

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 21 SECURITIES AND EXCHANGE COMMISSION File No.* SR - 2015 - * 025
WASHINGTON, D.C. 20549
Form 19b-4 Amendment No. (req. for Amendments *)

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

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<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	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

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

Description

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

Proposed Rule Change to Amend FINRA Rule 6730 (Transaction Reporting) to Require Members to Report Transactions in TRACE-Eligible Securities As Soon As Practicable

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 * Last Name *

Title *

E-mail *

Telephone * Fax

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

By

(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 *

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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

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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

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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.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to codify that members are required to report transactions in TRACE-Eligible Securities subject to dissemination as soon as practicable.

The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

At its meeting on February 11, 2015, the FINRA Board of Governors authorized the filing of the proposed rule change with the SEC. No other action by FINRA is necessary for the filing of the proposed rule change.

If the Commission approves the filing, FINRA will announce the effective date of the proposed rule change in a Regulatory Notice to be published no later than 60 days following Commission approval. The effective date will be no sooner than 30 days following publication of the Regulatory Notice announcing Commission approval.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

¹ 15 U.S.C. 78s(b)(1).

FINRA Rule 6730 (Transaction Reporting) generally requires that each FINRA member that is a Party to a Transaction² in a TRACE-Eligible Security³ report the transaction within 15 minutes of the Time of Execution,⁴ unless a different time period for the security is otherwise specified in the rule, or the transaction report will be deemed “late.” Paragraph (a)(4) of Rule 6730 further provides that members have an ongoing obligation to report transaction information promptly, accurately and completely.⁵

FINRA is filing this proposed rule change to codify that members are expected to report transactions in TRACE-Eligible Securities that are subject to dissemination as soon as practicable following the Time of Execution, and must not deliberately delay

² Rule 6710(e) provides that a “Party to a Transaction” is an introducing broker-dealer, if any, an executing broker-dealer, or a customer. “Customer” includes a broker-dealer that is not a FINRA member.

³ Rule 6710(a) provides that a “TRACE-Eligible Security” is a debt security that is United States dollar-denominated and issued by a U.S. or foreign private issuer, and, if a “restricted security” as defined in Securities Act Rule 144(a)(3), sold pursuant to Securities Act Rule 144A; or is a debt security that is U.S. dollar-denominated and issued or guaranteed by an Agency as defined in paragraph (k) or a Government-Sponsored Enterprise as defined in paragraph (n). “TRACE-Eligible Security” does not include a debt security that is: issued by a foreign sovereign, a U.S. Treasury Security as defined in paragraph (p), or a Money Market Instrument as defined in paragraph (o).

⁴ Among other things, Rule 6710(d) provides that the “Time of Execution” for a transaction in a TRACE-Eligible Security means the time when the Parties to a Transaction agree to all of the terms of the transaction that are sufficient to calculate the dollar price of the trade.

⁵ While a member may employ an agent for the purpose of submitting transaction information, the primary responsibility for the timely, accurate and complete reporting of transaction information remains the non-delegable duty of the member obligated to report the transaction.

their reporting.⁶ While FINRA provides a time period for members to conduct the necessary actions to report transactions, FINRA believes it is important for public price transparency that members do not delay reporting executed transactions and has conveyed this expectation to members.⁷ FINRA now proposes to amend Rule 6730 to provide in the rule text that each member that is a Party to a Transaction in a TRACE-Eligible Security that is subject to dissemination must report the transaction to TRACE as soon as practicable, but no later than within 15 minutes of the Time of Execution, or other timeframe specified in Rule 6730. Further, the proposed amendment includes new Supplementary Material .03 to provide additional guidance around FINRA's expectations

⁶ FINRA Rule 6750 (Dissemination of Transaction Information) provides that FINRA will disseminate information on all transactions in TRACE-Eligible Securities, including transactions effected pursuant to Securities Act Rule 144A, immediately upon receipt of the transaction report, except as specified in the rule.

⁷ For example, in a Notice regarding TRACE trade reporting obligations for transactions in Asset-Backed Securities (ABS), FINRA stated that, although firms have up to two business days to report transactions in ABSs, firms should submit reports as soon as practicable after the execution of a transaction and throughout the trading day, rather than queuing such reports until the end of the reporting time period. Trade Reporting Notice, May 10, 2011 (Reporting Asset-Backed Securities to the Trade Reporting and Compliance Engine). In addition, in Regulatory Notice 12-52 (December 2012), FINRA stated that transactions in securities subject to TRACE reporting requirements should be reported without delay, even though the TRACE rule generally allows for up to 15 minutes to report transactions in corporate and agency debt securities. See also Letter from Brant K. Brown, Associate General Counsel, FINRA, to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, dated August 29, 2012 (Letter Responding to Comments received on SR-FINRA-2012-025).

FINRA also has already codified the “as soon as practicable” requirement for the reporting of transactions to the equity trade reporting facilities, which require reporting as soon as practicable but no later than 10 seconds after execution. See FINRA Rules 6282 (governing transaction reporting on the ADF), 6380A (governing transaction reporting on the FINRA/NASDAQ TRF), 6380B (governing transaction reporting on the FINRA/NYSE TRF) and 6622 (Transaction Reporting on the FINRA ORF).

regarding the timeliness of reports submitted to TRACE. Specifically, new Rule 6730.03 provides that members must adopt policies and procedures reasonably designed to comply with the requirement that transactions in TRACE-Eligible Securities that are subject to dissemination be reported as soon as practicable by implementing systems that commence the trade reporting process at the Time of Execution without delay. In addition, 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 end of the reporting time period.

The supplementary material also recognizes that members may manually report transactions in TRACE-Eligible Securities and, as a result, the trade reporting process may not be completed as quickly as where an automated trade reporting system is used. In these cases, FINRA will take into consideration the manual nature of the member’s trade reporting process in determining whether the member’s policies and procedures are reasonably designed to report the trade “as soon as practicable” after execution. FINRA believes that codifying this “as soon as practicable” requirement is necessary to promote consistent and timely reporting by all members and will improve the usefulness of disseminated TRACE information for investors.

As noted in Item 2 of this filing, if the Commission approves the filing, FINRA will announce the effective date of the proposed rule change in a Regulatory Notice to be

published no later than 60 days following Commission approval. The effective date will be no sooner than 30 days following publication of the Regulatory Notice announcing Commission approval.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁸ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. In particular, the proposed rule would require that members report transactions in TRACE-Eligible Securities that are subject to dissemination as soon as practicable from the Time of Execution. FINRA believes it is important to ensure that members do not delay the reporting of executed transactions, particularly, for example, by imbedding into the trade reporting process deliberate delays until the end of the reporting time period. Specifically, the proposed rule change will help improve the value of transaction information for price transparency, which enhances its value for regulators, investors and other market participants.

4. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Economic Impact Assessment

⁸ 15 U.S.C. 78o-3(b)(6).

The proposed rule change seeks to codify that members are expected to report transactions in TRACE-Eligible Securities as soon as practicable following the Time of Execution, and must not deliberately delay their reporting.

The economic baseline of the proposed rule change is the current rules and industry practice relating to trade reporting. As discussed above, the proposed rule change is consistent with FINRA's current expectation that members submit trade reports as soon as practicable. Further, FINRA understands that the vast majority of firms that report transactions to TRACE have automated their trade reporting systems, which may facilitate their ability to comply with this rule.

For example, based on a review of TRACE trade reporting data from January 2014 through December 2014, over 90% of trade reports in corporate and agency debt are submitted within five minutes of the time of execution, and 79% percent were reported within one minute. Approximately 71% of trade reports in securitized products are submitted within five minutes of execution, and over 55% were reported within one minute.

FINRA recognizes that reporting within a short time frame may not mean that firms are reporting as soon as practicable, but does indicate general timeliness in reporting. FINRA has observed instances that appear to indicate firms have taken more time than is operationally necessary to report trades, which results in delays in transaction information reaching investors and other market participants, and may raise the possibility that certain firms may have intentionally delayed trade reporting, possibly to delay public dissemination of the trade. FINRA believes such conduct is inconsistent

with the purpose of the trade reporting rules and further believes that explicitly prohibiting such conduct is important for the effective operation of the rule.

Therefore, FINRA expects that the primary economic benefit arising from this proposed rule change will be a reduction in the delay between a transaction's Time of Execution and when a member reports the trade to TRACE, which will result in more timely information being disseminated to investors and other market participants.

FINRA also believes that the proposal will provide further clarity as to the operation of Rule 6730 – particularly in clarifying that intentionally delaying trade reporting is violative of a member's ongoing obligation to report transaction information to TRACE promptly. FINRA anticipates that this rule will not impose any significant new compliance costs on members.

5. **Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others**

Written comments were neither solicited nor received.

6. **Extension of Time Period for Commission Action**

FINRA does not consent at this time to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.⁹

7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)**

Not applicable.

8. **Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**

Not applicable.

⁹ 15 U.S.C. 78s(b)(2).

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1. Completed notice of proposed rule change for publication in the Federal Register.

Exhibit 5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-FINRA-2015-025)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change to Amend FINRA Rule 6730 (Transaction Reporting) to Require Members to Report Transactions in TRACE-Eligible Securities As Soon As Practicable

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on , Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

FINRA is proposing to codify that members are required to report transactions in TRACE-Eligible Securities subject to dissemination as soon as practicable.

The text of the proposed rule change is available on FINRA’s website at <http://www.finra.org>, at the principal office of FINRA and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FINRA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

FINRA Rule 6730 (Transaction Reporting) generally requires that each FINRA member that is a Party to a Transaction³ in a TRACE-Eligible Security⁴ report the transaction within 15 minutes of the Time of Execution,⁵ unless a different time period for the security is otherwise specified in the rule, or the transaction report will be deemed

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⁴ Rule 6710(a) provides that a "TRACE-Eligible Security" is a debt security that is United States dollar-denominated and issued by a U.S. or foreign private issuer, and, if a "restricted security" as defined in Securities Act Rule 144(a)(3), sold pursuant to Securities Act Rule 144A; or is a debt security that is U.S. dollar-denominated and issued or guaranteed by an Agency as defined in paragraph (k) or a Government-Sponsored Enterprise as defined in paragraph (n). "TRACE-Eligible Security" does not include a debt security that is: issued by a foreign sovereign, a U.S. Treasury Security as defined in paragraph (p), or a Money Market Instrument as defined in paragraph (o).

⁵ Among other things, Rule 6710(d) provides that the "Time of Execution" for a transaction in a TRACE-Eligible Security means the time when the Parties to a Transaction agree to all of the terms of the transaction that are sufficient to calculate the dollar price of the trade.

“late.” Paragraph (a)(4) of Rule 6730 further provides that members have an ongoing obligation to report transaction information promptly, accurately and completely.⁶

FINRA is filing this proposed rule change to codify that members are expected to report transactions in TRACE-Eligible Securities that are subject to dissemination as soon as practicable following the Time of Execution, and must not deliberately delay their reporting.⁷ While FINRA provides a time period for members to conduct the necessary actions to report transactions, FINRA believes it is important for public price transparency that members do not delay reporting executed transactions and has conveyed this expectation to members.⁸ FINRA now proposes to amend Rule 6730 to

⁶ While a member may employ an agent for the purpose of submitting transaction information, the primary responsibility for the timely, accurate and complete reporting of transaction information remains the non-delegable duty of the member obligated to report the transaction.

⁷ FINRA Rule 6750 (Dissemination of Transaction Information) provides that FINRA will disseminate information on all transactions in TRACE-Eligible Securities, including transactions effected pursuant to Securities Act Rule 144A, immediately upon receipt of the transaction report, except as specified in the rule.

⁸ For example, in a Notice regarding TRACE trade reporting obligations for transactions in Asset-Backed Securities (ABS), FINRA stated that, although firms have up to two business days to report transactions in ABSs, firms should submit reports as soon as practicable after the execution of a transaction and throughout the trading day, rather than queuing such reports until the end of the reporting time period. Trade Reporting Notice, May 10, 2011 (Reporting Asset-Backed Securities to the Trade Reporting and Compliance Engine). In addition, in Regulatory Notice 12-52 (December 2012), FINRA stated that transactions in securities subject to TRACE reporting requirements should be reported without delay, even though the TRACE rule generally allows for up to 15 minutes to report transactions in corporate and agency debt securities. See also Letter from Brant K. Brown, Associate General Counsel, FINRA, to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, dated August 29, 2012 (Letter Responding to Comments received on SR-FINRA-2012-025).

FINRA also has already codified the “as soon as practicable” requirement for the reporting of transactions to the equity trade reporting facilities, which require reporting as soon as practicable but no later than 10 seconds after execution. See

provide in the rule text that each member that is a Party to a Transaction in a TRACE-Eligible Security that is subject to dissemination must report the transaction to TRACE as soon as practicable, but no later than within 15 minutes of the Time of Execution, or other timeframe specified in Rule 6730. Further, the proposed amendment includes new Supplementary Material .03 to provide additional guidance around FINRA's expectations regarding the timeliness of reports submitted to TRACE. Specifically, new Rule 6730.03 provides that members must adopt policies and procedures reasonably designed to comply with the requirement that transactions in TRACE-Eligible Securities that are subject to dissemination be reported as soon as practicable by implementing systems that commence the trade reporting process at the Time of Execution without delay. In addition, 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 end of the reporting time period.

The supplementary material also recognizes that members may manually report transactions in TRACE-Eligible Securities and, as a result, the trade reporting process may not be completed as quickly as where an automated trade reporting system is used. In these cases, FINRA will take into consideration the manual nature of the member's

FINRA Rules 6282 (governing transaction reporting on the ADF), 6380A (governing transaction reporting on the FINRA/NASDAQ TRF), 6380B (governing transaction reporting on the FINRA/NYSE TRF) and 6622 (Transaction Reporting on the FINRA ORF).

trade reporting process in determining whether the member's policies and procedures are reasonably designed to report the trade "as soon as practicable" after execution. FINRA believes that codifying this "as soon as practicable" requirement is necessary to promote consistent and timely reporting by all members and will improve the usefulness of disseminated TRACE information for investors.

If the Commission approves the filing, FINRA will announce the effective date of the proposed rule change in a Regulatory Notice to be published no later than 60 days following Commission approval. The effective date will be no sooner than 30 days following publication of the Regulatory Notice announcing Commission approval.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁹ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. In particular, the proposed rule would require that members report transactions in TRACE-Eligible Securities that are subject to dissemination as soon as practicable from the Time of Execution. FINRA believes it is important to ensure that members do not delay the reporting of executed transactions, particularly, for example, by imbedding into the trade reporting process deliberate delays until the end of the reporting time period. Specifically, the proposed rule change will help improve the value of transaction information for price transparency, which enhances its value for regulators, investors and other market participants.

⁹ 15 U.S.C. 78q-3(b)(6).

B. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Economic Impact Assessment

The proposed rule change seeks to codify that members are expected to report transactions in TRACE-Eligible Securities as soon as practicable following the Time of Execution, and must not deliberately delay their reporting.

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For example, based on a review of TRACE trade reporting data from January 2014 through December 2014, over 90% of trade reports in corporate and agency debt are submitted within five minutes of the time of execution, and 79% percent were reported within one minute. Approximately 71% of trade reports in securitized products are submitted within five minutes of execution, and over 55% were reported within one minute.

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time than is operationally necessary to report trades, which results in delays in transaction information reaching investors and other market participants, and may raise the possibility that certain firms may have intentionally delayed trade reporting, possibly to delay public dissemination of the trade. FINRA believes such conduct is inconsistent with the purpose of the trade reporting rules and further believes that explicitly prohibiting such conduct is important for the effective operation of the rule.

Therefore, FINRA expects that the primary economic benefit arising from this proposed rule change will be a reduction in the delay between a transaction's Time of Execution and when a member reports the trade to TRACE, which will result in more timely information being disseminated to investors and other market participants.

FINRA also believes that the proposal will provide further clarity as to the operation of Rule 6730 – particularly in clarifying that intentionally delaying trade reporting is violative of a member's ongoing obligation to report transaction information to TRACE promptly. FINRA anticipates that this rule will not impose any significant new compliance costs on members.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2015-025 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Robert W. Errett, Deputy Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2015-025. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule

change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2015-025 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Robert W. Errett

Deputy Secretary

¹⁰ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

6000. QUOTATION AND TRANSACTION REPORTING FACILITIES

* * * * *

6700. TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)

* * * * *

6730. Transaction Reporting

(a) When and How Transactions are Reported

Each member that is a Party to a Transaction in a TRACE-Eligible Security must report the transaction. A member must report a transaction in a TRACE-Eligible Security as soon as practicable, but no later than within 15 minutes of the Time of Execution, except as otherwise specifically provided below. Transactions not reported within the specified timeframe [, or the transaction report] will be designated as “late.” A member must transmit the report to TRACE during TRACE System Hours.

(1) through (6) No Change.

(b) through (f) No Change.

••• Supplementary Material: -----

.01 through .02 No Change.

.03 Trade Reporting Time Frame

(a) Each member with a trade reporting obligation pursuant to paragraph (a) above for a TRACE-Eligible Security that is subject to dissemination must adopt policies and procedures reasonably designed to comply with the requirement that transactions in

TRACE-Eligible Securities be reported “as soon as practicable” by implementing systems that commence the trade reporting process at the Time of Execution without delay. 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 end of the reporting time period.

(b) FINRA recognizes that members may manually report transactions in TRACE-Eligible Securities and, as a result, the trade reporting process may not be completed as quickly as where an automated trade reporting system is used. In these cases, FINRA will take into consideration the manual nature of the member’s trade reporting process in determining whether the member’s policies and procedures are reasonably designed to report the trade “as soon as practicable” after execution.

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