


Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 34	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2017 - * 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"/>	
			Rule	
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(5) <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) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>		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 *).				
<input type="text"/>				
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 *	Brant	Last Name *	Brown	
Title *	Associate General Counsel			
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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	08/25/2017	Senior Vice President and Director of Capital Markets Policy		
By	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.				
 Stephanie Dumont,				

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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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 *

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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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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

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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

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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

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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.

On May 15, 2017, Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (the “Commission” or “SEC”) proposed rule change SR-FINRA-2017-013 (the “Proposal”), pursuant to which FINRA proposed to eliminate the Order Audit Trail System (“OATS”) rules in the FINRA Rule 7400 Series and Rule 4554 (“OATS Rules”) and to amend FINRA’s electronic blue sheet (“EBS”) rules, Rules 8211 and 8213, to reflect changes to these rules once members are effectively reporting to the consolidated audit trail (“CAT”) and the CAT’s accuracy and reliability meet certain standards as described in the Proposal.

The Commission published the proposed rule change for public comment in the Federal Register on June 1, 2017,¹ and received four comments in response to the Proposal.² FINRA will be submitting by separate letter its response to comments on the Proposal.

With this Partial Amendment No. 1, FINRA is including Exhibit 4, which reflects changes to the text of the proposed rule change pursuant to this Partial Amendment No. 1, and Exhibit 5, which reflects the changes to the current rule text that are proposed in the Proposal, as amended by this Partial Amendment No. 1.

This Partial Amendment No. 1 makes the following changes to the Proposal: (1) it adds introductory language into Rule 7400 to clarify that, if the SEC approves the proposed rule change, the Rule 7400 Series will be deleted from the FINRA Rules upon announcement by

¹ Securities Exchange Act Release No. 80783 (May 26, 2017), 82 FR 25423 (June 1, 2017) (Notice of Filing of SR-FINRA-2017-013).

² Letters to Robert W. Errett, Deputy Secretary, SEC, from Marc R. Bryant, Senior Vice President and Deputy General Counsel, Fidelity Investments, dated June 22, 2017 (“Fidelity”); William H. Hebert, Managing Director, Financial Information Forum, dated June 22, 2017 (“FIF”); Letters to Brent J. Fields, Secretary, SEC, from Manisha Kimmel, Chief Regulatory Officer, Wealth Management, Thomson Reuters, dated June 22, 2017 (“Thomson Reuters”); Ellen Greene, Managing Director & Theodore R. Lazo, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated June 23, 2017 (“SIFMA”).

FINRA that the CAT has achieved a level of accuracy and reliability sufficient to replace OATS; and (2) it amends the Supplementary Material to the EBS Rules in the proposed rule change to clarify that FINRA will not request trade data or information, and members will not be required to provide trade data or information, pursuant to the EBS Rules for trades reported to the CAT after FINRA announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to the EBS Rules.

Introductory Language to the OATS Rules

As part of the Proposal, to comply with certain provisions of the National Market System Plan Governing the Consolidated Audit Trail (the “CAT NMS Plan” or “Plan”),³ FINRA discussed the specific accuracy and reliability standards the CAT must meet for FINRA to delete the OATS Rules from the FINRA rulebook. The Proposal notes that the OATS Rules will be deleted once (i) the CAT achieves the specific accuracy and reliability standards described in the Proposal and (ii) FINRA has determined that its usage of the CAT has not revealed material issues that have not been corrected, confirmed that the CAT includes all data necessary to allow FINRA to continue to meet its surveillance obligations, and confirmed that the Plan Processor is sufficiently meeting all of its obligations under the Plan.

If the Commission approves the proposed rule change, the rule text to delete the OATS Rules will be effective; however, FINRA will announce the implementation date of the proposed rule change (i.e., the deletion of the OATS Rules) in a Regulatory Notice that will be published once FINRA concludes the thresholds for accuracy and reliability described in the Proposal have been met and that the CAT Plan Processor is sufficiently meeting all of its obligations. Because the time period for implementation for the deletion of the OATS Rules could be significant,

³ See CAT NMS Plan, Appendix C, Section C.9.

FINRA is proposing in this Partial Amendment No. 1 to add language into Rule 7400 that would alert members that the SEC has approved a proposed rule change to remove the Rule 7400 Series from the FINRA Rules upon announcement by FINRA that the CAT has achieved a level of accuracy and reliability sufficient to replace OATS. The rule text would also note that, upon this announcement by FINRA, members will no longer be required to record and report order information pursuant to the Rule 7400 Series. FINRA believes that adding this language into Rule 7400 would help to alert members of the status of the OATS Rules and is proposing that this language be added to Rule 7400 upon approval of the Proposal by the SEC.

Supplementary Material to the EBS Rules

In addition to deleting the OATS Rules, the Proposal adds new Supplementary Material to the EBS Rules to clarify how FINRA will request data under these rules after members are reporting to the CAT and FINRA has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to the EBS Rules. As noted in the Proposal, FINRA believes that the CAT must meet certain minimum accuracy and reliability standards before FINRA could rely on the CAT to replace existing regulatory tools, including EBS. Consequently, the proposed Supplementary Material would be implemented only after the CAT achieves the thresholds set forth in the Proposal. Unlike the OATS Rules, FINRA's EBS Rules will not be deleted from the FINRA Rulebook; rather, the Proposal adds Supplementary Material to the EBS Rules to accommodate the fact that EBS requests will still be necessary for transactions occurring before the CAT is sufficiently accurate and reliable and for transactions involving securities that are not reportable to the CAT.

In this Partial Amendment No. 1, FINRA is proposing to revise the Supplementary Material to clarify that FINRA will not request trade data or information, and members will not

be required to provide trade data or information, for trades reported to the CAT after FINRA announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to the EBS Rules. In the Proposal, the proposed Supplementary Material stated that FINRA will request trade data or information pursuant to this Rule only if the trade data or information is not available in the CAT because, for example, the transaction(s) in question occurred before the member was reporting information to the CAT or involved securities that are not reportable to the CAT. FINRA is proposing changes to this language to make clear that, after the CAT achieves the accuracy and reliability standards set forth in the Proposal, FINRA will only use the CAT to obtain trading information and will make requests under the EBS Rules only for transactions that occurred before the CAT achieved sufficient levels of accuracy and reliability or transactions that involve securities that are not reportable to the CAT (e.g., fixed income securities, OTC options).

EXHIBIT 4

Exhibit 4 shows the changes proposed in this Partial Amendment No. 1, with the proposed changes in the original 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.

* * * * *

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

* * * * *

7400. ORDER AUDIT TRAIL SYSTEM

The SEC has approved a proposed rule change to remove the Rule 7400 Series from the FINRA Rules upon announcement by FINRA that the Consolidated Audit Trail has achieved a level of accuracy and reliability sufficient to replace the Order Audit Trail System. Upon this announcement by FINRA, members will no longer be required to record and report order information pursuant to the Rule 7400 Series.

* * * * *

8000. INVESTIGATIONS AND SANCTIONS

* * * * *

8200. INVESTIGATIONS

* * * * *

8211. Automated Submission of Trading Data Requested by FINRA

(a) through (e) No Change.

••• Supplementary Material: -----

.01 Information Available in the Consolidated Audit Trail (CAT). FINRA will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after FINRA announces that it has determined that the accuracy

and reliability of the CAT are sufficient to replace requests pursuant to this Rule. [FINRA will request trade data or information pursuant to this Rule only if the trade data or information is not available in the CAT because, for example, the transaction(s) in question occurred before the member was reporting information to the CAT or involved securities that are not reportable to the CAT.]

8213. Automated Submission of Trading Data for Non-Exchange-Listed Securities Requested by FINRA

Each member shall submit trade data specified in Rule 8211 in automated format as may be prescribed by FINRA from time to time with respect to any transaction or transactions involving non-exchange-listed securities as defined in the Rule 6400 Series that are the subject of a request for information made by FINRA. Pursuant to the Rule 9600 Series, FINRA may exempt a member from the requirement that the data prescribed in paragraphs (b) through (d) of Rule 8211 be submitted to FINRA in an automated format for good cause shown.

••• Supplementary Material: -----

.01 Information Available in the Consolidated Audit Trail (CAT). FINRA will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after FINRA announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to this Rule. [FINRA will request trade data or information pursuant to this Rule only if the trade data or information is not available in the CAT because, for example, the transaction(s) in question occurred before the member was reporting information to the CAT or involved securities that are not reportable to the CAT.]

* * * * *

EXHIBIT 5

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

* * * * *

4000. FINANCIAL AND OPERATIONAL RULES

* * * * *

4500. BOOKS AND RECORDS

* * * * *

**[4554. Alternative Trading Systems – Recording and Reporting Requirements of
Order and Execution Information for NMS Stocks]**

[(a) Subject to the terms and conditions contained herein, each ATS must record and report the information described below for each order it receives in an NMS stock, as defined in Rule 600(b)(47) of SEC Regulation NMS. For purposes of this Rule, the term “order” includes a broker-dealer’s proprietary quotes that are transmitted to an ATS. The information described in paragraphs (b) and (c) shall be reported to FINRA no later than 8:00 a.m. Eastern Time on the calendar day following receipt of the order in the ATS in an electronic form as prescribed by FINRA.]

[(b) All orders received by an ATS must be recorded and reported to OATS pursuant to FINRA Rules 7440 and 7450. The following information must be recorded and reported to FINRA by all ATSs when reporting receipt of an order to OATS:]

[(1) Whether the ATS displays subscriber orders outside the ATS (other than to alternative trading system employees). If an ATS does display subscriber orders outside the ATS (other than to alternative trading system employees),

indicate whether the order is displayed to subscribers only or through publicly disseminated quotation data);]

[(2) Whether the ATS is an ADF Trading Center as defined in FINRA Rule 6220;]

[(3) Whether the order can be routed away from the ATS for execution;]

[(4) Whether there is a counter-party restriction on such order;]

[(5) A unique identifier for each order type offered by the ATS. An ATS must provide FINRA with (i) a list of all of its order types 20 days before such order types become effective and (ii) any changes to its order types 20 days before such changes become effective. An identifier shall not be required for market and limit orders that have no other special handling instructions;]

[(6) The NBBO (or relevant reference price) in effect at the time of order receipt and the timestamp of when the ATS recorded the effective NBBO (or relevant reference price); and]

[(7) Identification of the market data feed used by the ATS to record the NBBO (or other reference price) for purposes of subparagraph (6). If for any reason, the ATS uses an alternative feed than what was reported on its ATS data submission, the ATS must notify FINRA of the fact that an alternative source was used, identify the alternative source, and specify the date(s), time(s) and securities for which the alternative source was used.]

[(c) The following information must be recorded and reported to FINRA by all ATSS when reporting execution of an order to OATS:]

[(1) The NBBO (or relevant reference price) in effect at the time of order execution;]

[(2) The timestamp of when the ATS recorded the effective NBBO (or relevant reference price); and]

[(3) Identification of the market data feed used by the ATS to record the NBBO (or other reference price) for purposes of subparagraph (1). If for any reason, the ATS uses an alternative feed than what was reported on its ATS data submission, the ATS must notify FINRA of the fact that an alternative source was used, identify the alternative source, and specify the date(s), time(s) and securities for which the alternative source was used;]

[(d) For all OATS-reportable event types, all ATSs must record and report to FINRA the sequence number assigned to the order event by the ATS's matching engine.]

[(e) The following information must also be recorded and reported to FINRA by ATSs that display subscriber orders when reporting receipt of an order to OATS:]

[(1) Whether the order is hidden or displayable;]

[(2) Display Quantity;]

[(3) Reserve Quantity;]

[(4) Display Price;]

[(5) Entered price;]

[(6) If the ATS is an ADF Trading Center, the quote identifier provided to the ADF if such order resulted in a new quote being transmitted to the ADF.]

[(f) For an ATS that displays subscriber orders, each time the ATS's matching engine re-prices a displayed order or changes the display quantity of a displayed order,

the ATS must report to OATS the time of such modification, the applicable new display price or size, and if the ATS is an ADF Trading Center, the quote identifier provided to the ADF if such modification resulted in a new quote being transmitted to the ADF.]

[(g) For orders held by an ADF Trading Center, if the order becomes associated with a quote identifier based on an action by the matching engine (e.g., another order is cancelled making the order being held the best priced order in the matching engine), the ADF Trading Participant must provide a new quote identifier for that order.]

[(h) “ATS” shall mean any alternative trading system, as defined in Rule 300(a)(1) of SEC Regulation ATS, that has filed a Form ATS with the SEC and that is required to report pursuant to FINRA's Order Audit Trail System and equity trade reporting rules.]

* * * * *

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

* * * * *

[7400. ORDER AUDIT TRAIL SYSTEM]

The SEC has approved a proposed rule change to remove the Rule 7400 Series from the FINRA Rules upon announcement by FINRA that the Consolidated Audit Trail has achieved a level of accuracy and reliability sufficient to replace the Order Audit Trail System. Upon this announcement by FINRA, members will no longer be required to record and report order information pursuant to the Rule 7400 Series.

[7410. Definitions]

[For purposes of the Rule 7400 Series:]

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

[(b) “Bunched Order” shall mean two or more orders that are aggregated prior to execution.]

[(c) “Customer” shall mean a person other than a broker or dealer.]

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

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

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

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

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

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

[(j) “Order” shall mean any oral, written, or electronic instruction to effect a transaction in an NMS stock or an OTC equity security that is received by a member from another person for handling or execution, or that is originated by a department of a member for execution by the same or another member, other than any such instruction to

effect a proprietary transaction originated by a trading desk in the ordinary course of a member's market making activities.]

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

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

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

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

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

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

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

[(i) a single receiving Reporting Member; or]

[(ii) two receiving Reporting Members, provided:]

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

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

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

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

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

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

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

[(B) the member operates consistent with NASD IM-1013-1 or NASD IM-1013-2, including limiting its business operations to “permitted

floor activities,” as that term is defined in NASD IM-1013-1 and NASD IM-1013-2; and]

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

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

[7420. Applicability]

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

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

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

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

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

[7440. Recording of Order Information]

[(a) Procedures]

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

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

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

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

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

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

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

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

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

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

[(5) Maintaining and Preserving Records]

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

[(B) The records required to be maintained and preserved under this Rule may be immediately produced or reproduced on “micrographic media” as defined in SEA Rule 17a-4(f)(1)(i) or by means of “electronic storage media” as defined in SEA Rule 17a-4(f)(1)(ii) that meet the conditions set forth in SEA Rule 17a-4(f) and be maintained and preserved for the required time in that form.]

[(b) Order Origination and Receipt]

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

[(1) an order identifier meeting such parameters as may be prescribed by FINRA assigned to the order by the Reporting Member that uniquely identifies the order for the date it was received;]

[(2) the identification symbol assigned by FINRA to the security to which the order applies;]

[(3) the market participant symbol assigned by FINRA to the Reporting Member;]

[(4) the identification of any department or the identification number of any terminal where an order is received directly from a customer;]

[(5) where the order is originated by a Reporting Member, the identification of the department of the member that originates the order;]

[(6) where the Reporting Member is a party to an agreement described in Rule 7450(c), the identification of the Reporting Agent;]

[(7) the number of shares to which the order applies;]

[(8) the designation of the order as a buy or sell order;]

[(9) the designation of the order as a short sale or a short sale exempt order;]

[(10) the designation of the order as a market order, limit order, stop order or stop limit order;]

[(11) any limit or stop price prescribed in the order;]

[(12) the date on which the order expires, and, if the time in force is less than one day, the time when the order expires;]

[(13) the time limit during which the order is in force;]

[(14) any request by a customer that a limit order not be displayed, or that a block size limit order be displayed, pursuant to applicable rules;]

[(15) special handling requests, specified by FINRA for purposes of this Rule;]

[(16) the date and time the order is originated or received by a Reporting Member;]

[(17) an identification of the order as related to a Program Trade or an Index Arbitrage Trade;]

[(18) the type of account, i.e., retail, wholesale, employee, proprietary, or any other type of account designated by FINRA, for which the order is submitted;]

[(19) when the Reporting Member receives an order from a U.S.-registered broker-dealer that is not a member, or from a non-U.S.-registered broker-dealer that is not a member but has received an SRO-assigned identifier for purposes of accessing a FINRA facility pursuant to Rule 7220A or 7320, identification of such broker-dealer by providing an SRO-assigned identifier assigned to the broker-dealer or the number assigned to the broker-dealer in the Central Registration Depository system;]

[(20) if the member is relying on the exception provided in Rule 5320.02 with respect to the order, the unique identification of any appropriate information

barriers in place at the department within the member where the order was received or originated; and]

[(21) if a Reporting Member operates a Trading Center for purposes of Rule 6191, the information required by paragraph (b)(2)(A)(ii) of Rule 6191.]

[(c) Order Transmittal]

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

[(1) When a Reporting Member transmits an order to a department within the member, the Reporting Member shall record:]

[(A) the order identifier assigned to the order by the Reporting Member,]

[(B) the market participant symbol assigned by FINRA to the Reporting Member,]

[(C) the date the order was first originated or received by the Reporting Member,]

[(D) an identification of the department and nature of the department to which the order was transmitted,]

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

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

[(G) any special handling requests, and]

[(H) if the member is relying on the exception provided in Rule 5320.02 with respect to the order, the unique identification of any

appropriate information barriers in place at the department within the member to which the order was transmitted.]

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

[(A) the transmitting Reporting Member shall record:]

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

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

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

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

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

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

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

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

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

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

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

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

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

[(A) the transmitting Reporting Member shall record:]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[(A) the transmitting Reporting Member shall record:]

[(i) the fact that the order was transmitted manually,]

[(ii) the order identifier assigned to the order by the Reporting Member,]

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

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

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

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

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

[(viii) for each order to be included in a bunched order, the bunched order route indicator assigned to the bunched order by the Reporting Member,]

[(ix) whether the order is an intermarket sweep order,]

[(x) the price at which the order is transmitted, and]

[(xi) the designation of the order as short exempt, if applicable; and]

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

[(i) the fact that the order was received manually and]

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

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

[(A) the transmitting Reporting Member shall record:]

[(i) the fact that the order was transmitted manually,]

[(ii) the order identifier assigned to the order by the Reporting Member,]

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

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

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

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

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

[(viii) for each order to be included in a bunched order, the bunched order route indicator assigned to the bunched order by the Reporting Member,]

[(ix) whether the order is an intermarket sweep order,]

[(x) the price at which the order is transmitted, and]

[(xi) the designation of the order as short exempt, if applicable; and]

[(B) the receiving Reporting Member shall record:]

[(i) the fact that the order was received manually,]

[(ii) the market participant symbol assigned by FINRA to the transmitting Reporting Member, and]

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

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

[(A) the fact that the order was transmitted to a non-member,]

[(B) the order identifier assigned to the order by the Reporting Member,]

[(C) the market participant symbol assigned by FINRA to the Reporting Member,]

[(D) the date the order was first originated or received by the Reporting Member,]

[(E) the date and time the order is transmitted,]

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

[(G) for each manual order to be included in a bunched order, the bunched order route indicator assigned to the bunched order by the Reporting Member,]

[(H) the routed order identifier or other unique identifier required by the non-member receiving the order, as applicable,]

[(I) identification of the non-member where the trade was transmitted,]

[(J) whether the order is an intermarket sweep order,]

[(K) the price at which the order is transmitted, and]

[(L) the designation of the order as short exempt, if applicable.]

[(d) Order Modifications, Cancellations, and Executions]

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

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

[(A) the order identifier assigned to the order by the Reporting Member prior to the modification,]

[(B) the date and time the modification was originated or received, and]

[(C) the date the order was first originated or received by the Reporting Member.]

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

[(A) the order identifier assigned to the order by the Reporting Member,]

[(B) the market participant symbol assigned by FINRA to the Reporting member,]

[(C) the date the order was first originated or received by the Reporting Member,]

[(D) the date and time the cancellation was originated or received,]

[(E) if the open balance of an order is canceled after a partial execution, the number of shares canceled, and]

[(F) whether the order was canceled on the instruction of a customer or the Reporting Member.]

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

[(A) the order identifier assigned to the order by the Reporting Member,]

[(B) the market participant symbol assigned by FINRA to the Reporting Member,]

[(C) the date the order was first originated or received by the Reporting Member,]

[(D) the Reporting Member's number assigned for purposes of identifying transaction data in the Nasdaq Market Center, ADF, Trade Reporting Facility or other system or service as may be designated by FINRA,]

[(E) the designation of the order as fully or partially executed,]

[(F) the number of shares to which a partial execution applies and the number of unexecuted shares remaining,]

[(G) the identification number of the terminal where the order was executed,]

[(H) the date and time of execution;]

[(I) the execution price,]

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

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

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

[7450. Order Data Transmission Requirements]

[(a) General Requirement]

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

[(b) Method and Timing of Transmitting Data]

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

[(2) Each Reporting Member shall transmit to the Order Audit Trail System a report containing each applicable item of order information identified

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

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

[(c) Reporting Agent Agreements]

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

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

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

[7460. Violation of Order Audit Trail System Rules]

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

[7470. Exemption to the Order Recording and Data Transmission Requirements]

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

[(1) the member and current control affiliates and associated persons of the member have not been subject within the last five years to any final disciplinary action, and within the last ten years to any disciplinary action involving fraud;]

[(2) the member has annual revenues of less than \$2 million;]

[(3) the member does not conduct any market making activities in NMS stocks or OTC equity securities;]

[(4) the member does not execute principal transactions with its customers (with limited exception for principal transactions executed pursuant to error corrections); and]

[(5) the member does not conduct clearing or carrying activities for other firms.]

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

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

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8000. INVESTIGATIONS AND SANCTIONS

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8200. INVESTIGATIONS

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8211. Automated Submission of Trading Data Requested by FINRA

(a) through (e) No Change.

••• Supplementary Material: -----

.01 Information Available in the Consolidated Audit Trail (CAT). FINRA will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after FINRA announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to this Rule.

**8213. Automated Submission of Trading Data for Non-Exchange-Listed Securities
Requested by FINRA**

Each member shall submit trade data specified in Rule 8211 in automated format as may be prescribed by FINRA from time to time with respect to any transaction or transactions involving non-exchange-listed securities as defined in the Rule 6400 Series that are the subject of a request for information made by FINRA. Pursuant to the Rule 9600 Series, FINRA may exempt a member from the requirement that the data prescribed in paragraphs (b) through (d) of Rule 8211 be submitted to FINRA in an automated format for good cause shown.

••• Supplementary Material: -----

.01 Information Available in the Consolidated Audit Trail (CAT). FINRA will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after FINRA announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to this Rule.

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