Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) *
Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document
Exhibit 3 Sent As Paper Document

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

19b-4(f)(6)
19b-4(f)(5)

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 * Alexander 
Last Name * Ellenberg 
Title * Associate General Counsel 
E-mail * alexander.ellenberg@finra.org 
Telephone * (202) 728-8152 
Fax * (202) 728-8264 

Signature

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

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

Date 10/03/2019 
By Stephanie Dumont 

Senior Vice President and Director of Capital Markets Policy

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.
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 March 27, 2019, Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (the “Commission” or “SEC”) proposed rule change SR-FINRA-2019-008 (the “Proposal”), pursuant to which FINRA proposed to establish a corporate bond new issue reference data service.

The Commission published the proposed rule change for public comment in the Federal Register on April 8, 2019, and received twenty comments in response to the Proposal. FINRA will be submitting by separate letter its response to comments on the Proposal.

With this Partial Amendment No. 2, FINRA is including Exhibit 4, which reflects changes to the text of the proposed rule change pursuant to this Partial Amendment.

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3. Partial Amendment No. 1 was withdrawn due to a non-substantive administrative error and replaced with this version.
Amendment No. 2 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. 2. FINRA is also including a revised Exhibit 3, which is marked to reflect changes made to the Exhibit 3 with this Amendment.

This Partial Amendment No. 2 makes the following changes in response to issues raised by commenters to the Proposal: (1) it withdraws the fees proposed in the current Proposal and notes that a separate proposed rule change will be filed to establish fees related to the corporate bond new issue reference data service at a future date prior to implementing the service; and (2) it revises the list of data fields specified in Exhibit 3 that would be collected under the Proposal to include additional rationale for certain data fields and to add six new data fields.

Fees

The Proposal contemplated a cost-based fee structure designed to promote broad access and re-distribution of the corporate bond new issue reference data. Specifically, FINRA proposed to make the data available to any person or organization for $250 per month for internal purposes only, and for a fee of $6,000 per month for unlimited redistribution rights. Healthy Markets commended FINRA for proposing unlimited redistribution rights “to allow for greater dissemination of this important data, without unreasonable, overly burdensome, and anti-competitive barriers.” However, seven commenters raised questions about the proposed fees. As noted above and in further detail in the Proposal, FINRA designed the proposed fee structure to further competition by offering efficient access to the data and by supporting innovation in the redistribution of the data. However, based on questions raised in the comments, FINRA is further evaluating the appropriate fee structure for the proposed data service and with this Partial Amendment No. 2 is withdrawing the proposed fees from the current filing. FINRA will submit a separate filing to establish fees related to the new issue reference data service at a future date and will implement the service after those fees are adopted.

Data Fields

The Proposal specified a number of data fields, in addition to those already required to be reported under Rule 6760, which underwriters would be required to report for new issues in corporate bonds. As discussed in detail in the Proposal, FINRA proposed these data fields based on the FIMSAC recommendation and FINRA’s supplemental industry outreach. ICE Data stated that it supports the inclusion of all data fields specified in the Proposal, and Harris commented that FINRA “chose the fields

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4 See Healthy Markets Letter I at 6.
5 See Bloomberg Letter I at 6-9, Bloomberg Letter II at 7, and Bloomberg Letter III at 2-3; Chamber Letter I at 3-4 and Chamber Letter II at 2; Committee on Capital Markets Regulation Letter at 2-3; Harris Letter at 7; Healthy Markets Letter I at 5-6 and Healthy Markets Letter II at 3-4; Heritage Foundation Letter II at 2; SIFMA Letter I at 3-4 and SIFMA Letter II at 1-2.
wisely.”6 Healthy Markets similarly stated that it “do[es] not disagree with the selection of [the Proposal’s] data fields, and agree[s] that many, if not all of these fields may provide potentially relevant information for trading bonds.”7 However, Healthy Markets asserted that FINRA did not provide sufficient rationale for its selection of these data fields.

The FIMSAC responded to this comment by including additional rationale for the data fields in the Proposal.8 FINRA agrees with the FIMSAC’s additional explanation, and with this Partial Amendment No. 2 FINRA is incorporating it into the list of proposed data fields provided in Exhibit 3 of the Proposal. In addition, the FIMSAC suggested adding six new fields—specifically, first conversion date (the date when a bond can first be converted to equity, if applicable); first conversion ratio (the number of shares into which each convertible bond can be converted); spread (used to calculate the coupon for floating rate securities); reference rate (benchmark of a floating rate bond); floor (the lowest allowable rate for a bond’s coupon); and underlying (to correspond to the bond’s corporate identifier). FINRA agrees that these six new data fields are useful and appropriate to include in the Proposal as they are important for settlement and valuation of floating rate notes and convertible bonds, and FINRA has added them to Exhibit 3 with this Partial Amendment No. 2.9 FINRA has also included additional detail in Exhibit 3 as needed in response to several comments that requested clarification of certain data fields.10

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6 See ICE Data Letter at 2; Harris Letter at 6. According to Harris, the proposed data fields are sufficient to value most bonds.

7 See Healthy Markets Letter I at 6.

8 See FIMSAC Letter at 2-3 and Schedule A.

9 The FIMSAC also recommended combining two sets of data fields included in the Proposal. FINRA agrees on the first set and has marked the Amended Exhibit 3 to reflect that the maturity and perpetual maturity indicator fields will be tied together as combined fields for purposes of reporting the information, although they remain noted in Exhibit 3 as separate data fields to reflect that FINRA included the perpetual maturity indicator field based on its industry outreach. For the second recommended combination—combining the 144A Eligible and Regulation S indicator fields into a single “Series” field—FINRA believes it will be easier operationally to maintain the separate fields as proposed to limit potential confusion about other security offering types or issuances that may meet more than one offering type.

10 See FIMSAC Letter at 14; ICE Data Letter at 2-3; SIFMA Letter I at 3 and SIFMA Letter II at 2. In particular, FINRA has provided additional guidance to clarify that the ratings data field does not require reporting specific ratings, but rather whether the security is Investment Grade or Non-Investment Grade, as those terms are defined in Rule 6710. FINRA has also clarified the information to be reported for the security type, first coupon period type, minimum increment, and minimum piece/denomination data fields.
EXHIBIT 3

Exhibit 3 shows the changes proposed in this Partial Amendment No. 2, with the proposed changes in the original filing shown as if adopted. Proposed new language in this Partial Amendment No. 2 is underlined.

* * * * *

Detailed List of Corporate Bond New Issue Reference Data Fields

As discussed in the attached filing, the proposed corporate bond new issue reference data service would include the fields listed below.

<table>
<thead>
<tr>
<th>Proposed Data Field</th>
<th>Description</th>
<th>Rationale</th>
<th>Currently Mandatory, Voluntary or New Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer*</td>
<td>Name of the issuing entity of the security.</td>
<td>This field is necessary for settlement and valuation purposes. Additionally, the investor needs to know the issuing entity of the bond.</td>
<td>Mandatory</td>
</tr>
<tr>
<td>Coupon*</td>
<td>Current interest rate of the security.</td>
<td>This field is needed for settlement and valuation purposes. The coupon rate is needed for accrual/interest/cash flow calculations.</td>
<td>Mandatory</td>
</tr>
<tr>
<td>ISIN Number</td>
<td>The International Securities Identification Number (ISIN).</td>
<td>This field is needed to uniquely identify securities that are traded and settled internationally outside of North America.</td>
<td>New Field</td>
</tr>
<tr>
<td>CUSIP Number*</td>
<td>The Committee on Uniform Security Identification Procedures (CUSIP) number.</td>
<td>This field is needed to uniquely identify securities that trade, clear, and settle in North America, particularly in the United States.</td>
<td>Mandatory</td>
</tr>
<tr>
<td>Proposed Data Field</td>
<td>Description</td>
<td>Rationale</td>
<td>Currently Mandatory, Voluntary or New Field</td>
</tr>
<tr>
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</tr>
<tr>
<td>Currency</td>
<td>Currency in which the security was issued.</td>
<td>This field is necessary for settlement purposes in order to determine the currency of the principal, interest, or premium that will be paid or received at the time of distribution or settlement of a trade.</td>
<td>New Field</td>
</tr>
<tr>
<td>Issue Date / First Settlement Date</td>
<td>Date the security is issued. Displays the First Settle Date, the date payment is due. Note: FINRA may require the issue date and first settlement date to be input separately as they may not always be the same.</td>
<td>This field is needed for settlement purposes. It is required in order to populate the first settlement date of the bond. Additionally, when trading new issues this is a needed field in order to settle the bond trade between counterparties.</td>
<td>Voluntary</td>
</tr>
<tr>
<td>Interest Accrual Date</td>
<td>Date from which interest begins to accrue.</td>
<td>This field is necessary for settlement and valuation purposes. This field is needed in order to start the cash flow period of the coupon.</td>
<td>New Field</td>
</tr>
<tr>
<td>Day Count Description</td>
<td>The description of the day-count convention for calculating yields and/or accrued interest (e.g., 30/365, actual/365, etc.).</td>
<td>This field is necessary for settlement and valuation purposes. This field is needed to calculate the purchase accrued interest and coupon of the security.</td>
<td>New Field</td>
</tr>
<tr>
<td>Proposed Data Field</td>
<td>Description</td>
<td>Rationale</td>
<td>Currently Mandatory, Voluntary or New Field</td>
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</tr>
<tr>
<td>Coupon Frequency</td>
<td>Number of times per year interest is paid.</td>
<td>This field is necessary for settlement and valuation purposes. This field is needed to determine how often the coupon payment is made within the year and to calculate the purchase accrued interest and coupon payments.</td>
<td>Voluntary</td>
</tr>
<tr>
<td>First Coupon Payment Date</td>
<td>The first coupon payment date following the initial settlement date.</td>
<td>This field is necessary for settlement and valuation purposes. This field is needed to determine whether the coupon will have a short or long stub on its first coupon payment.</td>
<td>Voluntary</td>
</tr>
<tr>
<td>Maturity*</td>
<td>Date the principal of a security is due and payable.</td>
<td>This field is necessary for settlement and valuation purposes. This field is necessary in order to understand when the bond is due to pay back its principal at par. This field is used to back populate accruals and cash flows.</td>
<td>Mandatory</td>
</tr>
</tbody>
</table>
### Fields Specified in FIMSAC Recommendation (Schedule A)

<table>
<thead>
<tr>
<th>Proposed Data Field</th>
<th>Description</th>
<th>Rationale</th>
<th>Currently Mandatory, Voluntary or New Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>144A Eligible Indicator*</td>
<td>Field will return true when the issuer’s offering documentation (e.g., prospectus or offering memorandum) includes a statement to the effect that the security will be offered and sold in reliance upon Rule 144A of the U.S. Securities Act of 1933 or when other information from the issuer or another involved party indicates that the security will be offered and sold in such manner.</td>
<td>This field is necessary for settlement purposes. This field is needed to distinguish 144A securities for QIB eligible investors.</td>
<td>Mandatory</td>
</tr>
</tbody>
</table>

*currently disseminated on the Corporate Security Daily List
<table>
<thead>
<tr>
<th>Proposed Data Field</th>
<th>Description</th>
<th>Rationale</th>
<th>Currently Mandatory, Voluntary or New Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation S Indicator</td>
<td>Field will return true when the issuer’s offering documentation (e.g., prospectus or offering memorandum) includes a statement to the effect that the security will be offered and sold outside the United States in reliance upon Regulation S of the U.S. Securities Act of 1933 or when other information from the issuer or another involved party indicates that the security will be offered and sold in such manner.</td>
<td>This field is necessary for settlement purposes. This field is needed to distinguish Regulation S securities for non-US entities.</td>
<td>New Field</td>
</tr>
<tr>
<td>Security Type</td>
<td>Brief description of the specific instrument type. For example, Corporate Note, Bond or Debenture; Equity Linked Note; Convertible Bond; Convertible Note; Bank Note; Medium Term Note; Index Linked Security; Pass Through Certificate; Sinking Fund Bond; or Other.</td>
<td>This field is needed to identify the type of security being traded and its terms/features.</td>
<td>Mandatory</td>
</tr>
<tr>
<td>Proposed Data Field</td>
<td>Description</td>
<td>Rationale</td>
<td>Currently Mandatory, Voluntary or New Field</td>
</tr>
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</tr>
<tr>
<td>Bond Type *currently disseminated on the Corporate Security Daily List</td>
<td>Brief description of bond type. For example, Junior Unsecured or Junior Subordinated Unsecured; Senior Secured; Secured; Unsecured; Senior Unsecured; Subordinated Unsecured; Senior Subordinated Unsecured; Other.</td>
<td>This field is necessary for valuation purposes. This field is needed as the bond classification dictates the payout order in the event of an issuer default. This field determines the liquidation preference which specifically affects the valuation of the security.</td>
<td>Mandatory</td>
</tr>
<tr>
<td>First Coupon Period Type</td>
<td>Describes the first coupon period of the bond with respect to the payment frequency.</td>
<td>This field is necessary for settlement and valuation purposes. This field will denote whether the coupon will have a short or long stub on its first coupon payment depending on the security’s issue date.</td>
<td>New Field</td>
</tr>
<tr>
<td>Convertible Indicator*</td>
<td>Indicates if the security is convertible to equity.</td>
<td>This field is necessary for valuation purposes. This indicator is necessary to understand if the bond is convertible and to allow set up with the underlying equity and conversion price/conversion ratio.</td>
<td>Mandatory</td>
</tr>
<tr>
<td>First Conversion Date</td>
<td>Date when issue can first be converted to equity, if applicable.</td>
<td>This field is necessary for valuation purposes as it is needed to determine when the bond may be converted into stock.</td>
<td>New Field</td>
</tr>
<tr>
<td>Proposed Data Field</td>
<td>Description</td>
<td>Rationale</td>
<td>Currently Mandatory, Voluntary or New Field</td>
</tr>
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</tr>
<tr>
<td>*currently disseminated on the Corporate Security Daily List</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Conversion Ratio</td>
<td>Number of shares into which each convertible bond can be converted.</td>
<td>This field is necessary for valuation purposes as it is to determine the number of shares into which each convertible bond can be converted.</td>
<td>New Field</td>
</tr>
<tr>
<td>Call Indicator</td>
<td>Indicates whether the security has a call provision.</td>
<td>This field is necessary for valuation purposes. This field is needed in order to know if the bond has call feature(s). This is needed when the security is created and will also have an effect on its valuation.</td>
<td>Mandatory</td>
</tr>
<tr>
<td>First Call Date</td>
<td>The first date on which bonds may be called for redemption.</td>
<td>This field is necessary for valuation purposes. This field is needed in order to know the first call date of the security and will have an effect on bond valuation.</td>
<td>Mandatory</td>
</tr>
<tr>
<td>Put Indicator</td>
<td>Indicates the existence of a feature that provides the bond holder the contractual option to redeem the bond prior to the scheduled maturity date.</td>
<td>This field is necessary for valuation purposes. This field is needed in order to know if the bond has puttable feature(s). This is needed when the security is created and will also have an effect on its valuation.</td>
<td>New Field</td>
</tr>
<tr>
<td>Put Date</td>
<td>Date on which securities are subject to redemption by the bond holder.</td>
<td>This field is necessary for valuation purposes. This field is needed in order to know the first put date of the security and will have an effect on bond valuation.</td>
<td>New Field</td>
</tr>
<tr>
<td>Proposed Data Field</td>
<td>Description</td>
<td>Rationale</td>
<td>Currently Mandatory, Voluntary or New Field</td>
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<tr>
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<td>------------------------------------------</td>
</tr>
<tr>
<td>Minimum Increment</td>
<td>The minimum increment of the face value of the bond as originally specified in the issuer’s offering documentation of the security.</td>
<td>This field is necessary for settlement purposes as it represents the increment above the Minimum Piece/Denomination that can be traded (for example $1,000) and is, therefore, needed in order to understand the minimum incremental amount of bonds that an entity can buy and settle at the depository.</td>
<td>New Field</td>
</tr>
<tr>
<td>Minimum Piece/Denomination</td>
<td>The minimum tradable denomination, amount, or investment, as originally specified in the issuer’s offering documentation of the security.</td>
<td>This field is necessary for settlement purposes as it represents the minimum tradable size of a transaction in the security (for example $125,000) and is, therefore, needed in order to understand the minimum tradeable amount of bonds that an entity can buy and settle at the depository.</td>
<td>New Field</td>
</tr>
<tr>
<td>Proposed Data Field</td>
<td>Description</td>
<td>Rationale</td>
<td>Currently Mandatory, Voluntary or New Field</td>
</tr>
<tr>
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<td>---------------------------------------------</td>
</tr>
<tr>
<td>Spread</td>
<td>Spread is used in the calculation of the coupon for floating rate securities. This field is represented in basis points.</td>
<td>This field is necessary for settlement and valuation purposes. This field is needed to build a cash flow table for the security which determines the coupon for the period. This field directly affects the purchase accrued interest and future interest distributions. Additionally, this field is needed in order to calculate the purchase and interest accrued.</td>
<td>New Field</td>
</tr>
<tr>
<td>Reference Rate</td>
<td>Benchmark of a floating rate bond.</td>
<td>This field is necessary for settlement and valuation purposes. This field is to build a cash flow table for the security which determines the coupon for the period. This field directly affects the purchase accrued interest and future interest distributions. Additionally, this field is needed in order to calculate the purchase and interest accrued.</td>
<td>New Field</td>
</tr>
</tbody>
</table>
### Fields Specified in FIMSAC Recommendation (Schedule A)

<table>
<thead>
<tr>
<th>Proposed Data Field</th>
<th>Description</th>
<th>Rationale</th>
<th>Currently Mandatory, Voluntary or New Field</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>currently disseminated on the Corporate Security Daily List</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor</td>
<td>The lowest allowable rate a coupon can be.</td>
<td>This field is necessary for settlement and valuation purposes. This field is needed to build the cash flow table for the security which determines the coupon for the period. This field directly affects the purchase accrued interest and future interest distributions. Additionally, this field is needed in order to calculate the purchase and interest accrued.</td>
<td>New Field</td>
</tr>
<tr>
<td>Underlying Entity Ticker</td>
<td>Returns the ticker that corresponds to the security’s corporate identifier.</td>
<td>This field is necessary for valuation purposes. This is needed to value convertible bonds.</td>
<td>New Field</td>
</tr>
</tbody>
</table>

### Fields Added Based On Additional Industry Outreach

<table>
<thead>
<tr>
<th>Proposed Field</th>
<th>Description</th>
<th>Rationale</th>
<th>Currently Mandatory, Voluntary or New Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance Amount</td>
<td>The total issue amount of the security.</td>
<td>This field addresses the size of the deal, which is a data attribute for index inclusion criteria across most every fixed income index. This would have influence on ETF, liquidity, etc.</td>
<td>New Field</td>
</tr>
<tr>
<td>Proposed Field</td>
<td>Description</td>
<td>Rationale</td>
<td>Currently Mandatory, Voluntary or New Field</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>First Call Price</td>
<td>The first price on which bonds may be called for redemption based on the call schedule.</td>
<td>This field is critical for option adjusted spread (OAS) and average life calculations. Represents an important field for most clients especially retail investors when they gauge re-investment risk.</td>
<td>Mandatory</td>
</tr>
<tr>
<td>First Put Price</td>
<td>The price at which the bond holder can sell the security if exercising the put option on the security.</td>
<td>This field is critical for OAS and average life calculations. Represents an important field for most clients especially retail investors when they gauge re-investment risk.</td>
<td>New Field</td>
</tr>
<tr>
<td>Coupon Type</td>
<td>Fixed, floating, step up/down, etc.</td>
<td>This field denotes potential complexity and predictable cash flow data.</td>
<td>Mandatory</td>
</tr>
<tr>
<td>Rating (TRACE Grade)</td>
<td>If the security has been rated, and if so if the security is Investment Grade or Non-Investment Grade, as those terms are defined in Rule 6710.</td>
<td>This field is important to assess risk. In addition, FINRA utilizes ratings to determine TRACE grade (Investment Grade or Non-Investment Grade) which determines dissemination volume caps.</td>
<td>Voluntary</td>
</tr>
<tr>
<td>Proposed Field</td>
<td>Description</td>
<td>Rationale</td>
<td>Currently Mandatory, Voluntary or New Field</td>
</tr>
<tr>
<td>----------------</td>
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<td>------------------------------------------</td>
</tr>
<tr>
<td>Perpetual Maturity Indicator</td>
<td>Indicates if the security does not have a maturity date. Note: while this field is listed separately in this Exhibit 3 to reflect the fact that it was included in the Proposal based on industry outreach, it will be tied together with the Maturity field for reporting purposes.</td>
<td>This field is used in pre-trade compliance. Yield calculations generally use first call on perpetual securities.</td>
<td>Mandatory</td>
</tr>
<tr>
<td>Payment-In-Kind (PIK) Indicator</td>
<td>Indicates if the security has a Pay-In-Kind interest.</td>
<td>This field used in pre-trade compliance as it indicates cash flow implications and risk for many investors.</td>
<td>New Field</td>
</tr>
</tbody>
</table>
EXHIBIT 4

Exhibit 4 shows the changes proposed in this Partial Amendment No. 2, with the proposed changes in the original filing shown as if adopted. Proposed new language in this Partial Amendment No. 2 is underlined; proposed deletions in this Partial Amendment No. 2 are in brackets.

* * * * *

2200. COMMUNICATIONS AND DISCLOSURES

* * * * *

2230. Customer Account Statements and Confirmations

2232. Customer Confirmations

(a) through (e) No Change.

(f) Definitions

For purposes of this Rule, the term:

(1) No Change.

(2) “corporate debt security” shall have the same meaning as in Rule 6710(jj);

(3) through (4) No Change.

* * * * *

6700. TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)

* * * * *

6710. Definitions

The terms used in this Rule 6700 Series shall have the same meaning as those defined in the FINRA By-Laws and rules unless otherwise specified. For the purposes of this Rule 6700 Series, the following terms have the following meaning:
(a) through (ii) No Change.

(jj) “Corporate Debt Security” is a type of TRACE-Eligible 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, but does not include a Money Market Instrument as defined in Rule 6710(o) or a Securitized Product as defined in Rule 6710(m).

* * * * *

6760. Obligation To Provide Notice and Dissemination of Corporate Debt Security

New Issue Reference Data

(a) Members Required to Provide Notice

(1) To facilitate trade reporting and dissemination of transactions in TRACE-Eligible Securities and to provide market participants in the Corporate Debt Security markets with reliable and timely new issue reference data to facilitate the trading and settlement of these instruments, a member that is a managing underwriter of a distribution or offering ("offering"), other than a secondary offering, of a TRACE-Eligible Security must obtain information and provide notice to FINRA Operations as set forth in this Rule. If a managing underwriter is not designated, an underwriter must provide such notice. In offerings where managing underwriters and/or underwriters are not designated, the lead initial purchaser must provide such notice, and if there is no lead initial purchaser, an initial purchaser must provide such notice. If more than one person is obligated to provide notice (e.g., multiple underwriters), such persons may submit jointly a single notice containing the required information to FINRA
Operations. A member that is an underwriter or a Securitizer of a Securitized Product is a managing underwriter for purposes of this Rule. A member that is required to provide notice must make a good faith determination that the security is a TRACE-Eligible Security before providing such notice.

(2) No Change.

(b) Information Required

(1) The notice must contain the following information: (A) the CUSIP number or if a CUSIP number is not available, a similar numeric identifier (e.g., a mortgage pool number); (B) the issuer name, or, for a Securitized Product, the names of the Securitizers; (C) the coupon rate; (D) the maturity; (E) whether Securities Act Rule 144A applies; (F) the time that the new issue is priced, and, if different, the time that the first transaction in the offering is executed; (G) a brief description of the issue (e.g., senior subordinated note, senior note); and, (H) such other information FINRA deems necessary to properly implement the reporting and dissemination of a TRACE-Eligible Security, or if any of items (B) through (H) has not been determined or a CUSIP number (or a similar numeric identifier as referenced above) is not assigned or is not available when notice must be given, such other information that FINRA deems necessary and is sufficient to identify the security accurately.

(2) For a new issue in a Corporate Debt Security, excluding bonds issued by religious organizations or for religious purposes (e.g., “church bonds”), in addition to the information required in paragraph (b)(1) of this Rule, the following information must be reported, if applicable: (A) the International Securities
Identification Number (ISIN); (B) the currency; (C) the issue date; (D) the first settle date; (E) the interest accrual date; (F) the day count description; (G) the coupon frequency; (H) the first coupon payment date; (I) a Regulation S indicator; (J) the security type; (K) the bond type; (L) the first coupon period type; (M) a convertible indicator; (N) a call indicator; (O) the first call date; (P) a put indicator; (Q) the first put date; (R) the minimum increment; (S) the minimum piece/denomination; (T) the issuance amount; (U) the first call price; (V) the first put price; (W) the coupon type; (X) rating (TRACE Grade); (Y) a perpetual maturity indicator; [and] (Z) a Payment-In-Kind indicator; (AA) first conversion date; (BB) first conversion ratio; (CC) spread; (DD) reference rate; (EE) floor; and (FF) underlying entity ticker.

(c) When Required

A notice required under this Rule must be provided to FINRA Operations prior to the execution of the first transaction of the offering, except as provided below.

(1) If an offering of a security, other than a Corporate Debt Security, is priced and commences on the same business day between 9:30:00 a.m. Eastern Time and 4:00:00 p.m. Eastern Time, a person that is required to provide notice must provide to FINRA Operations as much of the information set forth in paragraph (b)(1) that is available prior to the execution of the first transaction of the offering, which must be sufficient to identify the security accurately, and such other information that FINRA deems necessary and provide all other information required under paragraph (b)(1) within 15 minutes of the Time of Execution of the first transaction.
(d) **Dissemination of Corporate New Issue Reference Data**

Information about new issues of Corporate Debt Securities collected under this Rule will be disseminated upon receipt in the form determined by FINRA.

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**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”):

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<thead>
<tr>
<th>System Fees</th>
<th>Transaction Reporting Fees</th>
<th>Data Fees</th>
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|  |  | [Corporate New Issue Reference Data: Fee — $250/month for receipt of Corporate New Issue Reference Data for any person or organization for use for internal purposes only.] |
|  |  | [Corporate New Issue Reference Data: Fee — $6,000/month for receipt of] |
(a) through (h) No Change.

[(i) **Corporate New Issue Reference Data**

Any person or organization may subscribe for the Corporate New Issue Reference Data disseminated pursuant to Rule 6760(d) subject to the following fees:

1. Data fee of $250 per month for receipt of Corporate New Issue Reference Data that is used for internal purposes only.

2. Data fee of $6,000 per month for receipt of Corporate New Issue Reference Data that is retransmitted or repackaged for delivery or dissemination to any outside person or organization in any way.]

* * * * *
EXHIBIT 5

Exhibit 5 shows the text of the proposed rule change, as amended by this Partial Amendment No. 2. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

2200. COMMUNICATIONS AND DISCLOSURES

* * * * *

2230. Customer Account Statements and Confirmations

2232. Customer Confirmations

(a) through (e) No Change.

(f) Definitions

For purposes of this Rule, the term:

(1) No Change.

(2) “corporate debt security” shall have the same meaning as in Rule 6710(jj) [mean a debt security that is 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, but does not include a Money Market Instrument as defined in Rule 6710(o) or an Asset-Backed Security as defined in Rule 6710(cc)];

(3) through (4) No Change.

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6700. TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)

* * * * *
6710. Definitions

The terms used in this Rule 6700 Series shall have the same meaning as those defined in the FINRA By-Laws and rules unless otherwise specified. For the purposes of this Rule 6700 Series, the following terms have the following meaning:

(a) through (ii) No Change.

(jj) “Corporate Debt Security” is a type of TRACE-Eligible 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, but does not include a Money Market Instrument as defined in Rule 6710(o) or a Securitized Product as defined in Rule 6710(m).

* * * * *

6760. Obligation To Provide Notice and Dissemination of Corporate Debt Security

New Issue Reference Data

(a) Members Required to Provide Notice

(1) To facilitate trade reporting and dissemination of transactions in TRACE-Eligible Securities and to provide market participants in the Corporate Debt Security markets with reliable and timely new issue reference data to facilitate the trading and settlement of these instruments, a member that is a managing underwriter of a distribution or offering ("offering"), other than a secondary offering, of a TRACE-Eligible Security must obtain information and provide notice to FINRA Operations as set forth in this Rule. If a managing underwriter is not designated, an underwriter must provide such notice. In offerings where managing underwriters and/or underwriters are not designated,
the lead initial purchaser must provide such notice, and if there is no lead initial
purchaser, an initial purchaser must provide such notice. If more than one person
is obligated to provide notice (e.g., multiple underwriters), such persons may
submit jointly a single notice containing the required information to FINRA
Operations. A member that is an underwriter or a Securitizer of a Securitized
Product is a managing underwriter for purposes of this Rule. A member that is
required to provide notice must make a good faith determination that the security
is a TRACE-Eligible Security before providing such notice.

(2) No Change.

(b) Information Required

(1) The notice must contain the following information: ([1]A) the CUSIP
number or if a CUSIP number is not available, a similar numeric identifier (e.g., a
mortgage pool number); ([2]B) the issuer name, or, for a Securitized Product, the
names of the Securitizers; ([3]C) the coupon rate; ([4]D) the maturity; ([5]E)
whether Securities Act Rule 144A applies; ([6]F) the time that the new issue is
priced, and, if different, the time that the first transaction in the offering is
executed; ([7]G) a brief description of the issue (e.g., senior subordinated note,
senior note); and, ([8]H) such other information FINRA deems necessary to
properly implement the reporting and dissemination of a TRACE-Eligible
Security, or if any of items ([2]B) through ([8]H) has not been determined or a
CUSIP number (or a similar numeric identifier as referenced above) is not
assigned or is not available when notice must be given, such other information
that FINRA deems necessary and is sufficient to identify the security accurately.
(2) For a new issue in a Corporate Debt Security, excluding bonds issued by religious organizations or for religious purposes (e.g., “church bonds”), in addition to the information required in paragraph (b)(1) of this Rule, the following information must be reported, if applicable: (A) the International Securities Identification Number (ISIN); (B) the currency; (C) the issue date; (D) the first settle date; (E) the interest accrual date; (F) the day count description; (G) the coupon frequency; (H) the first coupon payment date; (I) a Regulation S indicator; (J) the security type; (K) the bond type; (L) the first coupon period type; (M) a convertible indicator; (N) a call indicator; (O) the first call date; (P) a put indicator; (Q) the first put date; (R) the minimum increment; (S) the minimum piece/denomination; (T) the issuance amount; (U) the first call price; (V) the first put price; (W) the coupon type; (X) rating (TRACE Grade); (Y) a perpetual maturity indicator; (Z) a Payment-In-Kind indicator; (AA) first conversion date; (BB) first conversion ratio; (CC) spread; (DD) reference rate; (EE) floor; and (FF) underlying entity ticker.

(c) When Required

A notice required under this Rule must be provided to FINRA Operations prior to the execution of the first transaction of the offering, except as provided below.

(1) If an offering of a security, other than a Corporate Debt Security, is priced and commences on the same business day between 9:30:00 a.m. Eastern Time and 4:00:00 p.m. Eastern Time, a person that is required to provide notice must provide to FINRA Operations as much of the information set forth in paragraph (b)(1) that is available prior to the execution of the first transaction of
the offering, which must be sufficient to identify the security accurately, and such other information that FINRA deems necessary and provide all other information required under paragraph (b)(1) within 15 minutes of the Time of Execution of the first transaction.

(2) No Change.

(d) Dissemination of Corporate New Issue Reference Data

Information about new issues of Corporate Debt Securities collected under this Rule will be disseminated upon receipt in the form determined by FINRA.

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