

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 38	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2013 - * 013 Amendment No. (req. for Amendments *) 1
----------------	--	--

Filing by Financial Industry Regulatory Authority
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) <input type="checkbox"/> Section 806(e)(2) <input type="checkbox"/>	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) <input type="checkbox"/>
--	---

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
---	---

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Lisa Last Name * Horrigan

Title * Associate General Counsel

E-mail * lisa.horrigan@finra.org

Telephone * (202) 728-8190 Fax (202) 728-8264

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 05/07/2013 Senior Vice President and Director of Capital Markets Policy

By Stephanie Dumont Stephanie Dumont,

(Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

On February 1, 2013, Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) proposed rule change SR-FINRA-2013-013, which proposes to amend FINRA trade reporting rules to require that members report over-the-counter (“OTC”) transactions in NMS stocks and OTC Equity Securities,¹ and cancellations of such transactions, to FINRA as soon as practicable, but no later than 10 seconds, following execution (or cancellation, as applicable) (“the original filing”). Under the proposed rule change, all transactions not reported within 10 seconds would be marked late (unless expressly subject to a different reporting requirement or excluded from the trade reporting rules altogether). The original filing also proposes to adopt Supplementary Material to clarify the “as soon as practicable” requirement.

On February 12, 2013, the SEC published the original filing for comment in the Federal Register.² The comment period closed on March 5, 2013. The SEC received five comment letters in response to the Federal Register publication.³

FINRA is filing this Partial Amendment No. 1 to address the comments the SEC received in response to the Federal Register publication and propose amendments, where appropriate. With this Partial Amendment No. 1, FINRA is including (1) Exhibit 4 (see below), which reflects changes to the text of the proposed rule change pursuant to this Partial Amendment No. 1, marked to show additions to and deletions from the text as proposed in the original filing; and (2) Exhibit 5 (see below), which reflects the changes to the current rule text that are proposed in this proposed rule change, as amended by this Partial Amendment No. 1.

¹ OTC transactions in NMS stocks, as defined in SEC Rule 600(b) of Regulation NMS, are reported through the Alternative Display Facility (“ADF”) or a Trade Reporting Facility (“TRF”), and transactions in “OTC Equity Securities,” as defined in FINRA Rule 6420 (i.e., non-NMS stocks such as OTC Bulletin Board and OTC Market securities), are reported through the OTC Reporting Facility (“ORF”). The ADF, TRFs and ORF are collectively referred to herein as the “FINRA Facilities.”

² See Securities Exchange Act Release No. 68842 (February 6, 2013), 78 FR 9963 (February 12, 2013) (Notice of Filing of Proposed Rule Change; File No. SR-FINRA-2013-013).

³ See Letter from Christopher Nagy, President, KOR Trading LLC, dated March 5, 2013 (“KOR”); letter from David J. Amster, Chief Compliance Officer, CRT Capital Group LLC, dated March 5, 2013 (“CRT”); letter from David S. Sieradzki, Bracewell & Giuliani LLP, on behalf of GFI Securities LLC, dated March 5, 2013 (“GFI”); letter from Manisha Kimmel, Executive Director, Financial Information Forum, dated March 6, 2013 (“FIF”); and letter from Theodore R. Lazo, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated March 18, 2013 (“SIFMA”).

Summary of Comments and Responses Thereto

One commenter is supportive of the proposed rule change, noting that in today's automated market structure, 10 seconds represents a significant amount of time, and complying with this requirement should not represent an undue burden on reporting firms.⁴ The other four commenters raise several issues relating to the proposed rule change. Their comments are summarized and responded to below.

First, four commenters raise issues about the potential impact of the proposed rule change on trades that are manually negotiated and reported. They note that while manual trading represents a very small percentage of equity trade reporting, for these types of trades, a trader may not be able to input and verify trade data within 10 seconds.⁵ One commenter further asserts that the proposed rule change will disproportionately impact firms that accept orders that are not electronically entered into an order management system (including orders received via telephone or instant message) and will effectively prohibit, by trade reporting rule, an entire category of otherwise appropriate transactions.⁶

FINRA believes that the proposed rule change is necessary to bring the trade reporting rules more in line with current industry practice, as the market becomes more automated and more efficient. As discussed in the original filing, members must have policies and procedures reasonably designed to comply with the "as soon as practicable" requirement and must implement systems that commence the trade reporting process without delay upon execution. Where a member has such reasonably designed policies, procedures and systems in place, the member 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.⁷ Members that engage in a pattern or practice of unexcused late reporting (i.e., reporting later than 10 seconds after execution) may be charged with violating FINRA rules, notwithstanding that they have policies and procedures that contemplate commencing the trade reporting process without delay.

FINRA recognizes that while the vast majority of trades today are executed and reported automatically, there is still a small universe of trades for which the trade details must be entered manually.⁸ FINRA also recognizes that for these trades, the trade

⁴ KOR.

⁵ GFI, CRT, FIF and SIFMA.

⁶ GFI.

⁷ In this Partial Amendment No. 1, FINRA also is proposing to amend and further clarify the text of the Supplementary Material that was proposed in the original filing. FINRA is proposing to delete the word "generally" and to change "external factors" to "extrinsic factors that are not reasonably predictable."

⁸ FINRA believes that firms should begin the process of reporting, including manual reporting, as soon as practicable after execution. Further, firms should

reporting process might not be completed within 10 seconds following execution, even where the firm has established efficient reporting processes and commences to report the trade without delay. Accordingly, in response to the commenters' concerns, FINRA is proposing to adopt Supplementary Material to provide that in these cases, FINRA will take such factors as the complexity and manual nature of the execution and reporting of the trade into consideration in determining whether "reasonable justification" exists to excuse what otherwise may be deemed to be a pattern or practice of late trade reporting.⁹ FINRA notes that the proposed Supplementary Material would apply only where the details of a trade must be manually entered or typed into a trade reporting system following execution. FINRA believes the Supplementary Material would apply to only a very small percentage of trades.

FINRA reviews the timeliness of trade reporting for each firm over extended periods of time and aggregates all trade reports submitted by the firm, regardless of whether they are reported manually or automatically. Accordingly, given the high volume of automated trading, FINRA believes that a small number of late trades is unlikely to cause a firm to be deemed to have engaged in a potential pattern or practice of unexcused late reporting. Moreover, FINRA will take into consideration the factors surrounding the manual reporting of trades in its pattern or practice analysis. Namely, FINRA will consider, among other things, the complexity of a trade (e.g., a volume-weighted average trade or an options-related trade) and size of a trade (e.g., a trade that involves a basket of securities). FINRA also will take into consideration that some amount of time must elapse between when the manual trade reporting process commences and when a trade is reported, particularly with large basket trades.

automate their trade reporting processes to the greatest extent possible, consistent with their trading style used to provide best execution to customers, and where automation is not feasible, firms should implement more efficient trade entry processes, to meet the proposed 10-second reporting requirement. Where executions are automated, trade reporting should be automated. In addition, there are steps that firms using a manual process (e.g., WeblinkACT) could take to expedite trade reporting, including setting defaults to automatically populate certain fields in the trade report or separating the process of reporting for public dissemination purposes from any associated clearing entry (i.e., the submission of additional clearing information may be the reason a firm cannot complete the reporting within 10 seconds).

⁹ Pursuant to Rules 6181 and 6623, unexcused late reporting occurs when there are "repeated reports of executions submitted after the required time period without reasonable justification or exceptional circumstances."

In this Partial Amendment No. 1, FINRA also is proposing to amend Rules 6282(a)(6), 6380A(a)(4), 6380B(a)(4) and 6622(a)(4) to include the words "reasonable justification" to conform to Rules 6181 and 6623.

Members must maintain, and provide upon request, documentation sufficient to demonstrate that a trade was reported late due to the manual nature of the trade entry process following execution. FINRA expects that members will periodically assess their reporting processes, manual or otherwise, to ensure that they implement the most efficient policies and procedures for trade reporting possible.

It is important to emphasize that FINRA is not proposing a separate standard for designating manual trades as timely versus late for purposes of dissemination. All trades that are reported more than 10 seconds after execution, regardless of whether they are reported automatically or manually, would be identified as late for reporting and dissemination purposes and would not be considered “last sale” eligible under the CTA and UTP Plans.¹⁰

Second, three commenters question whether the benefits outweigh the costs of the proposed rule change, given that the vast majority of trades are reported within 10 seconds already.¹¹ One of the commenters further asserts that the proposed rule change should not be approved without a specific regulatory justification and a thoughtful economic analysis.¹²

FINRA continues to believe that the reasons discussed in the original filing support approval of the proposed rule change. These reasons include the potential impact of the current 30-second reporting requirement on the calculation of reference prices under Limit Up/Limit Down, and the potential that trade reports received 30 seconds after execution are more likely to appear to market participants as violations of Limit Up/Limit Down and the Regulation NMS Order Protection Rule.

In addition, pursuant to the proposed rule change, market participants will have greater certainty that any trade disseminated as timely reported was executed within the prior 10 seconds, in furtherance of the policy objectives underlying the proposed rule change. As explained in the original filing, under the current 30-second reporting requirement, market participants have no way of distinguishing among trades reported 10 or 20 or 29 seconds after execution, because these trades all appear on the tape as timely reported, and thus they have no clarity whether a particular trade reflects the immediate current market. For example, Firm A executes a trade in ABCD security at 11:00:00 at

¹⁰ As noted in the original filing, trades reported for public dissemination purposes are transmitted to three “tapes” based on the listing venue of the security: New York Stock Exchange securities (Tape A), NYSE Arca, NYSE MKT and other regional exchange securities (Tape B), and Nasdaq Stock Market securities (Tape C). Tape A and Tape B are governed by the Consolidated Tape Association Plan (CTA Plan) and Tape C is governed by the Nasdaq Unlisted Trading Privileges Plan (UTP Plan).

¹¹ GFI, FIF and SIFMA.

¹² SIFMA.

\$10, and Firm B executes a trade in ABCD security at 11:00:28 at \$10.10. Firm A's trade at \$10 is reported at 11:00:29. Firm B's trade at \$10.10 also is reported at 11:00:29. Today, both trades are disseminated as timely and last sale eligible, and as such, market participants do not know that Firm A's trade was executed prior in time to Firm B's trade and no longer reflects the current market for ABCD security. Under the proposed rule change, Firm A's trade would be marked and disseminated as late. Thus, reducing the reporting time of regular-way trades from 30 seconds to 10 seconds will improve the reliability of the transaction reporting stream, which will improve the ability of investors to understand the market conditions prevailing at the time of execution of their orders.

FINRA believes that with the accommodation for manual reporting processes discussed above, the proposed rule change strikes a reasonable balance between promoting the goals of increased automation and efficiency in the marketplace and minimizing the potential burden on member firms to the extent possible.

Third, two commenters raise possible queuing issues and question whether firms will be able to comply with the proposed 10-second reporting requirement during regularly occurring periods of high volume such as market open and close, during highly subscribed initial public offerings ("IPOs") or when a firm is reporting basket trades with a large number of securities.¹³

In the original filing, FINRA noted that under current FINRA Rules 6181 and 6623, unusual market conditions, such as extreme volatility in a security or in the market as a whole, may be considered in determining whether reasonable justification or exceptional circumstances exist to excuse late trade reporting.¹⁴ One such example that FINRA provided is the day of Russell rebalancing. As a general matter, however, firms are expected to have sufficiently robust systems with adequate capacity to enable them to report within the time frame prescribed by FINRA rules. This includes periods of high volume that are regularly occurring or expected, such as market open and close, or where a firm is reporting a large basket of securities. Absent extraordinary circumstances or reasonable justification, a pattern or practice of late trade reporting, for example, at market open generally would not be considered "excused" under FINRA rules. FINRA believes that to create a separate standard for trade reporting at market open and close, as one commenter suggested,¹⁵ or to otherwise excuse late trade reporting during such periods, would permit trade reports to be less clearly sequenced at times when transaction information is most important to investors and market participants. This could obscure undesirable trading patterns such as gaming or other forms of market abuse. In addition,

¹³ FIF and SIFMA.

¹⁴ The rules state that "[e]xceptional circumstances will be determined on a case-by-case basis and may include instances of system failure by a member or service bureau, or unusual market conditions, such as extreme volatility in a security, or in the market as a whole."

¹⁵ FIF.

such an approach would fail to provide firms with the appropriate incentive to devote sufficient resources to trade reporting as promptly as possible during such periods. Thus, firms must take reasonable steps to ensure that they can report trades within 10 seconds.¹⁶

While firms may need to evaluate, and in some cases, increase the capacity of their reporting systems, FINRA does not believe that the proposed rule change would impose substantial new costs on a significant number of firms, as suggested by one commenter.¹⁷ In this regard, FINRA reviewed the trade reporting statistics for the week of July 9 through July 13, 2012 (the period that was reviewed and discussed in the original filing), to determine member compliance rates at market open (for purposes of this discussion, between 9:25 and 9:35 a.m.) and close (between 3:55 and 4:05 p.m.). Of all trades reported for public dissemination purposes (with the exception of prior reference price and stop stock transactions, for which the actual execution time is not reported), 98.73% of trades at market open, and 99.57% of trades at market close, were reported within 10 seconds. Of the 165 firms reporting trades at market open, 130 of those firms reported 100% of their trades at market open within 10 seconds, while only six firms were unable to report any of their trades at market open within 10 seconds. (These six firms collectively reported six trades, out of a total of 421,294 trades, at market open.) Of the 204 firms reporting trades at market close, 148 of those firms reported 100% of their trades at market close within 10 seconds, while nine firms were unable to report any of their trades at market close within 10 seconds. (These nine firms collectively reported 449 trades, out of a total of 1,276,089 trades, at market close; however, one firm alone accounted for 439 of those trades (and 400 of those trades were reported more than 30 seconds following execution).)

Fourth, one commenter questions whether firms will be able to comply with the proposed 10-second reporting requirement when reporting trades to the ORF following migration to FINRA's new Multi-Product Platform (MPP) and asserts that introducing new trade reporting requirements prior to the migration is premature.¹⁸

FINRA does not believe that the planned migration of the ORF to the new MPP infrastructure would impact the ability of a firm's automated trade reporting systems to comply with the proposed rule change. If a firm's systems currently are capable of reporting within 10 seconds, there is nothing about the new platform that would impede or slow down this process. In addition, FINRA believes that the proposed implementation period of between 120 and 180 days following Commission approval will provide sufficient time for firms to make and test any systems changes that may be

¹⁶ In response to the comment regarding IPOs, FINRA notes that, to date, FINRA has not observed a negative impact on trade reporting compliance rates during time periods surrounding highly subscribed IPOs and believes that this will continue to be the case under the proposed rule change.

¹⁷ FIF.

¹⁸ FIF.

required to comply with the proposed rule change. FINRA recently announced a new timeframe for the migration of the ORF to the MPP for early 2014.¹⁹ FINRA believes that this schedule change should further alleviate members' concerns regarding the timing of implementation of the proposed rule change. Accordingly, FINRA does not believe that implementation of the proposed rule change should be delayed pending migration of the ORF to the MPP.

The commenter's more general comments regarding ORF migration to the MPP are not germane to this filing and are not addressed here.

¹⁹ The Notice is available at www.finra.org/Industry/Compliance/MarketTransparency/ORF/Notices/P239727.

EXHIBIT 4

Exhibit 4 shows the changes proposed in this Partial Amendment No. 1, with the proposed changes in the published filing shown as if adopted. Proposed new language in this Partial Amendment No. 1 is underlined; proposed deletions in this Partial Amendment No. 1 are in brackets.

* * * * *

6000. QUOTATION AND TRANSACTION REPORTING FACILITIES

* * * * *

6200. ALTERNATIVE DISPLAY FACILITY

* * * * *

6280. Transaction Reporting

* * * * *

6282. Transactions Reported by Members to TRACS

(a) When and How Transactions are Reported to TRACS

(1) through (5) No Change.

(6) 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.

(b) through (j) No Change.

••• **Supplementary Material:** -----

.01 No Change.

.02 Trade Reporting Time Frame

(a) With respect to the requirement under paragraphs (a) and (j) 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 [external] 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.

6300. TRADE REPORTING FACILITIES

6300A. FINRA/NASDAQ TRADE REPORTING FACILITY

* * * * *

6380A. Transaction Reporting

(a) When and How Transactions are Reported

(1) through (3) No Change.

(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) through (8) No Change.

(b) through (h) No Change.

••• Supplementary Material: -----

.01 No Change.

.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 [external] 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.

6300B. FINRA/NYSE TRADE REPORTING FACILITY

* * * * *

6380B. Transaction Reporting

(a) When and How Transactions are Reported

(1) through (3) No Change.

(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) through (8) No Change.

(b) through (h) No Change.

••• Supplementary Material: -----

.01 No Change.

.02 Trade Reporting Time Frame

(a) With respect to the requirement under paragraphs (a) and (f) of this Rule that members report trades and trade cancellations “as soon as practicable,” a member with the trade reporting obligation under paragraph (b) of this Rule must adopt policies and

procedures reasonably designed to comply with this requirement and must implement systems that commence the trade reporting process without delay upon execution (or cancellation, as applicable). Where a member has such reasonably designed policies, procedures and systems in place, the member generally will not be viewed as violating the “as soon as practicable” requirement because of delays in trade reporting that are due to [external] 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.

* * * * *

6600. OTC REPORTING FACILITY

* * * * *

6620. Reporting Transactions in OTC Equity Securities and Restricted Equity Securities

* * * * *

6622. Transaction Reporting

(a) When and How Transactions are Reported

(1) through (3) No Change.

(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) through (8) No Change.

(b) through (h) No Change.

••• Supplementary Material: -----

.01 through .02 No Change.

.03 Trade Reporting Time Frame

(a) With respect to the requirement under paragraphs (a) and (f) of this Rule that members report trades and trade cancellations “as soon as practicable,” a member with the trade reporting obligation under paragraph (b) of this Rule must adopt policies and procedures reasonably designed to comply with this requirement and must implement systems that commence the trade reporting process without delay upon execution (or

cancellation, as applicable). Where a member has such reasonably designed policies, procedures and systems in place, the member generally will not be viewed as violating the “as soon as practicable” requirement because of delays in trade reporting that are due to [external] extrinsic factors that are not reasonably predictable and where the member does not purposely intend to delay the reporting of the trade. In no event may a member purposely withhold trade reports, e.g., by programming its systems to delay reporting until the last permissible second.

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

* * * * *

EXHIBIT 5

Exhibit 5 shows the text of the proposed rule change, as amended by this Partial Amendment No. 1. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

6000. QUOTATION AND TRANSACTION REPORTING FACILITIES

* * * * *

6200. ALTERNATIVE DISPLAY FACILITY

* * * * *

6280. Transaction Reporting

* * * * *

6282. Transactions Reported by Members to TRACS

(a) When and How Transactions are Reported to TRACS

(1) Transaction Reporting to TRACS During Normal Market Hours

Members shall, [within 30] as soon as practicable but no later than 10 seconds after execution, transmit to TRACS, or if TRACS is unavailable due to system or transmission failure, by telephone, facsimile or e-mail to ADF Operations, last sale reports of transactions in ADF-eligible securities executed between 9:30 a.m. and 4:00 p.m. Eastern Time otherwise than on an exchange. Transactions not reported within [30]10 seconds after execution shall be designated as late.

(2) Transaction Reporting to TRACS Outside Normal Market Hours

(A) Last sale reports of transactions in ADF-eligible securities executed between 8:00 a.m. and 9:30 a.m. Eastern Time shall be reported

[within 30] 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 ADF-eligible securities executed between 4:00 p.m. and 6:30 p.m. Eastern Time shall be reported [within 30] 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) through (D) No Change.

(3) No Change.

(4) Other Modifiers Required to be Reported to TRACS

Reporting 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 [30]10 seconds after execution;

(B) through (E) No Change.

(F) if the trade is a Stop Stock Transaction (as defined in Rule 6220) (Note: the time at which the member and the other party agreed to the Stop Stock Price must be given in lieu of including the time of execution on the trade report and the designated modifier shall not be appended to a report of a Stop Stock Transaction if the Stop Stock

Transaction is executed and reported within [30]10 seconds of the time the member and the other party agree to the Stop Stock Price);

(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 the prior reference time in lieu of the actual time the trade was executed and the designated modifier shall not be appended to a report of a transaction whose price is based on a prior reference point in time if the trade is executed and reported within [30]10 seconds from the prior reference point in time);

(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 6:30 p.m. Eastern Time) reported more than [30]10 seconds after execution;

(I) through (K) No Change.

(5) No Change.

(6) Transactions not reported within [30]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.

(b) through (i) No Change.

(j) Reporting Cancelled Trades

(1) No Change.

(2) Deadlines for Reporting Cancelled 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 (j)(1) shall report the cancellation [within 30] as soon as practicable but no later than 10 seconds [of] after the time the trade is cancelled.

(B) through (G) No Change.

••• Supplementary Material: -----

.01 No Change.

.02 Trade Reporting Time Frame

(a) With respect to the requirement under paragraphs (a) and (j) 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.

6300. TRADE REPORTING FACILITIES

6300A. FINRA/NASDAQ TRADE REPORTING FACILITY

* * * * *

6380A. Transaction Reporting

(a) When and How Transactions are Reported

(1) Trade Reporting Facility Participants shall, [within 30] 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 [30]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 [within 30] 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 [within 30] 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) through (D) No Change.

(3) No Change.

(4) Transactions not reported within [30]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 [30]10 seconds after execution;

(B) through (E) No Change.

(F) if the trade is a Stop Stock Transaction (as defined in Rule 6320A) (Note: the time at which the member and the other party agreed to the Stop Stock Price must be given in lieu of including the time of execution on the trade report and the designated modifier shall not be appended to a report of a Stop Stock Transaction if the Stop Stock Transaction is executed and reported within [30]10 seconds of the time the member and the other party agree to the Stop Stock Price);

(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 the prior reference time in lieu of the actual time the trade was executed and the designated

modifier shall not be appended to a report of a transaction whose price is based on a prior reference point in time if the trade is executed and reported within [30]10 seconds from the prior reference point in time);

(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 [30]10 seconds after execution;

(I) through (K) No Change.

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) No Change.

(7) To identify pre-opening and after-hours trades reported late, the FINRA/Nasdaq Trade Reporting Facility will convert the late modifier, as applicable, on any pre-opening or after-hours report submitted to the FINRA/Nasdaq Trade Reporting Facility more than [30]10 seconds after execution.

(8) No Change.

(b) through (f) No Change.

(g) Reporting Cancelled Trades

(1) No Change.

(2) Deadlines for Reporting Cancelled 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 [within 30] as soon as practicable but no later than 10 seconds [of] after the time the trade is cancelled.

(B) through (G) No Change.

(h) No Change.

••• **Supplementary Material:** -----

.01 No Change.

.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.

6300B. FINRA/NYSE TRADE REPORTING FACILITY

* * * * *

6380B. Transaction Reporting

(a) When and How Transactions are Reported

(1) Trade Reporting Facility Participants shall, [within 30] 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 [30]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

[within 30] 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 [within 30] 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) through (D) No Change.

(3) No Change.

(4) Transactions not reported within [30]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 [30]10 seconds after execution;

(B) through (E) No Change.

(F) if the trade is a Stop Stock Transaction (as defined in Rule 6320B) (Note: the time at which the member and the other party agreed to the Stop Stock Price must be given in lieu of including the time of execution on the trade report and the designated modifier shall not be appended to a report of a Stop Stock Transaction if the Stop Stock Transaction is executed and reported within [30]10 seconds of the time the member and the other party agree to the Stop Stock Price);

(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 the prior reference time in lieu of the actual time the trade was executed and the designated modifier shall not be appended to a report of a transaction whose price is based on a prior reference point in time if the trade is executed and reported within [30]10 seconds from the prior reference point in time);

(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 [30]10 seconds after execution;

(I) through (K) No Change.

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) No Change.

(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 [30]10 seconds after execution.

(8) No Change.

(b) through (e) No Change.

(f) Reporting Cancelled Trades

(1) No Change.

(2) Deadlines for Reporting Cancelled 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 (f)(1) shall report the cancellation [within 30] as soon as practicable but no later than 10 seconds [of] after the time the trade is cancelled.

(B) through (G) No Change.

(g) through (h) No Change.

••• **Supplementary Material:** -----

.01 No Change.

.02 Trade Reporting Time Frame

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

(b) FINRA recognizes that a very small universe of trades are reported manually, and as a result, even where a member does not purposely withhold trade reports, the trade reporting process may not be completed within 10 seconds following execution. In these cases, for purposes of determining whether “reasonable justification” exists to excuse what otherwise may be deemed to be a pattern or practice of late trade reporting under this Rule and Rule 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.

* * * * *

6600. OTC REPORTING FACILITY

* * * * *

6620. Reporting Transactions in OTC Equity Securities and Restricted Equity Securities

* * * * *

6622. Transaction Reporting

(a) When and How Transactions are Reported

(1) OTC Reporting Facility Participants shall, [within 30] as soon as practicable but no later than 10 seconds after execution, transmit to the OTC Reporting Facility, or if the OTC Reporting Facility is unavailable due to system or transmission failure, by telephone to the Operations Department, last sale reports of transactions in OTC Equity Securities executed during normal market hours. Transactions not reported within [30]10 seconds after execution shall be designated as late.

(2) Transaction Reporting Outside Normal Market Hours

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

(B) Last sale reports of transactions in OTC Equity Securities executed between 4:00 p.m. and 8:00 p.m. Eastern Time shall be reported [within 30] 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) through (D) No Change.

(3) No Change.

(4) Transactions not reported within [30]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 [30]10 seconds after execution;

(B) through (E) No Change.

(F) if the trade is a Stop Stock Transaction (as defined in Rule 6420) (Note: the time at which the member and the other party agreed to the Stop Stock Price must be given in lieu of including the time of execution on the trade report and the designated modifier shall not be appended to a report of a Stop Stock Transaction if the Stop Stock Transaction is executed and reported within [30]10 seconds of the time the member and the other party agree to the Stop Stock Price);

(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 the prior reference time in lieu of the actual time the trade was executed and the designated modifier shall not be appended to a report of a transaction whose price is based on a prior reference point in time if the trade is executed and reported within [30]10 seconds from the prior reference point in time); and

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

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

(6) No Change.

(7) To identify pre-opening and after-hours trades in OTC Equity Securities reported late, the OTC Reporting Facility will convert to the late modifier, as applicable, on any pre-opening or after-hours report submitted to the OTC Reporting Facility more than [30]10 seconds after execution.

(8) No Change.

(b) through (e) No Change.

(f) Reporting Cancelled Trades

(1) No Change.

(2) Deadlines for Reporting Cancelled Trades in OTC Equity

Securities

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

(B) through (G) No Change.

(3) No Change.

(g) through (h) No Change.

••• Supplementary Material: -----

.01 through .02 No Change.

.03 Trade Reporting Time Frame

(a) With respect to the requirement under paragraphs (a) and (f) of this Rule that members report trades and trade cancellations “as soon as practicable,” a member with

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

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

* * * * *

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

7100. ALTERNATIVE DISPLAY FACILITY/TRACS

* * * * *

7130. Trade Report Input

(a) No Change.

(b) When and How Trade Reports are Submitted to TRACS

(1) TRACS trade comparison Participants who are Reporting Members that choose to submit a trade for comparison shall transmit to TRACS the information required by the Rule 6280 Series, as applicable, [within 30] as soon as practicable but no later than 10 seconds [of] after execution, or such other time period prescribed by rule.

(2) through (6) No Change.

(c) through (d) No Change.

* * * * *

7200. TRADE REPORTING FACILITIES

7200A. FINRA/NASDAQ TRADE REPORTING FACILITY

* * * * *

7230A. Trade Report Input

(a) No Change.

(b) When and How Trade Reports are Submitted

Participants shall transmit trade reports to the System for transactions in Reportable Securities [within 30] 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) through (i) No Change.

* * * * *

7200B. FINRA/NYSE TRADE REPORTING FACILITY

* * * * *

7230B. Trade Report Input

(a) No Change.

(b) When and How Trade Reports are Submitted

Participants shall transmit trade reports to the System for transactions in Reportable Securities [within 30] as soon as practicable but no later than 10 seconds after execution, or such other time period prescribed by rule.

(c) through (h) No Change.

* * * * *