



## 6320B. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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## 6330A. Use of FINRA/Nasdaq Trade Reporting Facility on a Test Basis

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

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.

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> [6300B. FINRA/NYSE TRADE REPORTING FACILITY](#)

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

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

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

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## 6340A. Reports

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

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

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

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> 6300B. FINRA/NYSE TRADE REPORTING FACILITY

## 6340B. Reports

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

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

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## 6350A. Clearance and Settlement

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

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

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

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

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> 6300B. FINRA/NYSE TRADE REPORTING FACILITY

## 6350B. Clearance and Settlement

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

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

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

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## 6360A. Suspension and Termination by FINRA Action

FINRA may, pursuant to the procedures set forth in the Rule 9000 Series, suspend, condition, limit, prohibit or terminate a Trade Reporting Facility Participant's ability to use FINRA/Nasdaq Trade Reporting Facility services in one or more designated securities for violations of applicable requirements or prohibitions. For avoidance of doubt, any determination by FINRA to suspend, limit, prohibit, or terminate a Participant's ability to use services of one of the two FINRA/Nasdaq Trade Reporting Facilities will apply equally 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.

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## 6360B. Suspension and Termination by FINRA Action

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

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

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## 6370A. Termination of FINRA/Nasdaq Trade Reporting Facility Service

FINRA may, upon notice, terminate FINRA/Nasdaq Trade Reporting Facility service in the event that a Trade Reporting Facility Participant fails to qualify under specified standards of eligibility or fails to pay promptly for services rendered. For avoidance of doubt, any determination by FINRA to terminate the services of one of the two FINRA/Nasdaq Trade Reporting Facilities with respect to a Participant will also terminate 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-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.

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> 6300B. FINRA/NYSE TRADE REPORTING FACILITY

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

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

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

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6380B. TRANSACTION REPORTING ▶

### VERSIONS

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## 6380A. Transaction Reporting

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

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

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

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

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

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

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

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

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

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

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

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

(C) if the trade is a Cash Trade;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Each last sale report shall contain the following information:

(1) Stock symbol of the designated security;

(2) Number of shares or bonds;

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

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

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

(6) For any transaction in an order for which a member has recording and reporting obligations under Rules 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)).

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

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

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

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

##### **Example:**

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

REPORT 100 shares at 40.

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

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

##### **Example:**

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

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

REPORT 100 shares at 40.

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

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

##### **Example:**

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

REPORT 100 shares at 40.

##### **Example:**

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

REPORT 100 shares at 40.

##### **Example:**

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

REPORT 100 shares at 40.

##### **Example:**

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

REPORT 10,000 shares at 40.

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

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

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

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

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

**Example:**

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

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

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

1. where required by this Rule, a tape report marked with a "principal" capacity indicator; and
2. either a non-tape, non-clearing report or a clearing-only report marked with a "riskless principal" capacity indicator.

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

**Example:**

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

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

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

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

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

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

**Example #1:**

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

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

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

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



**Example #2A:**

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

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

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

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

**Example #2B:**

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

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

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

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

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

**Example #3:**

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

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

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

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

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

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

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

(C) transactions reported on or through an exchange;

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

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

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

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

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

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

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

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

**(f) Prohibition on Aggregation of Transaction Reports**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## .02 Trade Reporting Time Frame

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

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

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

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

Amended by SR-FINRA-2015-027 eff. Aug. 24, 2015.  
 Amended by SR-FINRA-2013-050 and SR-FINRA-2015-008 eff. July 13, 2015.  
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 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.  
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 Amended by SR-FINRA-2007-017 eff. March 3, 2008.  
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 Amended by SR-NASD-2006-104 eff. March 5, 2007.  
 Amended by SR-NASD-2006-120 eff. Dec. 4, 2006.  
 Amended by SR-NASD-2006-098 eff. Dec. 1, 2006.  
 Amended by SR-NASD-2006-055 eff. Dec. 1, 2006.  
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**Selected Notices:** 06-39, 07-23, 07-31, 07-33, 07-38, 07-63, 08-57, 09-08, 09-21, 09-52, 10-07, 10-24, 10-48, 11-40, 13-19, 14-21.

## VERSIONS

Aug 24, 2015 onwards

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## 6380B. Transaction Reporting

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

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

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

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

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

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

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

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

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

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

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

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

(C) if the trade is a Cash Trade;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Each last sale report shall contain the following information:

(1) Stock symbol of the designated security;

(2) Number of shares or bonds;

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

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

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

(6) For any transaction in an order for which a member has recording and reporting obligations under Rules 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)).

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

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

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

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

##### **Example:**

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

REPORT 100 shares at 40.

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

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

##### **Example:**

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

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

REPORT 100 shares at 40.

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

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

##### **Example:**

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

REPORT 100 shares at 40.

##### **Example:**

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

REPORT 100 shares at 40.

##### **Example:**

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

REPORT 100 shares at 40.

##### **Example:**

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

REPORT 10,000 shares at 40.

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

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

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

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

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

**Example:**

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

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

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

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

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

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

**Example:**

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

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

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

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

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

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

**Example #1:**

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

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

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

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



**Example #2A:**

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

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

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

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

**Example #2B:**

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

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

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

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

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

**Example #3:**

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

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

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

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

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

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

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

(C) transactions reported on or through an exchange;

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

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

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

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

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

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

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

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

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