

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="22"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2017"/> - * <input type="text" value="033"/>
		Amendment No. (req. for Amendments *) <input type="text"/>

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

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" 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)(4)	
			<input checked="" 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) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

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

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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 *

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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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

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” or “Exchange Act”),¹ Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend Rule 7730 to establish fees for the new TRACE Security Activity Report and End-of-Day TRACE Transaction File.

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 March 8, 2017, 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.

FINRA has filed the proposed rule change for immediate effectiveness. The effective date of the proposed rule change will be the date of effectiveness of the TRACE Security Activity Report and End-of-Day TRACE Transaction File.²

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

¹ 15 U.S.C. 78s(b)(1).

² See Securities Exchange Act Release No. 81318 (August 4, 2017), 82 FR 37484 (August 10, 2017) (Order Approving File No. SR-FINRA-2017-021); see also Securities Exchange Act Release No. 81114 (July 11, 2017), 82 FR 32728 (July 17, 2017) (Order Approving File No. SR-FINRA-2017-015). FINRA will announce the effective date of each data product in a Regulatory Notice. The effective date will be no later than 365 days following Commission approval of each respective data product.

(a) Purpose

FINRA's TRACE data product offerings, set forth in Rule 7730 (Trade Reporting and Compliance Engine (TRACE)), include both real-time as well as historic data for most TRACE-eligible securities.³ The SEC recently approved a new (i) TRACE Security Activity Report and (ii) End-of-Day TRACE Transaction File.⁴ The new TRACE Security Activity Report is a monthly report that provides aggregated statistics by security for TRACE-Eligible Securities that are Corporate and Agency Bonds ("CA Bonds"). The report will contain basic descriptive security elements, aggregate par value volume information, number of transactions, number of unique market participant identifiers ("MPIDs"), and top 5 statistics for disseminated transactions in CA Bonds. The new End-of-Day TRACE Transaction File is a daily file available after the TRACE system closes that includes all transaction data disseminated as part of Real-Time TRACE transaction data on that day and is separately available for each data set for which Real-Time TRACE transaction data is available (*i.e.*, the Corporate Bond Data Set, Agency Data Set, SP Data Set, and Rule 144A Data Set).

FINRA is now proposing to amend Rule 7730 to establish fees for the TRACE Security Activity Report and the End-of-Day TRACE Transaction File. FINRA is

³ Rule 6710 (Definitions) provides that a "TRACE-Eligible Security" is a debt security that is United States ("U.S.") 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); or a U.S. Treasury Security as defined in paragraph (p). "TRACE-Eligible Security" does not include a debt security that is issued by a foreign sovereign or a Money Market Instrument as defined in paragraph (o).

⁴ Id.

proposing to establish a fee of \$750 per month for receipt of the TRACE Security Activity Report, unless the subscriber is a qualifying tax-exempt organization, in which case FINRA would charge \$250 per month. FINRA also is proposing to establish a fee of \$750 per month per data set for receipt of the End-of-Day TRACE Transaction File, unless the subscriber is a qualifying tax-exempt organization, in which case FINRA would charge \$250 per month per data set. However, subscribers to the Vendor Real-Time Data Feed will not be charged a fee to receive the End-of-Day TRACE Transaction File for the Vendor Real-Time data set(s) to which they have subscribed. FINRA believes that these fees are reasonable, and notes that subscribing to each product is optional for members and others.

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness. The effective date of the proposed rule change will be the date of effectiveness of the TRACE Security Activity Report and End-of-Day TRACE Transaction File.⁵

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act,⁶ which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among

⁵ See Securities Exchange Act Release No. 81318 (August 4, 2017), 82 FR 37484 (August 10, 2017) (Order Approving File No. SR-FINRA-2017-021); see also Securities Exchange Act Release No. 81114 (July 11, 2017), 82 FR 32728 (July 17, 2017) (Order Approving File No. SR-FINRA-2017-015). FINRA will announce the effective date of each data product in a Regulatory Notice. The effective date will be no later than 365 days following Commission approval of each respective data product.

⁶ 15 U.S.C. 78o-3(b)(5).

members and issuers and other persons using any facility or system that FINRA operates or controls.

Pursuant to the proposal, FINRA will establish fees for (i) the TRACE Security Activity Report that will provide interested parties with a means for receiving aggregated statistics by security for CA Bonds, and (ii) the End-of-Day TRACE Transaction File that will provide interested parties with an alternative means of receiving the transaction information disseminated each trading day as part of the Real-Time TRACE transaction data product. The TRACE Security Activity Report will be made available to subscribers for a fee of \$750 per month, or \$250 per month for qualifying tax-exempt organizations. FINRA believes that the proposed fees are reasonable.

The TRACE Security Activity Report is an entirely new report and is not comparable to any current FINRA TRACE data product offering. FINRA cannot at this time estimate the number of persons that may subscribe to the product. However, as indicated by the comment letters received by the Commission on the proposal to adopt the TRACE Security Activity Report,⁷ FINRA believes that there will be some interest in the report, including in connection with compliance efforts with respect to regulatory obligations under the Investment Company Act of 1940.⁸ FINRA believes that the fee of \$750 per month is reasonable given the costs to be incurred by FINRA in developing the report and providing ongoing administrative, functional and technical support to

⁷ See letter to Brent J. Fields, Secretary, Commission, from Bennett Golub, Chief Risk Officer, and Alexis Rosenblum, Director, BlackRock, Inc., dated July 20, 2017; and letter to Robert W. Errett, Deputy Secretary, Commission, from Sean Davy, Managing Director, Capital Markets Division, Securities Industry and Financial Markets Association, dated July 20, 2017.

⁸ 17 CFR 270.22e-4.

subscribers, while still being priced at an amount that should allow it to be accessible to interested parties. FINRA also notes that, for a qualifying tax-exempt organization, the fee for the TRACE Security Activity Report will be \$250 per month. Where feasible, FINRA generally endeavors to provide TRACE data products to qualifying tax-exempt organizations at a reduced subscription fee to encourage access to TRACE data to facilitate bond market research.

The End-of-Day TRACE Transaction File will be made available to subscribers for a fee of \$750 per month per data set, \$250 per month per data set for qualifying tax-exempt organizations, or at no cost to subscribers to the Vendor Real-Time Data Feed for the Vendor Real-Time data set(s) to which they have subscribed. FINRA believes that the proposed fees are reasonable. FINRA currently charges \$1,500 per month per data set for the Vendor Real-Time Data Feed. The End-of-Day TRACE Transaction File will provide access to all of the transactions that were disseminated via the Real-Time Data Feed throughout the trading day, but in a single file only available at the end of the trading day. This option not only provides a lower-priced alternative to the Vendor Real-Time Data Feed, it also requires less technological infrastructure from subscribers. Given the current fees established for this somewhat related product, FINRA believes that the proposed fee of \$750 per month per data set is reasonable, which is half of the cost of the Vendor Real-Time Data Feed. FINRA also believes this fee is reasonable given the costs to be incurred by FINRA in developing the report and providing ongoing administrative, functional and technical support to subscribers. FINRA also notes that any current subscribers to Vendor Real-Time Data will not be charged a fee for receipt of the End-of-Day TRACE Transaction File for the Vendor Real-Time data set(s) to which they have

subscribed. FINRA cannot at this time estimate the number of persons that may subscribe to the product; however, as stated in the Notice, some market participants have indicated that a simpler alternative that allows them to receive transaction information once a day in an end-of-day file would be useful.⁹ As is the case with the TRACE Security Activity Report, FINRA will make the End-of-Day TRACE Transaction File available to qualifying tax-exempt organizations at a reduced subscription fee (of \$250 per month per data set) to encourage access to TRACE data to facilitate bond market research.

FINRA believes that the proposed fees are reasonable, and notes that the fees will be applied equally to all similarly situated interested parties that choose to subscribe to either data product. Thus, FINRA believes that the proposed rule change is consistent with the Act.

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. The proposal to establish fees in connection with the new TRACE Security Activity Report and End-of-Day TRACE Transaction File applies only to members that choose to subscribe to these data products, and the proposed fees for each data product will apply equally to all similarly situated subscribers. Subscribers to the Vendor Real-Time Data Feed will not be charged a fee to receive the End-of-Day TRACE Transaction File for the Vendor Real-Time data set(s) to which they have subscribed.

⁹ See Securities Exchange Act Release No. 80805 (May 30, 2017), 82 FR 25862 (June 5, 2017) (Notice of Filing of File No. SR-FINRA-2017-015) (“Notice”).

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**

Not applicable.

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)**

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act¹⁰ and paragraph (f)(2) of Rule 19b-4 thereunder,¹¹ in that the proposed rule change is establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization.

FINRA is proposing to establish fees in connection with the new TRACE Security Activity Report and End-of-Day TRACE Transaction File. As noted above, proposed fees in connection with the new TRACE Security Activity Report and End-of-Day TRACE Transaction File apply only to members that choose to subscribe to these data products, and the proposed fees will apply equally to all similarly situated subscribers.¹²

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

Not applicable.

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

¹¹ 17 CFR 240.19b-4(f)(2).

¹² As noted above, FINRA will not charge a fee to subscribers to the Vendor Real-Time Data Feed for receipt of the End-of-Day TRACE Transaction File for the Vendor Real-Time data set(s) to which they have subscribed.

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-2017-033)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 7730 to Establish Fees for the New TRACE Security Activity Report and End-of-Day TRACE Transaction File

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. FINRA has designated the proposed rule change as “establishing or changing a due, fee or other charge” under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon receipt of this filing by the Commission. 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 amend Rule 7730 to establish fees for the new TRACE Security Activity Report and End-of-Day TRACE Transaction File.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

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.]

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's TRACE data product offerings, set forth in Rule 7730 (Trade Reporting and Compliance Engine (TRACE)), include both real-time as well as historic data for most TRACE-eligible securities.⁵ The SEC recently approved a new (i) TRACE Security Activity Report and (ii) End-of-Day TRACE Transaction File.⁶ The new TRACE Security Activity Report is a monthly report that provides aggregated statistics by

⁵ Rule 6710 (Definitions) provides that a "TRACE-Eligible Security" is a debt security that is United States ("U.S.") 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); or a U.S. Treasury Security as defined in paragraph (p). "TRACE-Eligible Security" does not include a debt security that is issued by a foreign sovereign or a Money Market Instrument as defined in paragraph (o).

⁶ Id.

security for TRACE-Eligible Securities that are Corporate and Agency Bonds (“CA Bonds”). The report will contain basic descriptive security elements, aggregate par value volume information, number of transactions, number of unique market participant identifiers (“MPIDs”), and top 5 statistics for disseminated transactions in CA Bonds. The new End-of-Day TRACE Transaction File is a daily file available after the TRACE system closes that includes all transaction data disseminated as part of Real-Time TRACE transaction data on that day and is separately available for each data set for which Real-Time TRACE transaction data is available (i.e., the Corporate Bond Data Set, Agency Data Set, SP Data Set, and Rule 144A Data Set).

FINRA is now proposing to amend Rule 7730 to establish fees for the TRACE Security Activity Report and the End-of-Day TRACE Transaction File. FINRA is proposing to establish a fee of \$750 per month for receipt of the TRACE Security Activity Report, unless the subscriber is a qualifying tax-exempt organization, in which case FINRA would charge \$250 per month. FINRA also is proposing to establish a fee of \$750 per month per data set for receipt of the End-of-Day TRACE Transaction File, unless the subscriber is a qualifying tax-exempt organization, in which case FINRA would charge \$250 per month per data set. However, subscribers to the Vendor Real-Time Data Feed will not be charged a fee to receive the End-of-Day TRACE Transaction File for the Vendor Real-Time data set(s) to which they have subscribed. FINRA believes that these fees are reasonable, and notes that subscribing to each product is optional for members and others.

FINRA has filed the proposed rule change for immediate effectiveness. The effective date of the proposed rule change will be the date of effectiveness of the TRACE Security Activity Report and End-of-Day TRACE Transaction File.⁷

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act,⁸ which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls.

Pursuant to the proposal, FINRA will establish fees for (i) the TRACE Security Activity Report that will provide interested parties with a means for receiving aggregated statistics by security for CA Bonds, and (ii) the End-of-Day TRACE Transaction File that will provide interested parties with an alternative means of receiving the transaction information disseminated each trading day as part of the Real-Time TRACE transaction data product. The TRACE Security Activity Report will be made available to subscribers for a fee of \$750 per month, or \$250 per month for qualifying tax-exempt organizations. FINRA believes that the proposed fees are reasonable.

⁷ See Securities Exchange Act Release No. 81318 (August 4, 2017), 82 FR 37484 (August 10, 2017) (Order Approving File No. SR-FINRA-2017-021); see also Securities Exchange Act Release No. 81114 (July 11, 2017), 82 FR 32728 (July 17, 2017) (Order Approving File No. SR-FINRA-2017-015). FINRA will announce the effective date of each data product in a Regulatory Notice. The effective date will be no later than 365 days following Commission approval of each respective data product.

⁸ 15 U.S.C. 78o-3(b)(5).

The TRACE Security Activity Report is an entirely new report and is not comparable to any current FINRA TRACE data product offering. FINRA cannot at this time estimate the number of persons that may subscribe to the product. However, as indicated by the comment letters received by the Commission on the proposal to adopt the TRACE Security Activity Report,⁹ FINRA believes that there will be some interest in the report, including in connection with compliance efforts with respect to regulatory obligations under the Investment Company Act of 1940.¹⁰ FINRA believes that the fee of \$750 per month is reasonable given the costs to be incurred by FINRA in developing the report and providing ongoing administrative, functional and technical support to subscribers, while still being priced at an amount that should allow it to be accessible to interested parties. FINRA also notes that, for a qualifying tax-exempt organization, the fee for the TRACE Security Activity Report will be \$250 per month. Where feasible, FINRA generally endeavors to provide TRACE data products to qualifying tax-exempt organizations at a reduced subscription fee to encourage access to TRACE data to facilitate bond market research.

The End-of-Day TRACE Transaction File will be made available to subscribers for a fee of \$750 per month per data set, \$250 per month per data set for qualifying tax-exempt organizations, or at no cost to subscribers to the Vendor Real-Time Data Feed for the Vendor Real-Time data set(s) to which they have subscribed. FINRA believes that

⁹ See letter to Brent J. Fields, Secretary, Commission, from Bennett Golub, Chief Risk Officer, and Alexis Rosenblum, Director, BlackRock, Inc., dated July 20, 2017; and letter to Robert W. Errett, Deputy Secretary, Commission, from Sean Davy, Managing Director, Capital Markets Division, Securities Industry and Financial Markets Association, dated July 20, 2017.

¹⁰ 17 CFR 270.22e-4.

the proposed fees are reasonable. FINRA currently charges \$1,500 per month per data set for the Vendor Real-Time Data Feed. The End-of-Day TRACE Transaction File will provide access to all of the transactions that were disseminated via the Real-Time Data Feed throughout the trading day, but in a single file only available at the end of the trading day. This option not only provides a lower-priced alternative to the Vendor Real-Time Data Feed, it also requires less technological infrastructure from subscribers. Given the current fees established for this somewhat related product, FINRA believes that the proposed fee of \$750 per month per data set is reasonable, which is half of the cost of the Vendor Real-Time Data Feed. FINRA also believes this fee is reasonable given the costs to be incurred by FINRA in developing the report and providing ongoing administrative, functional and technical support to subscribers. FINRA also notes that any current subscribers to Vendor Real-Time Data will not be charged a fee for receipt of the End-of-Day TRACE Transaction File for the Vendor Real-Time data set(s) to which they have subscribed. FINRA cannot at this time estimate the number of persons that may subscribe to the product; however, as stated in the Notice, some market participants have indicated that a simpler alternative that allows them to receive transaction information once a day in an end-of-day file would be useful.¹¹ As is the case with the TRACE Security Activity Report, FINRA will make the End-of-Day TRACE Transaction File available to qualifying tax-exempt organizations at a reduced subscription fee (of \$250 per month per data set) to encourage access to TRACE data to facilitate bond market research.

¹¹ See Securities Exchange Act Release No. 80805 (May 30, 2017), 82 FR 25862 (June 5, 2017) (Notice of Filing of File No. SR-FINRA-2017-015) (“Notice”).

FINRA believes that the proposed fees are reasonable, and notes that the fees will be applied equally to all similarly situated interested parties that choose to subscribe to either data product. Thus, FINRA believes that the proposed rule change is consistent with the Act.

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. The proposal to establish fees in connection with the new TRACE Security Activity Report and End-of-Day TRACE Transaction File applies only to members that choose to subscribe to these data products, and the proposed fees for each data product will apply equally to all similarly situated subscribers. Subscribers to the Vendor Real-Time Data Feed will not be charged a fee to receive the End-of-Day TRACE Transaction File for the Vendor Real-Time data set(s) to which they have subscribed.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹² and paragraph (f)(2) of Rule 19b-4 thereunder.¹³ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(2).

appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or 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-2017-033 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-2017-033. 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2017-033 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.¹⁴

Robert W. Errett
Deputy Secretary

¹⁴ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Below is the text of the proposed rule change. Proposed new language is underlined.

* * * * *

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

* * * * *

**7700. CHARGES FOR OTC REPORTING FACILITY, OTC BULLETIN BOARD
AND TRADE REPORTING AND COMPLIANCE ENGINE SERVICES**

* * * * *

7730. Trade Reporting and Compliance Engine (TRACE)

The following charges shall be paid by participants for the use of the Trade Reporting and Compliance Engine (“TRACE”):

System Fees	Transaction Reporting Fees	Data Fees
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		<u>TRACE Security Activity Report: Fee — except for qualifying Tax-Exempt Organizations, \$750/month for receipt of TRACE Security Activity Report.</u>
		<u>TRACE Security Activity Report: Fee — for qualifying Tax-Exempt Organizations,</u>

		<p><u>\$250/month for receipt of TRACE Security Activity Report.</u></p>
		<p><u>End-of-Day TRACE Transaction File: Fee — except for qualifying Tax-Exempt Organizations, \$750/month per data set for receipt of End-of-Day TRACE Transaction File.</u></p>
		<p><u>End-of-Day TRACE Transaction File: Fee — for qualifying Tax-Exempt Organizations, \$250/month per data set for receipt of End-of-Day TRACE Transaction File.</u></p>
		<p><u>End-of-Day TRACE Transaction File: Fee — for subscribers to the Vendor Real-Time Data Feed — No charge for receipt of End-of-Day TRACE Transaction File for the Vendor Real-Time data set(s) to which they have</u></p>

		<u>subscribed.</u>
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(a) through (h) No Change.

¹ No Change.

² No Change.

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