time on the calendar day following the end of the OATS Business Day; provided, however, that if any item of information required to be reported is not available by the time the report must be transmitted, then the report shall be transmitted on the day that all such items of information become available.

(3) For purposes of this paragraph, an "OATS Business Day" begins at 4:00:01 p.m. Eastern Time on one market day and ends at 4:00:00 p.m. Eastern Time on the next market day.

### (c) Reporting Agent Agreements

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

(2) All written documents evidencing an agreement described in subparagraph (1) shall be maintained by each party to the agreement.

(3) Each Reporting Member remains primarily responsible for compliance with the requirements of this rule, notwithstanding the existence of an agreement described in this paragraph.



Amended by SR-FINRA-2011-063 eff. Apr. 16, 2012.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Amended by SR-NASD-2005-101 eff. Feb. 4, 2008.  
 Amended by SR-NASD-2007-019 eff. March 1, 2007.  
 Amended by SR-NASD-2006-040 eff. July 10, 2006.  
 Amended by SR-NASD-2000-23 eff. July 10, 2006.  
 Adopted by SR-NASD-97-56 eff. according to schedule in Rule 6957.

**Selected Notices:** [98-33](#), [05-78](#), [06-15](#), [06-70](#), [08-57](#).

## 7460. Violation of Order Audit Trail System Rules

Failure of a member or person associated with a member to comply with any of the requirements of [Rule 7410](#) through Rule 7460 may be considered conduct that is inconsistent with high standards of commercial honor and just and equitable principles of trade, in violation of [Rule 2010](#).

Amended by SR-FINRA-2008-057 eff. Dec. 15, 2008.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Adopted by SR-NASD-97-56 eff. according to schedule in Rule 6957.

**Selected Notices:** [98-33](#), [08-57](#).

## 7470. Exemption to the Order Recording and Data Transmission Requirements

(a) Pursuant to the [Rule 9600](#) Series, the staff, for good cause shown after taking into consideration all relevant factors, may exempt, subject to specified terms and conditions, a member from the recording and order data transmission requirements of Rules [7440](#) and [7450](#), respectively, for manual orders, if such exemption is consistent with the protection of investors and the public interest, and the member meets the following criteria:

- (1) the member and current control affiliates and associated persons of the member have not been subject within the last five years to any final disciplinary action, and within the last ten years to any disciplinary action involving fraud;
- (2) the member has annual revenues of less than \$2 million;
- (3) the member does not conduct any market making activities in NMS stocks or OTC equity securities;
- (4) the member does not execute principal transactions with its customers (with limited exception for principal transactions executed pursuant to error corrections); and
- (5) the member does not conduct clearing or carrying activities for other firms.

(b) An exemption provided pursuant to this Rule shall not exceed a period of two years. At or prior to the expiration of a grant of exemptive relief under this Rule, a member meeting the criteria set forth in paragraph (a) above may request, pursuant to the [Rule 9600](#) Series, a subsequent exemption, which will be considered at the time of the request, consistent with the protection of investors and the public interest.

(c) This Rule shall be in effect until July 10, 2019.

Amended by SR-FINRA-2015-016 eff. July 10, 2015.  
 Amended by SR-FINRA-2011-055 eff. Oct. 17, 2011.  
 Amended by SR-FINRA-2011-021 eff. Oct. 17, 2011.  
 Amended by SR-FINRA-2010-044 eff. Oct. 17, 2011.  
 Amended by SR-FINRA-2011-029 eff. July 9, 2011.  
 Amended by SR-FINRA-2009-001 eff. Jan. 7, 2009.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Amended by SR-NASD-2006-052 eff. July 10, 2006.  
 Adopted by SR-NASD-2006-040 eff. July 10, 2006.

**Selected Notices:** [06-17](#), [08-57](#), [11-03](#).

## 7500. CHARGES FOR ALTERNATIVE DISPLAY FACILITY SERVICES AND EQUIPMENT

### 7510. System Services

#### (a) Trade Reporting and Comparison

The following charges shall be paid by ADF participants for use of the System:

<b>Transaction Related Charges:</b>	
-------------------------------------	--

Comparison	\$0.014/side per 100 shares (minimum 400 shares; maximum 7,500 shares)
Automated Give-Up	\$0.029/trade (if the associated publicly disseminated trade is not reported to the media through the ADF) (charged to the Executing Party)
Qualified Special Representative	\$0.029/trade (if the associated publicly disseminated trade is not reported to the media through the ADF) (charged to the Executing Party)
Late Report — T+N	\$0.30/trade (charged to the Executing Party)
Corrective Transaction Charge	\$0.25/ Break, Decline, Cancel, Correct, Reversal transaction, paid by each party (unless the trade is a locked-in transaction (i.e., an AGU or QSR), in which case the Corrective Transaction Charge is charged to the Executing Party)

### (b) Quotation Updates

The following quotation update charges will apply based on the average daily number of publicly disseminated trades reported to the media through the ADF during the billing period. A "quotation update" includes any change to the price or size of a displayed quotation.

Average Trades Reported through the ADF Per Day	Quotation Update Charge	Quotes Updates Provided at No Charge
Less than 1	\$.02 per quotation update	None
Between 1 and 100,000	\$.01 per quotation update	5 quotation updates per trade
Between 100,001 and 125,000	\$.005 per quotation update	20 quotation updates per trade
Between 125,001 and 150,000	\$.005 per quotation update	25 quotation updates per trade
Greater than 150,000	No Charge	N/A

### (c) System Related Fees

#### (1) Web Browser Access

An ADF participant that elects to report to the ADF via an ADF web browser shall be charged \$20 per month per user ID.

### (d) FINRA ADDS Fees

The FINRA Automated Data Delivery System ("FINRA ADDS") provides an ADF participant access to ADF trade journal files associated with its market participant identifier ("MPID"). FINRA offers two optional FINRA ADDS services: ADF Reporting Facility Data Delivery and ADF Reporting Facility Data Delivery Secure File Transfer Protocol.

#### (1) ADF Reporting Facility Data Delivery

There is no charge to an MPID that is a subscriber for ADF Reporting Facility Data Delivery reports provided in response to requests by the MPID via the FINRA ADDS website.

#### (2) ADF Reporting Facility Data Delivery Secure File Transfer Protocol Fee

The ADF Reporting Facility Data Delivery Secure File Transfer Protocol ("ADF Reporting Facility Data Delivery SFTP") fees are charged to an MPID that is a subscriber and are:

- (A) Set-Up Fee — a one-time fee of \$250 per MPID that subscribes to the service; and
- (B) Monthly Fee — a monthly fee of \$200 per MPID that subscribes to the service.

Amended by SR-FINRA-2016-048. eff. Jan. 3, 2017.  
 Amended by SR-FINRA-2016-031 eff. Sep. 12, 2016.  
 Amended by SR-FINRA-2013-053 eff. Feb. 3, 2014.  
 Amended by SR-FINRA-2014-007 eff. Jan. 31, 2014.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Amended by SR-NASD-2007-017 eff. Feb. 1, 2007.  
 Amended by SR-NASD-2003-09 eff. Jan. 30, 2003.  
 Adopted by SR-NASD-2002-97 eff. July 29, 2002.

**Selected Notices:** [08-57](#), [16-33](#).

## 7520. FIX Connectivity Charge

For members that intend to use the ADF for trade reporting only, the charge for connecting to the ADF via a Financial Information eXchange (FIX) line shall be \$500 per month.

Amended by SR-FINRA-2016-031 eff. Sep. 12, 2016.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Adopted by SR-NASD-2002-97 eff. July 29, 2002.

**Selected Notices:** [08-57](#), [16-33](#).

## 7530. Other Services

### (a) Daily Reports to Newspapers

Reports for regular public release, such as a list of closing quotations or market summary information for newspaper publication, shall be produced in a format acceptable to most publishers without charge. Should such information be transmitted to another location at the request of any firm, a charge may be imposed for such services by FINRA or FINRA Regulation.

### (b) Other Requests for Data

FINRA or FINRA Regulation may impose and collect compensatory charges for data supplied upon request, where there is no provision elsewhere in this [Rule 7500](#) Series for charges for such service or sale.

### (c) Testing Services

(1) (1) Subscribers that conduct tests with the central processing facilities of the Alternative Display Facility shall pay the following charge:

\$333/hour	For testing at all times on business days, or on weekends and holidays.
------------	---

(2) The foregoing fees shall not apply to testing occasioned by:

- (A) new or enhanced services and/or software provided by ADF or
- (B) modifications to software and/or services initiated by ADF in response to a contingency.

Amended by SR-FINRA-2015-034 eff. Dec. 20, 2015.  
Amended by SR-FINRA-2013-053 eff. Feb. 3, 2014.  
Amended by SR-FINRA-2014-007 eff. Jan. 31, 2014.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Adopted by SR-NASD-2002-97 eff. July 29, 2002.

**Selected Notices:** [08-57](#), [16-04](#).

## 7540. Partial Month Charges

The charges for the month of commencement or termination of service will be prorated based on the number of trade days in that month.

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

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

## 7550. Late Fees

(a) All charges imposed by FINRA that are past due 45 days or more will be subject to a late fee computed by taking the summation of one and one-half percent (1 ½%) of the amount past due for the first month plus one and one-half percent (1 ½%) of the amount past due for any month thereafter, compounded by late fees assessed for previous months.

(b) To illustrate how late fees are assessed, if an account is past due \$1,000 for 45 days, the late fee would be \$30.22. This charge reflects a charge of \$15 for the first month past due (\$1,000 x 1 ½%) and \$15.22 for the second month past due (\$1,015 x 1 ½%).

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

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

## 7560. Minor Modifications in Charges

(a) To compensate for minor variations in annual net income, the Board of Governors of FINRA may increase or decrease the total charges in this Schedule by 10% from the base charges as adopted on July 24, 2002 upon filing such change with the SEC pursuant to Section 19(b)(3) of the Exchange Act.

(b) To facilitate the development of new information services and uses under appropriate terms and conditions, arrangements of limited duration, geography and/or scope may be entered into with Broker-Dealers, Vendors and other persons which may modify or dispense with some or all of the charges contained in this Rule or the terms and conditions contained in standard agreements. The arrangements contemplated will permit the testing and pilot operation of proposed new information services and uses to evaluate their impact on and to develop the technical, cost and market research information necessary to formulate permanent charges, terms and conditions for filing with and approval by the SEC.

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

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

## 7580. Capacity Fees and Penalties

### 7581. Excess Capacity Usage Fees

(a) If an ADF Trading Center exceeds its Certified Peak Transaction Volume in one or more categories on one or more days in a given calendar month, the following excess capacity usage fees will apply:

Level	Percentage Exceeded	1 – 2 days	3 – 5 days	6 – 10 days	>10 days
1	<25%	N/A	\$250	\$500	\$750
2	25% – <50%	\$250	\$500	\$750	\$1,000
3	50% or more	\$500	\$750	\$1,000	\$2,000

(b) All incidents for a calendar month will be assessed at the highest level rate that any incident in the month achieved and at the highest dollar amount based on the number of days.

(c) ADF Trading Centers shall submit separate volume projections for quote, media trade, total (i.e., media and non-media) trade, and order reporting activity broken out by National Market System ("NMS") data plan (i.e., separate projections are submitted for UTP Securities volume and for CTA Securities volume). For purposes of calculating the excess capacity usage fee, accruals of incidents apply separately for quote, trade, and order reporting activity and for each NMS data plan to determine whether multiple incidents result in Category 1, 2, or 3 level fees.

(d) For purposes of Rule 7581:

- (1) the term "ADF Trading Center," shall have the same meaning as defined in [Rule 6220](#);
- (2) the term "CTA Securities" shall mean securities subject to the Consolidated Tape Association Plan;
- (3) the term "UTP Securities" shall mean securities subject to the Unlisted Trading Privileges Plan; and

(4) the term "Certified Peak Transaction Volume" means an ADF Trading Center's projected transactions per day on a projected peak day in any of the following categories that an ADF Trading Center has been certified to submit to the ADF based on the results of the ADF Trading Center's quarterly certification volume test:

- (A) quotation volume in CTA Securities;
- (B) trade reporting volume in CTA Securities;
- (C) order reporting volume in CTA Securities;
- (D) quotation volume in UTP Securities;
- (E) trade reporting volume in UTP Securities; and

(F) order reporting volume in UTP Securities.

Adopted by SR-FINRA-2013-054 eff. Feb. 19, 2014.

## 7582. Shortfall Capacity Usage Fees

(a) If an ADF Trading Center does not achieve certain thresholds of both its Projected Average Transaction Volume and its Certified Peak Transaction Volume in one or more categories on one or more days in a given calendar month, the following shortfall capacity usage fees will apply:

For Projected Average Transaction Volume:

Level	Percentage Shortfall	1 – 2 days	3 – 5 days	6 – 10 days	>10 days
1	10% – <15%	N/A	\$125	\$250	\$375
2	15% – <25%	\$125	\$250	\$375	\$500
3	25% or more	\$250	\$375	\$500	\$1000

For Certified Peak Transaction Volume:

Level	Percentage Shortfall	1 – 2 days	3 – 5 days	6 – 10 days	>10 days
1	50% – <60%	N/A	\$125	\$250	\$375
2	60% – <75%	\$125	\$250	\$375	\$500
3	75% or more	\$250	\$375	\$500	\$1000

(b) All incidents for a calendar month will be assessed at the highest level rate that any incident in the month achieved and at the highest dollar amount based on the number of days.

(c) ADF Trading Centers shall submit separate volume projections for quote, media trade, total (i.e., media and non-media) trade, and order reporting activity broken out by National Market System ("NMS") data plan (i.e., separate projections are submitted for UTP Securities volume and for CTA Securities volume). For purposes of calculating the shortfall capacity usage fee, accruals of incidents apply separately for quote, total trade, and order reporting activity and for each NMS data plan to determine whether multiple incidents result in Category 1, 2, or 3 level fees.

(d) For purposes of Rule 7582:

- (1) the term "ADF Trading Center," shall have the same meaning as defined in [Rule 6220](#);
- (2) the term "CTA Securities" shall mean securities subject to the Consolidated Tape Association Plan;
- (3) the term "UTP Securities" shall mean securities subject to the Unlisted Trading Privileges Plan;

(4) the term "Projected Average Transaction Volume" means an ADF Trading Center's projected transactions per day on a projected average day in any of the following categories that an ADF Trading Center is required to certify to regarding volume submitted to the ADF:

- (A) quotation volume in CTA Securities;
- (B) trade reporting volume in CTA Securities;
- (C) order reporting volume in CTA Securities;
- (D) quotation volume in UTP Securities;
- (E) trade reporting volume in UTP Securities; and
- (F) order reporting volume in UTP Securities; and

(5) the term "Certified Peak Transaction Volume" means an ADF Trading Center's projected transactions per day on a projected peak day in any of the following categories that an ADF Trading Center has been certified to submit to the ADF based on the results of the ADF Trading Center's quarterly certification volume test:

- (A) quotation volume in CTA Securities;
- (B) trade reporting volume in CTA Securities;
- (C) order reporting volume in CTA Securities;

- (D) quotation volume in UTP Securities;
- (E) trade reporting volume in UTP Securities; and
- (F) order reporting volume in UTP Securities.

Adopted by SR-FINRA-2013-054 eff. Feb. 19, 2014.

### **7583. Penalties Incurred Pursuant to the National Market System Data Plans**

(a) FINRA will pass through any penalties incurred under the National Market System data plans and allocate them accordingly to the ADF Trading Center that exceeds its projected message traffic. Each ADF Trading Center will be invoiced for any penalties that may occur.

(b) In assessing capacity penalties incurred under the National Market System Plans:

(1) FINRA will use the metrics of the applicable Securities Information Processor (SIP) to determine if a penalty has been incurred and will use its own metrics to allocate the penalty to the appropriate ADF Trading Centers (in the event that more than one ADF Trading Center has exceeded its projections);

(2) FINRA will notify each ADF Trading Center as soon as possible after it has exceeded its projections; and

(3) The ADF Trading Center will be invoiced for the penalties once FINRA has received its invoice from the SIP(s).

(c) For purposes of Rule 7583:

(1) the term "ADF Trading Center," shall have the same meaning as defined in [Rule 6220](#); and

(2) the term "National Market System Data Plans" means the Consolidated Tape Association Plan, the Consolidated Quotation Plan, and the Unlisted Trading Privileges Plan.

Adopted by SR-FINRA-2013-054 eff. Feb. 19, 2014.

### **7600. DATA PRODUCTS AND CHARGES FOR TRADE REPORTING FACILITY SERVICES**

#### **7600A. DATA PRODUCTS AND CHARGES FOR FINRA/NASDAQ TRADE REPORTING FACILITY SERVICES**

There are two FINRA/Nasdaq Trade Reporting Facilities: FINRA/Nasdaq Trade Reporting Facility Carteret and FINRA/Nasdaq Trade Reporting Facility Chicago. As used in the Rule 7600A Series, the term "FINRA/Nasdaq Trade Reporting Facility" means either the FINRA/Nasdaq Trade Reporting Facility Carteret or FINRA/Nasdaq Trade Reporting Facility Chicago, as applicable, depending on the facility to which the Participant elects to report.

Amended by SR-FINRA-2018-013 eff. Sept. 10, 2018.

#### **7610A. Securities Transaction Credit**

FINRA members that trade securities listed on the NYSE ("Tape A"), Amex and regional exchanges ("Tape B"), or Nasdaq ("Tape C") in over-the-counter transactions reported to the FINRA/Nasdaq Trade Reporting Facility may receive from the FINRA/Nasdaq Trade Reporting Facility transaction credits based on the transactions attributed to them. A transaction is attributed to a member if the member is identified as the executing party in a trade report submitted to the FINRA/Nasdaq Trade Reporting Facility that the FINRA/Nasdaq Trade Reporting Facility submits to the Consolidated Tape Association or the Nasdaq Securities Information Processor. A FINRA member may earn credits from any of three pools maintained by the FINRA/Nasdaq Trade Reporting Facility, each of which represents the revenue paid by the Consolidated Tape Association or the Nasdaq Securities Information Processor with respect to the FINRA/Nasdaq Trade Reporting Facility for each of Tape A, Tape B, and Tape C transactions. A FINRA member may earn credits from the pools according to the pro rata share of revenue attributable to over-the-counter transactions reported to the FINRA/Nasdaq Trade Reporting Facility by the member in each of Tape A, Tape B, and Tape C for each calendar quarter. Credits will be paid on a quarterly basis.

Retail Participants, as that term is defined in Supplementary Material .01 to [Rule 7620A](#), may also receive from the FINRA/Nasdaq Trade Reporting Facility transaction credits based on transactions attributed to them. Retail Participants shall be entitled to receive such credits on the same basis as are FINRA members, as described in the immediately preceding paragraph. If a participant is approved as or ceases to be a Retail Participant after the first day of a calendar quarter, then the approval or cessation shall be deemed to be effective as of the first day of the next calendar quarter.

The percentage of attributable revenue shared with a particular member or Retail Participant, as applicable, will be determined as follows:

##### **Tape A**

Percentage Market Share	Percent of attributable revenue shared	Percent of attributable revenue shared (Retail Participants)
Greater than or equal to 2%	98%	98%
Less than 2% but greater than or equal to 1%	95%	95%
Less than 1% but greater than or equal to 0.50%	75%	75%
Less than 0.50% but greater than or equal to 0.10%	20%	75%
Less than 0.10%	0%	75%

**Tape B**

Percentage Market Share	Percent of attributable revenue shared	Percent of attributable revenue shared (Retail Participants)
Greater than or equal to 2%	98%	98%
Less than 2% but greater than or equal to 1%	90%	90%
Less than 1% but greater than or equal to 0.35%	70%	70%
Less than 0.35% but greater than or equal to 0.10%	10%	70%
Less than 0.10%	0%	70%

**Tape C**

Percentage Market Share	Percent of attributable revenue shared	Percent of attributable revenue shared (Retail Participants)
Greater than or equal to 2%	98%	98%
Less than 2% but greater than or equal to 1%	95%	95%
Less than 1% but greater than or equal to 0.50%	75%	75%
Less than 0.50% but greater than or equal to 0.10%	20%	75%
Less than 0.10%	0%	75%

For purposes of this Rule, "Market Share" means a percentage calculated by dividing the total number of shares represented by trades reported by a FINRA member to the FINRA/Nasdaq Trade Reporting Facility during a given calendar quarter by the total number of shares represented by all trades reported to the Consolidated Tape Association or the Nasdaq Securities Information Processor, as applicable, during that quarter. Market Share is calculated separately for each tape.

For avoidance of doubt, if a FINRA member reports trades to both the FINRA/Nasdaq Trade Reporting Facility Carteret and the FINRA/Nasdaq Trade Reporting Facility Chicago during a given calendar quarter, "Market Share" shall be calculated by dividing the total number of shares represented by trades reported by the member to both the FINRA/Nasdaq Trade Reporting Facility Carteret and the FINRA/Nasdaq Trade Reporting Facility Chicago during that calendar quarter by the total number of shares represented by all trades reported to the Consolidated Tape Association or the Nasdaq Securities Information Processor, as applicable, during that quarter.

Amended by SR-FINRA-2018-042 eff. Jan. 1, 2019.  
 Amended by SR-FINRA-2018-013 eff. Sept. 10, 2018.  
 Amended by SR-FINRA-2010-068 eff. Jan. 3, 2011.  
 Amended by SR-FINRA-2010-013 eff. April 1, 2010.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Amended by SR-FINRA-2007-041 eff. Jan. 1, 2008.  
 Amended by SR-NASD-2007-051 eff. Aug. 1, 2007.  
 Adopted by SR-NASD-2006-090 eff. Aug. 1, 2006.

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

## 7620A. FINRA/Nasdaq Trade Reporting Facility Reporting Fees

The following charges shall be paid by participants and, in certain instances, Retail Participants for use of the FINRA/Nasdaq Trade Reporting Facility. In the case of trades where the same market participant is on both sides of a trade report, applicable fees assessed on a "per side" basis will be assessed once, rather than twice, and the market participant will be assessed applicable Trade Report Fees as the Executing Party side only. For avoidance of doubt, if a market participant reports trades to both the FINRA/Nasdaq Trade Reporting Facility Carteret and the FINRA/Nasdaq Trade Reporting Facility Chicago during a given month, then the participant's aggregate reporting volume on both FINRA/Nasdaq Trade Reporting Facilities will be considered for the purpose of determining whether and to what extent the following charges or caps apply to the participant during that month.

<b>I. Participation Fee</b>	
\$350 per month per participant*	
\$0 per month for Retail Participants	
* A participant will be charged only one Participation Fee regardless of whether it participates in one or both FINRA/Nasdaq Trade Reporting Facilities.	
<b>II. Non-Comparison/Accept (Non-Match/Compare) Trade Report Fees and Caps on Trade Report Fees</b>	
A participant shall pay the following fees for reporting non-comparison/accept (non-match/compare) trades to the FINRA/Nasdaq Trade Reporting Facility, on a per trade report basis, unless the participant qualifies for a cap on such fees during a given month, as set forth below, in which case the participant will pay fees for each trade it reports during the month up to the amount of the cap.	
To the extent that a participant's activity on the FINRA/Nasdaq Trade Reporting Facility qualifies it for more than one special pricing program during a given month, then the participant will automatically receive the benefit of the lowest fee applicable to such activity.	
<b>1. Media/Executing Party Trade Report Fees and Cap</b>	
<b>Monthly Charge</b>	<b>Maximum Monthly Charge if Capped</b>
$(\$0.015) \times (\text{Number of Media/Executing Party Reports During the Month})$	$(\$0.013) \times 5,000 \times (\text{Number of Trading Days During the Month})$
<b>Monthly Charge for Retail Participants</b>	<b>Maximum Monthly Charge for Retail Participants if Capped</b>
$(\$0.018) \times (\text{Number of Retail Participant Media/Executing Party Reports During the Month})$	See II.C below for applicable capped charges.
<b>2. Non-Media/Executing Party Trade Report Fees and Cap</b>	
<b>Monthly Charge</b>	<b>Maximum Monthly Charge if Capped</b>
$(\$0.015) \times (\text{Number of Non-Media/Executing Party Reports During the Month})$	$(\$0.013) \times 5,000 \text{ for Tape A, B or C} \times (\text{Number of Trading Days During the Month})$
<b>Monthly Charge for Retail Participants</b>	<b>Maximum Monthly Charge for Retail Participants if Capped</b>
$(\$0.018) \times (\text{Number of}$	See II.C below for applicable capped charges.



Retail Participant Non-Media/Executing Party Reports During the Month)	
<b>3. Media/Contra Party Trade Report Fees and Cap</b>	
<b>Monthly Charge</b>	<b>Maximum Monthly Charge if Capped</b>
(\$0.013) x (Number of Media/Contra Party Reports During the Month)	(\$0.013) x 5,000 for Tape A, B or C x (Number of Trading Days During the Month)
<b>Monthly Charge for Retail Participants</b>	<b>Maximum Monthly Charge for Retail Participants if Capped</b>
(Either (\$0.013) or (the applicable discounted rate set forth in paragraph C below)) x (Number of Retail Participant Media/Contra Party Reports During the Month)	See II.B and II.C below to determine applicable capped charges.
<b>4. Non-Media/Contra Party Fees and Cap</b>	
<b>Monthly Charge</b>	<b>Maximum Monthly Charge if Capped</b>
(\$0.013) x (Number of NonMedia/Contra Party Reports During the Month)	(\$0.013) x 5,000 for Tape A, B or C x (Number of Trading Days During the Month)
<b>Monthly Charge for Retail Participants</b>	<b>Maximum Monthly Charge for Retail Participants if Capped</b>
(Either (\$0.013) or (the applicable discounted rate set forth in paragraph C below)) x (Number of Non-Media/Contra Party Reports During the Month)	See II.B and II.C below to determine applicable capped charges.
<p><b>A. Cap Qualifying Activity (Requisite Daily Average Media/Executing Party Trade Reporting Activity for a Non-Retail Participant to Qualify for Fee Caps in Paragraphs 1 — 4 Above)</b></p> <p>To qualify for the caps (set forth in paragraphs 1 - 4 above) on the charges that non-Retail Participants incur to report trades to the FINRA/Nasdaq Trade Reporting Facility during a month, a non-Retail Participant must achieve Cap Qualifying Activity during that month, as set forth below in this paragraph. A participant will qualify for caps on a per Tape basis.</p> <p>For example, if in a given month, a non-Retail participant averages 6,000 Media/Executing Party trade reports per day in Tape A, 5,000 average daily Media/Executing Party trade reports in Tape B, and 1,000 average daily Media/Executing Party trade reports in Tape C, then the non-Retail participant will qualify for caps on the fees it pays during that month for reporting Media/Executing Party, Media/Non-Executing Party, Media/Contra Party, and Non-Media/Contra Party trades in Tapes A and B, but the participant will not qualify for such caps with respect to trade reports in Tape C.</p>	
<b>Tape</b>	<b>Daily Average Number of Media/Executing Party Trades</b>

	During the Month Needed to Qualify for Cap
A	5,000
B	5,000
C	5,000

**B. Retail Participant Contra Party Activity Fee Discounts and Cap**

A Retail Participant shall be entitled to the following special tiered pricing on its Contra Party activity to the extent that it achieves, during a given month, a qualifying volume of average daily Contra Party executions in a particular Tape (Media, Non-Media, or both). Within each Tape, qualifying Retail Participants will receive a volume-based discount on their monthly uncapped Contra Party activity charges relative to the standard rate. Monthly fees for a Retail Participant's qualifying Contra Party activity for each Tape will be capped at a maximum monthly amount that is specific to the applicable Tier, as set forth below.

**Example 1:** If in a given month with 20 trading days, a Retail Participant achieves an average daily execution volume on the FINRA/Nasdaq Trade Reporting Facility of 150,000 Media/Contra Party trades in Tape A, 20,000 Media/Contra Party Trades in Tape B, and 400,000 Media/Contra Party Trades in Tape C, then the Retail Participant would be entitled to receive the special Media/Contra Party pricing set forth in paragraph 3 above with respect to its activity in Tape A (Tier 2), Tape B (Tier 1) and Tape C (Tier 4). As to Tape A, the Retail Participant would pay the uncapped discounted monthly charges applicable to Tier 2 ( $0.0072 \times (\text{the number of Media/Contra Party trades in Tape A during the month } (150,000)) \times (20 \text{ trading days}) = \$21,600$ ). As to Tape B, the Retail Participant would pay the uncapped discounted monthly charges applicable to Tier 1 its activity, which would be  $4,800 ((\$0.12) \times (\text{the number of Media/Contra Party trades in Tape B during the month } (20,000)) \times (20 \text{ trading days}))$ . As to Tape C, the Retail Participant would pay the lesser of the uncapped discounted monthly charges applicable to Tier 4 ( $0.005 \times (\text{the number of Media/Contra Party trades in Tape C during the month } (400,000)) \times (20 \text{ trading days}) = \$40,000$ ) or the Tier 4 cap ( $\$32,000$ ), which would be  $\$32,000$ . Assuming that these Contra media transactions comprised all of the Retail Participant's activity on the FINRA/Nasdaq Trade Reporting Facility, then the Retail Participant's total fees for such activity would be  $\$58,400$ .

Tier	Daily Average Number of Executions During the Month Needed to Qualify for Tier	Discounted Rate (Relative to Standard Rate) to be Used to Calculate Monthly Charge, If Uncapped	Maximum Monthly Charge, If Capped
<b>Tape A</b>			
1	50,000-100,000	\$0.0120	n/a
2	100,001-200,000	\$0.0072	n/a
3	200,001-300,000	\$0.0052	n/a
4	>300,000	\$0.0050	\$32,000
<b>Tape B</b>			
1	15,000-30,000	\$0.0120	n/a

2	30,001-60,000	\$0.0072	n/a
3	60,001-100,000	\$0.0052	n/a
4	>100,000	\$0.0050	\$11,000

**Tape C**

1	50,000-100,000	\$0.0120	n/a
2	100,001-200,000	\$0.0072	n/a
3	200,001-300,000	\$0.0052	n/a
4	>300,000	\$0.0050	\$32,000

**C. Retail Participant Combined Cap**

To qualify for the caps below on the combined charges that Retail Participants incur to report both Executing Party and Contra Party trades to the FINRA/Nasdaq Trade Reporting Facility during a month, a Retail Participant must achieve a qualifying amount of average daily Media/Executing Party trade reports during the three month period immediately prior to the assessment date, as set forth below. This cap qualifying activity will be assessed based upon the Retail Participant's aggregate average daily Media/Executing Party across Tapes A, B, and C.

**Example 2:** Assume that, in addition to the Contra Party activity described in Example 1 in paragraph B above, a Retail Participant also achieves 1,500 Media/Executing Party trade reports per day in Tape A, 500 average daily Media/Executing Party trade reports in Tape B, and 100 average daily Media/Executing Party trade reports in Tape C, during the prior three months. Under this scenario, the Retail Participant will qualify for the Tier 2 Retail Participant Combined Cap of \$25,000, as set forth below.

In this scenario, the Retail Participant would not pay the \$58,400 fee in Example 1 above to cover its Contra Party Activity. Instead, the Retail Participant would only pay the \$25,000 capped fee, which would cover both its Executing Party and its Contra Party activity on the FINRA/Nasdaq Trade Reporting Facility during the month. As stated above, where a Retail Participant's activity on the FINRA/Nasdaq Trade Reporting Facility qualifies for more than one special pricing program under this schedule, then it will receive the benefit of the lowest applicable fee.

Tier	Daily Average Number of Media/Executing Party Trades (In All Three Tapes During Immediately Preceding Three Month Period)	Maximum Monthly Charge, If Capped, For All Executing Party/Contra Party Activity
1	1,000-2,000	\$50,000
2	2,001- 4,000	\$25,000
3	>4,000	\$15,000

**D. ATS Market Maker Media/Contra Party Cap**

Participants making markets in alternative trading systems registered pursuant to Regulation ATS will qualify for a fee cap applied to all trades under Rule

7620A if they meet the following criteria on a monthly basis:

- Participant's percentage of contra media trades must represent at least 35% of their total FINRA/Nasdaq Trade Reporting Facility volume.
- Participant must be contra to a minimum number of trades during the month in a particular Tape to qualify for a cap on trades in that Tape. The minimum number of monthly trades for each Tape are as follows:  
  
1,000,000 trades in Tape A, 500,000 trades in Tape C and 250,000 trades in Tape B.
- Participant must complete an attestation form stating that they maintain a two-sided quote in each symbol traded on an alternative trading system registered pursuant to Regulation ATS and display a quotation size of at least one normal unit of trading (specific for each security) thereon. Participants will be audited by Nasdaq, Inc. periodically.

<b>Maximum Monthly Charge if Capped</b>	\$10,000 per Tape (A, B or C)
---	-------------------------------

**E. ATS Market Maker Combined Media Activity Cap**

Participants making markets in alternative trading systems registered pursuant to Regulation ATS that are engaged in Executing Party and Contra Party activities will qualify for a fee cap applied to all trades under Rule 7620A if they meet the following criteria on a monthly basis:

- Participant averages at least 2,500 Media/Executing Party trade reports per Tape (A, B or C) per day during a month.
- Participant must complete an attestation form and re-certify every six months that they maintain a two-sided quote in each symbol traded on an alternative trading system registered pursuant to Regulation ATS and display a quotation size of at least one normal unit of trading (specific for each security) thereon. Participants will be audited by Nasdaq, Inc. periodically.

A participant that qualifies for the ATS Market Maker Combined Media Activity fee cap shall pay for that month, on a per Tape basis, the lesser of \$7,500 or the sum of all the participant's combined regular monthly Executing Party and Contra Party fees for that Tape during the month.

If the participant's average daily Media/Executing Party trade reporting levels reach at least 5,000 per Tape, then the participant shall be subject during that month, on a per Tape basis, to the regular Executing Party and Contra Party fees and/or any other fee caps that may be applicable to it.

**III. Comparison/Accept Fees**

\$0.0144/side per 100 shares (minimum 400 shares; maximum 7,500 shares)

**IV. Other Fees:**

Clearing report to transfer a transaction fee charged by one member to another member pursuant to <a href="#">Rule 7230A(h)</a>	\$0.03/side
Late Report—T+N	\$0.288/trade (charged to the Executing Party)
Query	\$0.50/query
Corrective Transaction Charge	\$0.25/Cancel, Error, Inhibit, or Kill paid by reporting side; \$0.25/Break, Decline transaction, paid by each party

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

**.01** For purposes of this Rule, the terms below shall have the following meanings.

"Comparison/Accept" shall mean transactions that are subject to the ACT Comparison process.

"Non-Comparison/Accept (Non-Match/Compare)" shall mean transactions that are not subject to the ACT Comparison process and may be submitted as "Media" and "Non-Media," clearing and non-clearing, AGU, QSR, one-sided and "Internalized cross" trade reports.

"Internalized cross" shall mean cross trades where a single party is on both sides of a trade report.

"Executing Party (EP)" shall mean the member with the trade reporting obligation under FINRA rules.

"Contra Party or Contra (CP)" shall mean the member on the contra side of a trade report.

"Media" reports shall mean reports of transactions submitted for public dissemination.

"Non-Media" reports shall mean reports of transactions not submitted for public dissemination.

"Retail Participant" shall mean a participant in the FINRA/Nasdaq Trade Reporting Facility for which substantially all of its trade reporting activity on the FINRA/Nasdaq Trade Reporting Facility comprises Retail Orders.

"Retail Order" shall mean 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. An order from a "natural person" can include orders on behalf of accounts that are held in a corporate legal form, such as an Individual Retirement Account, Corporation, or a Limited Liability Corporation that has been established for the benefit of an individual or group of related family members, provided that the order is submitted by an individual.

**.02** Participants that qualify for the Media/Contra fee cap must contact Nasdaq Trading Services to complete the attestation form required under this Rule.

**.03** A participant that wishes to qualify as a Retail Participant and receive Retail Participant pricing under this Rule, must complete and submit to Nasdaq, Inc. an application form and a written attestation of its then-existing qualifications as a Retail Participant and its reasonable expectation that it will maintain such qualifications for a one year period following the date of attestation. A Retail Participant must also complete and submit a written attestation to Nasdaq, Inc. on an annual basis to retain its status as such. A Retail Participant must inform Nasdaq, Inc. promptly if at any time it ceases to qualify or it reasonably expects that it will cease to qualify as a Retail Participant. Participants must contact Nasdaq, Inc. for the application and attestation forms. Retail Participants will be audited by Nasdaq, Inc. periodically. If a participant is approved as a Retail Participant on or prior to the twenty-second day of a month, then the approval shall be deemed to be effective as of the first day of that month, whereas an approval that occurs after the twenty-second day of the month will be deemed effective as of the first day of the following month. If a participant notifies Nasdaq, Inc. that it ceases to qualify as a Retail Participant during a month, then such notification will be deemed effective as of the first day of the following month.

Amended by SR-FINRA-2018-042 eff. Jan. 1 2019.  
Amended by SR-FINRA-2018-013 eff. Sept. 10 2018.  
Amended by SR-FINRA-2018-029 eff. Sept. 1, 2018.  
Amended by SR-FINRA-2017-016 eff. May 23, 2017.  
Amended by SR-FINRA-2016-009 eff. Feb. 23, 2016.  
Amended by SR-FINRA-2015-053 eff. Nov. 25, 2015 (Operative Nov. 16, 2015).  
Amended by SR-FINRA-2013-009 eff. Feb. 1, 2013.  
Amended by SR-FINRA-2010-011 eff. April 1, 2010.  
Amended by SR-FINRA-2010-009 eff. March 1, 2010.  
Amended by SR-FINRA-2009-088 eff. Dec. 7, 2009.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Amended by SR-NASD-2007-051 eff. Aug. 1, 2007.  
Adopted by SR-NASD-2006-090 eff. Aug. 1, 2006.

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

## **7630A. Aggregation of Activity of Affiliated Members**

(a) For purposes of applying any provision of the [Rule 7600A](#) Series that reflects a charge assessed, or credit provided, by the FINRA/Nasdaq Trade Reporting Facility, a member may request that the FINRA/Nasdaq Trade Reporting Facility aggregate its activity with the activity of its affiliates.

(1) A member requesting aggregation of affiliate activity shall be required to certify to the FINRA/Nasdaq Trade Reporting Facility the affiliate status of entities whose activity it seeks to aggregate prior to receiving approval for aggregation, and shall be required to inform the FINRA/Nasdaq Trade Reporting Facility immediately of any event that causes an entity to cease to be an affiliate. The FINRA/Nasdaq Trade Reporting Facility shall review available information regarding the entities and reserves the right

to request additional information to verify the affiliate status of an entity. The FINRA/Nasdaq Trade Reporting Facility shall approve a request unless it determines that the certification is not accurate.

(2) If two or more members become affiliated on or prior to the sixteenth day of a month and submit the required request for aggregation on or prior to the twenty-second day of the month, an approval of the request by the FINRA/Nasdaq Trade Reporting Facility shall be deemed to be effective as of the first day of that month. If two or more members become affiliated after the sixteenth day of a month, or submit a request for aggregation after the twenty-second day of the month, an approval of the request by the FINRA/Nasdaq Trade Reporting Facility shall be deemed to be effective as of the first day of the next calendar month.

(b) For purposes of applying any provision of the [Rule 7600A](#) Series that reflects a charge assessed, or credit provided, by the FINRA/Nasdaq Trade Reporting Facility, references to an entity (including references to a "member," a "participant," or a "Trade Reporting Facility Participant") shall be deemed to include the entity and its affiliates that have been approved for aggregation.

(c) For purposes of this Rule 7630A, the terms set forth below shall have the following meanings:

(1) An "affiliate" of a member shall mean any wholly owned subsidiary, parent, or sister of the member that is also a member.

(2) A "wholly owned subsidiary" shall mean a subsidiary of a member, 100% of whose voting stock or comparable ownership interest is owned by the member, either directly or indirectly through other wholly owned subsidiaries.

(3) A "parent" shall mean an entity that directly or indirectly owns 100% of the voting stock or comparable ownership interest of a member.

(4) A "sister" shall mean an entity, 100% of whose voting stock or comparable ownership interest is owned by a parent that also owns 100% of the voting stock or comparable ownership interest of a member.

Amended by SR-FINRA-2018-013 eff. Sept. 10, 2018.

Amended by SR-FINRA-2011-049 eff. Sept. 13, 2011.

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

Amended by SR-NASD-2007-051 eff. Aug. 1, 2007.

Adopted by SR-NASD-2006-090 eff. Aug. 1, 2006.

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

## 7640A. Data Products Offered by NASDAQ

(a) Under the terms of the business arrangement establishing the FINRA/Nasdaq Trade Reporting Facility Carteret and the FINRA/Nasdaq Trade Reporting Facility Chicago, Nasdaq, Inc., as the Business Member, has a non-exclusive, irrevocable, worldwide, perpetual, royalty-free right and license to use covered market data, consistent with all applicable laws, rules and regulations. Nasdaq, Inc., as the Business Member, has a contractual right to distribute and sell covered market data to third parties, consistent with the Exchange Act, and has determined to distribute or sell the products referenced in paragraph (c) of this Rule that use covered market data through its wholly owned self-regulatory organization subsidiary, The NASDAQ Stock Market LLC ("Nasdaq"). For purposes of this Rule, "covered market data" means market data generated by the FINRA/Nasdaq Trade Reporting Facility Carteret and the FINRA/Nasdaq Trade Reporting Facility Chicago, other than data generated exclusively for regulatory purposes.

(b) Any fee for products that use covered market data shall be charged by Nasdaq under Nasdaq rules, adopted pursuant to a proposed rule change filed with the Commission by Nasdaq, in its capacity as a wholly owned self-regulatory organization subsidiary of the Business Member.

(c) The following data products offered by Nasdaq pursuant to Nasdaq rules use covered market data:

(1) Nasdaq FilterView Service under Nasdaq Rule 7037;

(2) Nasdaq Last Sale and Nasdaq Last Sale Plus Data Feeds under Nasdaq Rule 7039; and

(3) Nasdaq Basic under Nasdaq Rule 7047.

Amended by SR-FINRA-2018-013 eff. Sept. 10, 2018.

Amended by SR-FINRA-2017-034 eff. Nov. 21, 2017.

Amended by SR-FINRA-2015-045 eff. Oct. 29, 2015.

Adopted by SR-FINRA-2014-002 eff. Feb. 10, 2014.

## 7650A. Collection of Fees and Billing Policy

(a) Each member that is a FINRA/Nasdaq Trade Reporting Facility participant must provide a clearing account number for an account at the National Securities Clearing Corporation for purposes of permitting the FINRA/Nasdaq Trade Reporting Facility to debit any undisputed or final fees due and owing by the member under the [Rule 7600A](#) Series. If a member disputes an invoice, the disputed amount will not be included in the amount of the debit if the member has disputed the amount in writing to the FINRA/Nasdaq Trade Reporting Facility by the 15th of the month, or the following business day if the 15th is not a business day, and the amount in dispute is

at least \$10,000 or greater. The following rules are subject to this Rule: [7610A](#) (Securities Transaction Credit), [7620A](#) (FINRA/Nasdaq Trade Reporting Facility Reporting Fees) and [7630A](#) (Aggregation of Activity of Affiliated Members).

(b) Members that are FINRA/Nasdaq Trade Reporting Facility participants must submit all billing disputes concerning fees or rebates, which are listed in paragraph (a) of this Rule, to the FINRA/Nasdaq Trade Reporting Facility in writing and accompanied by supporting documentation. All billing disputes must be submitted no later than sixty days after receipt of an invoice.

Amended by SR-FINRA-2015-024 eff. July 1, 2015.  
Adopted by SR-FINRA-2015-021 eff. July 1, 2015.

## 7600B. CHARGES FOR FINRA/NYSE TRADE REPORTING FACILITY SERVICES

### 7610B. Securities Transaction Credit

FINRA members that trade securities listed on the NYSE ("Tape A"), Amex and regional exchanges ("Tape B"), or Nasdaq ("Tape C") in over-the-counter transactions reported to the FINRA/NYSE Trade Reporting Facility may receive from the FINRA/NYSE Trade Reporting Facility transaction credits based on the transactions attributed to them. A transaction is attributed to a member if the member is identified as the executing party in a trade report submitted to the FINRA/NYSE Trade Reporting Facility that the FINRA/NYSE Trade Reporting Facility submits to the Consolidated Tape Association or the Nasdaq Securities Information Processor. A FINRA member may earn credits from any of three pools maintained by the FINRA/NYSE Trade Reporting Facility, each of which represents the revenue paid by the Consolidated Tape Association or the Nasdaq Securities Information Processor with respect to the FINRA/NYSE Trade Reporting Facility for each of Tape A, Tape B, and Tape C transactions. A FINRA member may earn credits from the pools according to the pro rata share of revenue attributable to over-the-counter transactions reported to the FINRA/NYSE Trade Reporting Facility by the member in Tape A, Tape B, and Tape C for each calendar quarter. To the extent that Tape A, Tape B or Tape C revenue is subject to any adjustment, credits provided may be adjusted accordingly. The percentage of attributable revenue shared with a particular member will be determined as follows:

#### Tape A

Percentage Market Share	Percent of attributable revenue shared
Greater than or equal to 2.0%	100%
Greater than or equal to 0.5% but less than 2.0%	95%
Greater than or equal to 0.1% but less than 0.5%	85%
Less than 0.1%	0%

#### Tape B

Percentage Market Share	Percent of attributable revenue shared
Greater than or equal to 2.0%	100%
Greater than or equal to 0.5% but less than 2.0%	95%
Greater than or equal to 0.1% but less than 0.5%	85%
Less than 0.1%	0%

#### Tape C

Percentage Market Share	Percent of attributable revenue shared
Greater than or equal to 2.0%	100%
Greater than or equal to 0.5% but less than 2.0%	95%
Greater than or equal to 0.1% but less than 0.5%	85%
Less than 0.1%	0%

For purposes of this Rule, "Market Share" means a percentage calculated by dividing the total number of shares represented by trades reported by a FINRA member to the FINRA/NYSE Trade Reporting Facility during a given calendar quarter by the total number of shares represented by all trades reported to the Consolidated Tape Association or the Nasdaq Securities Information Processor, as applicable, during that quarter. Market Share is calculated separately for each tape.

Amended by SR-FINRA-2016-037 eff. Oct. 1, 2016.  
Amended by SR-FINRA-2012-032 eff. July 2, 2012.  
Renumbered from Rule 7610C by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Amended by SR-NASD-2007-031 eff. April 18, 2007.  
Adopted by SR-NASD-2007-025 eff. April 18, 2007.

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

## 7620B. FINRA/NYSE Trade Reporting Facility Reporting Fees

Each participant will be charged a monthly fee for use of the FINRA/NYSE Trade Reporting Facility. The rate will be based on the member's "ATS & Non-ATS OTC Market Share," which is defined as the percentage calculated by dividing the total number of ATS and non-ATS shares reported by the member to FINRA and published to the FINRA public web site at [www.finra.org](http://www.finra.org) pursuant to [Rule 6110](#) during a given calendar quarter by the total number of all shares reported to the CTA or UTP SIP, as applicable, during that period. ATS & Non-ATS OTC Market Share is calculated in aggregate across all Tapes (Tape A, Tape B, Tape C). The monthly fee will be assessed as follows:

ATS & Non-ATS OTC Market Share	Monthly Subscriber Fee
Greater than or equal to 2.0%	\$30,000
Greater than or equal to 0.5% but less than 2.0%	\$15,000
Greater than or equal to 0.1% but less than 0.5%	\$5,000
Less than 0.1%	\$2,000

Amended by SR-FINRA-2016-037 eff. October 1, 2016.  
 Amended by SR-FINRA-2012-032 eff. July 2, 2012.  
 Renumbered from Rule 7620C by SR-FINRA-2008-066 eff. Jan. 1, 2009.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Adopted by SR-NASD-2007-025 eff. April 18, 2007.

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

## 7630B. Aggregation of Activity of Affiliated Members

(a) For purposes of applying any provision of the [Rule 7600B](#) Series that reflects a charge assessed, or credit provided, by the FINRA/NYSE Trade Reporting Facility, a member's activity will be aggregated automatically with the activity of its affiliates. Members are required to submit to the FINRA/NYSE Trade Reporting Facility a form disclosing affiliates and immediately provide notice to the FINRA/NYSE Trade Reporting Facility of any changes to affiliation.

(b) For purposes of applying any provision of the [Rule 7600B](#) Series that reflects a charge assessed, or credit provided, by the FINRA/NYSE Trade Reporting Facility, references to an entity (including references to a "member," a "participant," or a "Trade Reporting Facility Participant") shall be deemed to include the entity and its affiliates that have been approved for aggregation.

(c) For purposes of this Rule 7630B, the terms set forth below shall have the following meanings:

(1) An "affiliate" of a member shall mean any wholly owned subsidiary, parent, or sister of the member that is also a member.

(2) A "wholly owned subsidiary" shall mean a subsidiary of a member, 100% of whose voting stock or comparable ownership interest is owned by the member, either directly or indirectly through other wholly owned subsidiaries.

(3) A "parent" shall mean an entity that directly or indirectly owns 100% of the voting stock or comparable ownership interest of a member.

(4) A "sister" shall mean an entity, 100% of whose voting stock or comparable ownership interest is owned by a parent that also owns 100% of the voting stock or comparable ownership interest of a member.

Amended by SR-FINRA-2016-037 eff. Oct. 1, 2016.  
 Adopted by SR-FINRA-2012-032 eff. July 2, 2012.

## 7700. CHARGES FOR OTC REPORTING FACILITY, OTC BULLETIN BOARD AND TRADE REPORTING AND COMPLIANCE ENGINE SERVICES

### 7710. OTC Reporting Facility

#### (a) Transaction Related Charges

The following charges shall be paid by the participant for trade reporting to the OTC Reporting Facility. In the case of trades where the same market participant is on both sides of a trade report, applicable fees assessed on a "per side" basis will be assessed once, rather than twice, and the market participant will be assessed applicable charges for reporting transactions not subject to comparison as the Executing Party side only.

Transaction Related Charges:	



Reporting of transactions not subject to comparison through the OTC Reporting Facility	\$0.029/side
Submission of non-tape, non-clearing (regulatory) reports	No fee
Clearing report to transfer a transaction fee charged by one member to another member pursuant to <a href="#">Rule 7330(i)</a>	\$0.03/side
Comparison	\$0.0144/side per 100 shares (minimum 400 shares; maximum 7,500 shares)
Late Report—T+N	\$0.288/trade (charged to the Executing Party)
Corrective Transaction Charge	\$0.25/Cancel, Correct transaction, paid by reporting side; \$0.25/Break, Decline transaction, paid by each party

### (b) Web Browser Access

A member that elects to report transactions to the OTC Reporting Facility pursuant to the Rule [6600](#) and [7300](#) Series via an OTC Reporting Facility web browser or a Clearing Firm that elects to view correspondent transaction data associated with its Clearing Number via the OTC Reporting Facility web browser shall be charged:

(1) For Level I (Trade Report or Clearing Firm View Only) web browser access, \$20 per month per user ID; or

(2) For Level II (Full Service) web browser access, which includes “time and sales” query access to real-time ORF data, \$25 per month per user ID.

### (c) FINRA ADDS Fees

The FINRA Automated Data Delivery System (“FINRA ADDS”) provides (1) a member access to OTC Reporting Facility trade journal files associated with its own market participant identifier (“MPID”) and (2) a clearing firm access to OTC Reporting Facility trade journal files associated with the clearing firm’s correspondent(s).

#### (1) Member Firm Data Per MPID

FINRA offers two optional FINRA ADDS services: OTC Reporting Facility Data Delivery and OTC Reporting Facility Data Delivery Secure File Transfer Protocol.

##### (A) OTC Reporting Facility Data Delivery

There is no charge to an MPID that is a subscriber for OTC Reporting Facility Data Delivery reports provided in response to requests by the MPID via the FINRA ADDS website.

##### (B) OTC Reporting Facility Data Delivery Secure File Transfer Protocol Fee

The OTC Reporting Facility Data Delivery Secure File Transfer Protocol (“OTC Reporting Facility Data Delivery SFTP”) fees are charged to an MPID that is a subscriber and are:

(i) Set-Up Fee—a one-time fee of \$250 per MPID.

(ii) Monthly Fee—a monthly fee of \$200 per MPID.

#### (2) Clearing Data Per Clearing Number

FINRA offers two optional FINRA ADDS services: OTC Reporting Facility Clearing Data Delivery and OTC Reporting Facility Clearing Data Delivery Secure File Transfer Protocol.

##### (A) OTC Reporting Facility Clearing Data Delivery

There is no charge to a Clearing Number that is a subscriber for OTC Reporting Facility Clearing Data Delivery reports provided in response to requests by the Clearing Number via the FINRA ADDS website.

##### (B) OTC Reporting Facility Clearing Data Delivery Secure File Transfer Protocol Fee

The OTC Reporting Facility Clearing Data Delivery Secure File Transfer Protocol (“OTC Reporting Facility Clearing Data Delivery SFTP”) fees are charged to a Clearing Number that is a subscriber and are:

- (i) Set-Up Fee—a one-time fee of \$250 per Clearing Number.
- (ii) Monthly Fee—a monthly fee of \$300 per Clearing Number.

••• **Supplementary Material:** -----

.01 "Executing Party" shall be defined as the party with the trade reporting obligation under [Rule 6622](#).

Amended by SR-FINRA-2016-048 eff. Jan. 3, 2017.  
 Amended by SR-FINRA-2014-032 eff. Nov. 17, 2014.  
 Amended by SR-FINRA-2010-017 eff. June 1, 2010.  
 Amended by SR-FINRA-2010-009 eff. March 1, 2010.  
 Amended by SR-FINRA-2009-088 eff. Dec. 7, 2009.  
 Amended by SR-FINRA-2009-043 eff. June 17, 2009.  
 Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Amended by SR-FINRA-2009-045 eff. March 5, 2007.  
 Adopted by SR-NASD-2007-018 eff. March 5, 2007.

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

**7720. OTC Bulletin Board Service**

The following charge shall apply to a broker-dealer that displays quotations or trading interest in the OTC Bulletin Board service:

Position Charge	\$6.00/security/month
-----------------	-----------------------

Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
 Amended and renumbered as Rule 7020 by SR-NASD-2007-018 eff. March 5, 2007.  
 Amended and renumbered as Rule 7010(m) by SR-NASD-96-10 eff. March 13, 1996.  
 Amended by SR-NASD-91-38 eff. Sept 30, 1991.  
 Adopted by SR-NASD-88-19 eff. June 6, 1990.

**Selected Notices:** [90-35](#), [08-57](#).

**7730. Trade Reporting and Compliance Engine (TRACE)**

The following charges shall be paid by participants for the use of the Trade Reporting and Compliance Engine ("TRACE"):

System Fees	Transaction Reporting Fees	Data Fees
Level I Trade Report Only Web Browser Access — \$20/month per user ID  Level II Full Service Web Browser Access — Subscription for a single user ID or the first user ID — \$50/month (includes one Data Set); \$80/month (includes two Data Sets); \$110/month (includes three Data Sets); \$140/month (includes four Data Sets)  Subscription for additional user IDs — \$80/month per user ID (includes one Data Set); \$140/month per user ID (includes two Data Sets); \$200/month (includes three Data Sets); \$260/month	Trades up to and including \$200,000 par value — \$0.475/trade. (For Securitized Products where par value is not used to determine the size (volume) of a transaction, for purposes of trade reporting fees, size (volume) is the lesser of original face value or Remaining Principal Balance (or the equivalent) at the Time of Execution of the transaction.)  Trades over \$200,000 and up to and including \$999,999.99 par value — \$0.000002375 times the par value of the transaction (i.e., \$0.002375/\$1000). (See note above regarding certain Securitized Products.)  Trades of \$1,000,000 par value or more — \$2.375/trade. (See note above regarding certain Securitized Products.) All transactions in Securitized Products that are Agency Pass-	Market Data: Professional Real-Time Data Display — \$60/month per display application per Data Set of Real-Time TRACE transaction data, except as may be subject to a waiver set forth below, or a flat fee of \$7,500/month per Data Set of Real-Time TRACE transaction data, entitling Professionals to make unlimited internal use of such Data Set(s) through any number of display applications.

(includes four Data Sets)	Through Mortgage-Backed Securities traded to be announced ("TBA") or SBA-Backed ABS traded TBA (each a "TBA transaction") — \$1.50/trade.	
CTCI/FIX/Third Party — \$25/month/per firm	Cancel/Correct — \$1.50/trade	Market Data: Vendor Real-Time Data Feed — \$1,500/month per Data Set of Real-Time TRACE transaction data for receipt of continuous Real-Time TRACE transaction data, except for qualifying Tax-Exempt Organizations, or \$250/month per Data Set of Snapshot Real-Time TRACE transaction data for daily receipt of such Data Set(s).
	"As/of" Trade Late — \$3/trade	Market Data: Vendor Real-Time Data Feed — \$400/month per Data Set of Real-Time TRACE transaction data for qualifying Tax-Exempt Organizations.
		Market Data: Non-Professional Real-Time Data Display — No charge.
		Historic TRACE Data: Set-Up Fee — a single fee of \$2,000 for development and set-up to receive Historic TRACE Data, except for qualifying Tax-Exempt Organizations.
		Historic TRACE Data: Set-Up Fee — a single fee of \$1,000 for development and set-up to receive Historic TRACE Data for qualifying Tax-Exempt Organizations.
		Historic TRACE Data: Fee — \$2,000/calendar year per Data Set for receipt of Historic TRACE Data, except for qualifying Tax-Exempt Organizations. The data is enabled for internal use and internal and/or external display application. Bulk re-distribution of data is not permitted.
		Historic TRACE Data: Bulk Re-Distribution Fee — except for qualifying Tax-Exempt Organizations, \$1/CUSIP per calendar year (or part thereof) within a single Data Set of Historic TRACE Data per each recipient of re-distributed data; maximum fee per Data Set of \$1,000/calendar year (or part thereof) per each recipient of re-distributed data.
		Historic TRACE Data: Bulk Re-Distribution Fee — for qualifying Tax-Exempt Organizations, \$500/calendar year per Data Set for receipt of Historic TRACE Data. The data is enabled for internal use and internal and/or external display application. Bulk re-distribution of data is permitted with certain restrictions.
		FINRA ADDS: TRACE Data Delivery Plus  A variable monthly fee charged per MPID subscriber, based upon the average number of transactions per month to which the MPID subscriber was a party in the prior calendar year, and the number of Plus reports received

		by the MPID subscriber per month (see paragraph (g))
		FINRA ADDS: TRACE Data Delivery SFTP \$250 per MPID — one time set-up fee; and \$200 per MPID per month
		Academic Corporate Bond TRACE Data: Set-Up Fee — a single fee of \$500 for development and set-up to receive Academic Corporate Bond TRACE Data.
		Academic Corporate Bond TRACE Data: Fee — \$500/calendar year for receipt of Academic Corporate Bond TRACE Data. Redistribution of data is not permitted.
		TRACE Security Activity Report: Fee — except for qualifying Tax-Exempt Organizations, \$750/month for receipt of TRACE Security Activity Report.
		TRACE Security Activity Report: Fee — for qualifying Tax-Exempt Organizations, \$250/month for receipt of TRACE Security Activity Report.
		End-of-Day TRACE Transaction File: Fee — except for qualifying Tax-Exempt Organizations, \$750/month per data set for receipt of End-of- Day TRACE Transaction File.
		End-of-Day TRACE Transaction File: Fee — for qualifying Tax-Exempt Organizations, \$250/month per data set for receipt of End-of- Day TRACE Transaction File.
		End-of-Day TRACE Transaction File: Fee — for subscribers to the Vendor Real- Time Data Feed — No charge for receipt of End-of-Day TRACE Transaction File for the Vendor Real-Time data set(s) to which they have subscribed.

**(a) System Related Fees**

A member may choose among the following options to report transactions in TRACE-Eligible Securities to FINRA pursuant to the [Rule 6700](#) Series: (1) a TRACE web browser; (2) a Computer-to-Computer Interface ("CTCI") or a Financial Information eXchange ("FIX") line (either a line dedicated solely to TRACE or a multi-purpose line); or (3) a third-party reporting intermediary. Fees will be charged based on the reporting method selected by the member.

**(1) Web Browser Access**

A member that elects to report TRACE data to FINRA via a TRACE web browser shall be charged:

- (A) for Level I Trade Report Only Web Browser Access, \$20 per month per user ID;
- (B) for Level II Full Service Web Browser Access, which includes access to Real-Time TRACE transaction data:
  - (i) for a subscription for a single user ID or the first user ID, \$50 per month (including one Data Set), \$80 per month (including two Data Sets), \$110 per month (including three Data Sets), or \$140 per month (including four Data Sets); and
  - (ii) for subscriptions for additional user IDs, \$80 per month per user ID, (including one Data Set), or \$140 per month per user ID (including two Data Sets), \$200 per month per user ID (including three Data Sets), or \$260 per month per user ID (including four Data Sets).

**(2) CTCI or FIX Access**

The charge to be paid by a member that elects to report TRACE data to FINRA via a CTCI or a FIX line shall be \$25 per month, per firm, regardless of whether the line is or is not dedicated exclusively for TRACE.<sup>1</sup>

### **(3) Third Party Access — Indirect Reporting**

A member may elect to report TRACE data indirectly to FINRA via third-party reporting intermediaries, such as vendors, service bureaus, clearing firms, or the National Securities Clearing Corporation ("NSCC"). The charge to be paid by a member shall be \$25 per month, per firm. Nothing in this Rule shall prevent such third-party intermediaries from charging additional fees for their services.

### **(b) Transaction Reporting Fees**

Each transaction in a TRACE-Eligible Security that is reportable to FINRA pursuant to the [Rule 6700](#) Series is subject to the charges in this paragraph (b), and these charges shall be assessed against each member responsible for reporting the transaction. Transactions in U.S. Treasury Securities that are reportable to FINRA pursuant to the Rule 6700 Series are not subject to transaction reporting fees under this paragraph (b).

#### **(1) Trade Reporting Fee**

(A) Except for a transaction in a Securitized Product, as defined in [Rule 6710\(m\)](#), that is an Agency Pass-Through Mortgage-Backed Security, as defined in [Rule 6710\(v\)](#), traded to be announced ("TBA"), as defined in [Rule 6710\(u\)](#) or that is an SBA-Backed ABS, as defined in [Rule 6710\(bb\)](#), traded TBA (each a "TBA transaction"), a member shall be charged a trade reporting fee based upon a sliding scale ranging from \$0.475 to \$2.375 per transaction based on the size of the reported transaction. For Securitized Products where par value is not used to determine the size (volume) of a transaction, for purposes of trade reporting fees, the size (volume) of a transaction is the lesser of the original face value or the Remaining Principal Balance, as defined in [Rule 6710\(aa\)](#).

(B) Except for TBA transactions, transactions up to and including \$200,000 par value will be charged a \$0.475 fee per transaction; transactions over \$200,000 and up to and including \$999,999.99 par value will be charged a fee of \$0.000002375 times the par value of the transaction (i.e., \$0.002375 per \$1,000) per transaction; and transactions of \$1,000,000 par value or more will be charged a fee of \$2.375 per transaction. TBA transactions will be charged a trade reporting fee of \$1.50 per transaction.

(C) A member that is required to report a List or Fixed Offering Price Transaction or a Takedown Transaction shall not be charged the fees in paragraphs (b)(1)(A) and (B) for such transactions.

#### **(2) Cancel or Correct Trade Fee**

A member shall be charged a Cancel or Correct Trade Fee of \$1.50 per canceled or corrected transaction.

#### **(3) "As/of" Trade Late Fee**

A member shall be charged an "As/of" Trade Late Fee of \$3.00 per transaction for those transactions that are not timely reported "As/of" as required by these rules.

### **(c) Market Data Fees**

Real-Time TRACE transaction data disseminated by FINRA comprises the following databases ("Data Set(s)"): corporate bonds ("Corporate Bond Data Set"), Agency Debt Securities ("Agency Data Set"), Securitized Products ("SP Data Set"), and transactions in TRACE-Eligible Securities effected pursuant to Securities Act Rule 144A ("Rule 144A transactions") ("Rule 144A Data Set"). The "SP Data Set" includes TRACE transaction data for CMOs that is disseminated upon receipt, pursuant to [Rule 6750\(a\)](#), and in periodic aggregated reports pursuant to [Rule 6750\(b\)](#). Market data fees are charged for each Data Set. Professionals and Non-Professionals may subscribe to receive one or more Data Sets of Real-Time TRACE transaction data disseminated by FINRA in one or more of the following ways for the charges specified, as applicable. Members, vendors and other redistributors shall be required to execute appropriate agreements with FINRA.

#### **(1) Professional Fees**

Professionals may subscribe for the following:

##### **(A) Professional Real-Time Data Display Fee**

(i) Professional Real-Time Data Display Fee of \$60 per month, per display application per Data Set of Real-Time TRACE transaction data, except as may be subject to a waiver set forth below, or a flat fee of \$7,500 per month per Data Set entitling Professionals to make unlimited internal use of such Data Set(s) of Real-Time TRACE transaction data on any number of display applications.

(ii) If a member, vendor or other redistributor offers a Professional a free trial of a data product that includes Real-Time TRACE transaction data, FINRA will waive the Professional Real-Time Data Display Fee of \$60 per month, per display application per Data Set, for not longer than one month (i.e., a period not longer than 31 days), concurrently with the free trial. Not more than four Professionals associated with, employed by, or otherwise affiliated with a member, employer or other person may receive the FINRA fee waiver during the free trial. After FINRA has waived the fee in

connection with a free trial offered by a member, vendor or other redistributor, a Professional and the member, employer, or other person whom the Professional is associated with, employed by or otherwise affiliated with may not use the waiver again for that member, vendor or other distributor until 12 months has lapsed from the last day of the prior waiver.

(B) Vendor Real-Time Data Feed Fee of \$1,500 per month per Data Set for receipt of continuous Real-Time TRACE transaction data for any person or organization (other than a Tax-Exempt Organization) that receives a feed of such Data Set(s) of Real-Time TRACE transaction data, or \$250 per month per Data Set for daily receipt of Snapshot Real-Time TRACE transaction data, which shall consist of one TRACE price per security per day. These fees entitle use of such Data Set(s) in one or more of the following ways: internal operational and processing systems, internal monitoring and surveillance systems, internal price validation, internal portfolio valuation services, internal analytical programs leading to purchase/sale or other trading decisions, and other related activities, and the repackaging of market data in such Data Set(s) for delivery and dissemination outside the organization, such as indices or other derivative products. (These fees do not include per display application charges noted in paragraph (c)(1)(A) per Data Set(s) of Real-Time TRACE transaction data.)<sup>2</sup>

(C) Vendor Real-Time Data Feed Fee of \$400 per month per Data Set for Real-Time TRACE transaction data received by a Tax-Exempt Organization as defined in Rule 7730. A Tax-Exempt Organization qualifies to receive Real-Time TRACE transaction data under this paragraph if it does not redistribute such data in bulk, or it re-distributes such data in bulk or otherwise at no charge solely to Non-Professionals or other Tax-Exempt Organizations that agree to be subject to the same restrictions.

(D) A natural person otherwise subject to market data fees under Rule 7730 is not subject to such fees when he or she accesses and uses TRACE transaction data solely for his or her personal, non-commercial use.

## **(2) Non-Professional Fees**

There shall be no charge paid by a Non-Professional for receiving all or any portion of one or more Data Sets of Real-Time TRACE transaction data disseminated through TRACE.

### **(d) Historic TRACE Data**

Historic TRACE Data comprises the following Data Set(s): corporate bonds ("Historic Corporate Bond Data Set"), Agency Debt Securities ("Historic Agency Data Set"), Securitized Products ("Historic SP Data Set"), and Rule 144A transactions ("Historic Rule 144A Data Set"). Historic TRACE Data fees, except the Set-Up Fee, are charged for each Data Set. Professionals and Non-Professionals may receive Historic TRACE Data provided by FINRA in one or more of the following ways for the charges specified, as applicable. Recipients of Historic TRACE Data shall be required to execute appropriate agreements with FINRA.

#### **(1) Professional Fees**

Professionals may subscribe for the following:

##### **(A) Persons or Organizations Other Than Qualifying Tax-Exempt Organizations**

(i) Set-Up Fee — a single fee of \$2,000 for development and set-up to begin receiving Historic TRACE Data.

(ii) Data Fee — \$2,000 per calendar year per Data Set for receipt of Historic TRACE Data. (The 2003 Historic Corporate Bond Data Set also includes the 2002 Historic Corporate Bond Data Set. The 2011 Historic Agency Data Set also includes the 2010 Historic Agency Data Set. The 2012 Historic SP Data Set also includes the 2011 Historic SP Data Set. The 2003 Historic Rule 144A Data Set also includes the 2002 Historic Rule 144A Data Set.) Historic TRACE Data is enabled for internal use and internal and/or external display application. Bulk re-distribution of such data is not permitted.

(iii) Bulk Re-Distribution Fee — \$1 per CUSIP per calendar year (or part thereof) within a single Data Set of Historic TRACE Data per each recipient of re-distributed data, with a maximum fee per Data Set of \$1,000 per calendar year (or part thereof) per each recipient of re-distributed data.

##### **(B) Qualifying Tax-Exempt Organizations**

A Tax-Exempt Organization qualifies for development and set-up and to receive Historic TRACE Data under this paragraph (d)(1)(B) if it does not re-distribute such data in bulk, or it re-distributes such data in bulk or otherwise at no charge solely to Non-Professionals or other Tax-Exempt Organizations that agree to be subject to the same restrictions.

(i) Set-Up Fee — \$1,000 for development and set-up to begin receiving Historic TRACE Data.

(ii) Data and Bulk Re-Distribution Fee — \$500 per calendar year per Data Set for receipt of Historic TRACE Data. (The 2003 Historic Corporate Bond Data Set also includes the 2002 Historic Corporate Bond Data Set. The 2011 Historic Agency Data Set also includes the 2010 Historic Agency Data Set. The 2012 Historic SP Data Set also includes the 2011 Historic SP Data Set. The 2003 Historic Rule 144A Data Set also includes the 2002 Historic Rule 144A Data Set.) Historic TRACE Data is enabled for internal use and internal and/or external display application, and bulk redistribution, and may be re-distributed subject to the restrictions in paragraph (d)(1)(B).

## **(2) Non-Professional Fees**

If FINRA provides all or any portion of one or more Data Sets of Historic TRACE Data to a Non-Professional, FINRA will charge a cost-neutral fee under Rule 7730(e) comprised solely of the cost of the media and the cost of delivery (e.g., U.S. Postal Service or other requested delivery service).

#### **(e) Academic Corporate Bond TRACE Data**

Academic Corporate Bond TRACE Data comprises historic transaction-level data on transactions in corporate bonds. Academic Corporate Bond TRACE Data is available only to institutions of higher education. Recipients of Academic Corporate Bond TRACE Data shall be required to execute appropriate agreements with FINRA.

#### **(f) Other Requests for Data**

FINRA may impose and collect charges for data FINRA supplied upon request, where there is no provision elsewhere in this Rule 7730 for charges for such service or sale.

#### **(g) Definitions**

(1) "Non-Professional" — As used in Rule 7730, a "Non-Professional" is a natural person who uses TRACE transaction data solely for his or her personal, non-commercial use. A Non-Professional subscriber must agree to certain terms of use of the TRACE data, including that he or she receive and use the TRACE transaction data solely for his or her personal, non-commercial use. As used in Rule 7730, a "Non-Professional" is not:

(A) registered nor qualified in any capacity with the SEC, the Commodity Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association, nor an employee of the above and, with respect to any person identified in this subparagraph (A), uses TRACE transaction data for other than personal, non-commercial use;

(B) engaged as an "investment adviser" as that term is defined in Section 202(a)(11) of the Investment Advisers Act (whether or not registered or qualified under that Act), nor an employee of the above and, with respect to any person identified in this subparagraph (B), uses TRACE transaction data for other than personal, non-commercial use;

(C) employed by a bank, insurance company or other organization exempt from registration under federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt, nor any other employee of a bank, insurance company or such other organization referenced above and, with respect to any person identified in this subparagraph (C), uses TRACE transaction data for other than personal, non-commercial use; nor

(D) engaged in, nor has the intention to engage in, any redistribution of all or any portion of the TRACE transaction data.

(2) "Tax-Exempt Organization" as used in Rule 7730 means an organization that is described in Section 501(c) of the Internal Revenue Code (26 U.S.C. §501(c)) and has received recognition of the exemption from federal income taxes from the Internal Revenue Service.

(3) "Real-Time" as used in Rule 7730 means that period of time starting from the time of dissemination by FINRA of transaction data on a TRACE-Eligible Security, and ending no more than four hours thereafter.

(4) "Historic TRACE Data" as used in Rule 7730 means historic transaction-level data with elements to be determined from time to time by FINRA in its discretion and as stated in a Regulatory Notice or other equivalent publication. Historic TRACE Data will not include MPIDs. Historic Corporate Bond and Historic Agency Data will be delayed a minimum of six months. Historic SP Data will be delayed a minimum of 18 months. Historic Rule 144A Data will carry a delay consistent with the delay period applicable to the component security type (i.e., Rule 144A transactions in corporate bonds will be delayed a minimum of six months and Rule 144A transactions in Securitized Products will be delayed a minimum of 18 months). Historic TRACE Data includes the following Data Sets:

(A) Historic Corporate Bond Data Set — includes all historic transactions in corporate bonds reported to TRACE, except Rule 144A transactions in corporate bonds;

(B) Historic Agency Data Set — includes all historic transactions in Agency Debt Securities as defined in [Rule 6710\(l\)](#) reported to TRACE;

(C) Historic SP Data Set — includes all historic transactions in Securitized Products as defined in [Rule 6710\(m\)](#) reported to TRACE, if transactions in that type of Securitized Product are subject to dissemination under [Rule 6750](#), but excludes historic Rule 144A transactions in Securitized Products; and

(D) Historic Rule 144A Data Set — includes all historic Rule 144A transactions reported to TRACE, except transactions involving a type of TRACE-Eligible Security that is not subject to dissemination under [Rule 6750](#).

(5) Academic Corporate Bond TRACE Data as used in Rule 7730 means historic transaction-level data on all transactions in corporate bonds reported to TRACE (except a transaction that is a List or Fixed Offering Price Transaction, as defined in [Rule 6710\(q\)](#), or a Takedown Transaction, as defined in [Rule 6710\(r\)](#)), including Rule 144A transactions in corporate bonds, with elements to be determined from time to time by FINRA in its discretion and as stated in a Regulatory Notice or other equivalent

publication. Academic Corporate Bond TRACE Data will be delayed a minimum of 36 months and will not include MPIDs, but will substitute a masked dealer identifier for each MPID included in the data.

(6) "End-of-Day TRACE Transaction File" as used in Rule 7730 means a daily file that includes all transaction data disseminated as part of Real-Time TRACE transaction data on that day and is separately available for each data set for which Real-Time TRACE transaction data is available (i.e., the Corporate Bond Data Set, Agency Data Set, SP Data Set, and Rule 144A Data Set). The End-of-Day TRACE Transaction File is made available daily after the TRACE system closes.

### **(7) TRACE Security Activity Report**

The "TRACE Security Activity Report" is a monthly report containing basic descriptive security elements, aggregate par value volume information, number of transactions, number of unique market participant identifiers ("MPIDs"), and top 5 statistics for disseminated transactions in Corporate and Agency Bonds. The TRACE Security Activity Report will be delayed a minimum of 90 days.

#### **(A) Par Value Volume Information**

The aggregate par value volume information provided in the TRACE Security Activity Report will include the total par value traded, par value traded of customer buys, par value traded of customer sells, and par value traded of interdealer transactions. For uncapped transactions, the aggregate par value volume information will reflect the actual trade size of each transaction. If there are six or more capped transactions disseminated during the calendar month, the aggregate par value volume information will reflect the actual trade size of each transaction, as well as the par value traded within specified size categories. If there are fewer than six disseminated capped transactions during the calendar month, the aggregate par value volume information will reflect the capped volumes disseminated by TRACE.

#### **(B) Number of Transactions**

The transaction totals provided in the TRACE Security Activity Report will include the total number of transactions, the number of customer buys, the number of customer sells, and the number of interdealer transactions. If there are six or more capped transactions disseminated during the calendar month, the report will provide the total number of transactions and an estimate (provided as incremental ranges) of the number of transactions with a par value volume within specified size categories.

#### **(C) Number of Unique Market Participant Identifiers and Top 5 Statistics**

The TRACE Security Activity Report will provide the number of unique reporting MPIDs (displaying the actual number of unique MPIDs where there are six or more unique MPIDs or "1 to 5," as applicable) and the number of unique reporting MPIDs for disseminated capped transactions (displaying the actual number of unique MPIDs where there are six or more unique MPIDs, or "0" or "1 to 5," as applicable); the percentage of the total number of transactions traded by the top five MPIDs for each CUSIP; and the percentage of total par value traded by the top five MPIDs for each CUSIP.

### **(h) FINRA ADDS Fees**

The FINRA Automated Data Delivery System ("FINRA ADDS") provides a member access to TRACE trade journal files. FINRA offers two optional FINRA ADDS services: TRACE Data Delivery and TRACE Data Delivery Secure File Transfer Protocol.

#### **(1) TRACE Data Delivery**

There is no charge to a market participant identifier ("MPID") that is a subscriber for TRACE Data Delivery reports provided to the MPID in response to requests by the MPID via the FINRA ADDS website.

#### **(2) TRACE Data Delivery Secure File Transfer Protocol Fee**

The TRACE Data Delivery Secure File Transfer Protocol ("TRACE Data Delivery SFTP") fees are charged to a market participant identifier ("MPID") that is a subscriber and are:

(A) Set-Up Fee — a one-time fee of \$250 per MPID that subscribes to the service.

(B) Monthly Fee — a monthly fee of \$200 per MPID that subscribes to the service.

<sup>1</sup> Charges that may be imposed by third parties, such as CTCL or FIX line providers, are not included in these fees.

<sup>2</sup> Under the Vendor Real-Time Data Feed Fee and service, Real-Time TRACE transaction data (or Data Set(s) of such data) may not be used in any display application that permits end users to determine individual transaction pricing.

Amended by SR-FINRA-2017-015, SR-FINRA-2017-021, SR-FINRA-2017-033 and SR-FINRA-2017-036 eff. Feb. 1, 2018.

Amended by SR-FINRA-2017-012 eff. Oct. 2, 2017.

Amended by SR-FINRA-2016-027 eff. July 10, 2017.

Amended by SR-FINRA-2016-023 eff. March 20, 2017.



Amended by SR-FINRA-2016-040 eff. Feb. 27, 2017.  
Amended by SR-FINRA-2016-024 eff. Feb. 27, 2017.  
Amended by SR-FINRA-2016-048 eff. Jan. 3, 2017.  
Amended by SR-FINRA-2013-046 eff. June 1, 2015.  
Amended by SR-FINRA-2014-043 eff. Oct. 3, 2014.  
Amended by SR-FINRA-2013-029 and SR-FINRA-2013-043 eff. June 30, 2014.  
Amended by SR-FINRA-2013-040 eff. Sept. 17, 2013.  
Amended by SR-FINRA-2012-053 eff. June 10, 2013.  
Amended by SR-FINRA-2012-020 eff. Nov. 12, 2012.  
Amended by SR-FINRA-2012-049 eff. Nov. 7, 2012.  
Amended by SR-FINRA-2011-056 eff. Nov. 1, 2011.  
Amended by SR-FINRA-2011-012 eff. May 16, 2011.  
Amended by SR-FINRA-2009-065 eff. May 16, 2011.  
Amended by SR-FINRA-2011-001 eff. Jan. 4, 2011.  
Amended by SR-FINRA-2007-006 eff. March 31, 2010.  
Amended by SR-FINRA-2009-010 eff. March 1, 2010.  
Amended by SR-FINRA-2008-021 eff. Dec. 15, 2008.  
Amended by SR-NASD-2007-004 eff. May 1, 2007.  
Amended and renumbered as Rule 7030 by SR-NASD-2007-018 eff. March 5, 2007.  
Amended by SR-NASD-2005-063 eff. Oct. 1, 2005.  
Amended by SR-NASD-2005-083 eff. June 23, 2005.  
Amended by SR-NASD-2005-026 eff. June 1, 2005.  
Amended by SR-NASD-2004-189 eff. Feb 7 and June 1, 2005.  
Amended by SR-NASD-2004-163 eff. Oct. 29, 2004.  
Amended by SR-NASD-2003-157 eff. Feb. 1, 2004.  
Amended by SR-NASD-2003-097 eff. June 27, 2003.  
Amended by SR-NASD-2003-025 eff. Feb. 27, 2003.  
Amended by SR-NASD-2002-176 eff. Dec. 13, 2002.  
Amended by SR-NASD-2002-167 eff. Oct. 1, 2002.  
Adopted as Rule 7010(k) by SR-NASD-2002-063 eff. July 1, 2002.

**Selected Notices:** [02-81](#), [04-06](#), [05-05](#), [05-37](#), [05-52](#), [07-15](#), [08-57](#), [09-57](#), [10-23](#), [10-55](#), [11-20](#), [12-26](#), [12-48](#), [13-09](#), [13-35](#), [14-34](#), [16-38](#), [16--39](#), [16-43](#), [17-23](#), [17-36](#).