

# Trade Reporting Notice

## FINRA Reminds Firms of Their Trade Reporting Obligations and Announces New Submission Process for Form T

Effective Date: July 5, 2011

### Executive Summary

FINRA reminds firms of their obligation to submit to FINRA on the Form T Equity Trade Reporting Form, as soon as practicable, last sale reports of over-the-counter (OTC) transactions in equity securities<sup>1</sup> for which electronic submission is not possible. In addition, FINRA is announcing a new process for the electronic submission of the Form T. Firms are required to submit the Form T in accordance with this new process no later than July 5, 2011.

Questions regarding this *Notice* may be directed to:

- ▶ Dave Chapman, Director, Market Regulation, at (240) 386-4995; or
- ▶ Office of General Counsel, at (202) 728-8071.

### Background & Discussion

Firms are reminded that under FINRA trade reporting rules, they must report, as soon as practicable, to FINRA's Market Regulation Department on Form T<sup>2</sup> last sale reports of OTC transactions for which electronic submission to a FINRA Facility is not possible.<sup>3</sup> For example, such submission may not be possible if the ticker symbol for the security is no longer available, the transaction occurred on a holiday or weekend, or the transaction was executed more than 365 days prior to the submission date. Transactions that can be reported to a FINRA Facility, whether on trade date or a subsequent date on an "as/of" basis (T+N), must not be reported on Form T.

June 3, 2011

#### Notice Type

- ▶ Guidance

#### Suggested Routing

- ▶ Legal & Compliance
- ▶ Operations
- ▶ Systems
- ▶ Trading

#### Key Topics

- ▶ Alternative Display Facility
- ▶ Form T
- ▶ NMS Stocks
- ▶ OTC Equity Securities
- ▶ OTC Reporting Facility
- ▶ Paper Form T
- ▶ Restricted Equity Securities
- ▶ Trade Reporting Facilities
- ▶ Trade Reporting

#### Referenced Rules & Notices

- ▶ FINRA Rule 6282
- ▶ FINRA Rule 6380A
- ▶ FINRA Rule 6380B
- ▶ FINRA Rule 6420
- ▶ FINRA Rule 6622
- ▶ Securities Act Rule 144A

FINRA is establishing a new process for the electronic submission of the Form T to FINRA's Market Regulation Department. Effective Tuesday, July 5, 2011, firms are required to submit the Form T electronically through FINRA's [Firm Gateway](#)—firms no longer will be able to submit the Form T via email. Through the Firm Gateway, in addition to creating and submitting Form T filings electronically, firms will be able to view, edit and delete draft filings, as well as view previously submitted filings. Firms will be required to continue providing trade details on an Excel spreadsheet as part of the Form T submission. Firms will be able to begin submitting Form T data via the new process on June 6, 2011, though they are not required to until the July 5, 2011, effective date.

With this new process, users must have a FINRA User ID and password administered under the FINRA Entitlement Program to access Form T. The Super Account Administrator (SAA) at each firm has the ability to assign user access rights to Form T for themselves and employees at their respective firms. A firm's SAA will be able to assist with establishing a new FINRA user ID and password, or using an existing user ID and password, to access the form. Users should contact their firm's SAA for access requests. SAAs may contact the FINRA Help Desk at (800) 321-6273 with questions.

## Endnotes

- 1 Specifically, these are (1) transactions in NMS stocks effected otherwise than on an exchange, which are reported through the Alternative Display Facility (ADF) or a Trade Reporting Facility (TRF); and (2) transactions in OTC equity securities, as defined in Rule 6420, and transactions in restricted equity securities, as defined in Rule 6420, effected under Securities Act Rule 144A, which are reported through the OTC Reporting Facility (ORF).
- 2 The Form T was originally submitted to FINRA on paper. Thus, although today the Form T is submitted electronically to FINRA via email, it often still is referred to as "Paper Form T."
- 3 See Rules 6282(a)(5), 6380A(a)(8), 6380B(a)(8) and 6622(a)(8).