



Financial Industry Regulatory Authority

October 3, 2019

Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090
Via Email to rule-comments@sec.gov

Re: File No. SR-FINRA-2019-008 – Partial Amendment No. 2

Dear Ms. Countryman:

As a courtesy to commenters, attached is Partial Amendment No. 2 to the above-referenced proposed rule change that was filed with the Securities and Exchange Commission today. Partial Amendment No. 1 was withdrawn due to a non-substantive administrative error and replaced with this version. FINRA will be submitting by separate letter its response to comments on the proposed rule change.

If you have any questions, please contact me at (202) 728-8152 or alexander.ellenberg@finra.org.

Sincerely,

/s/ Alexander Ellenberg

Alexander Ellenberg
Associate General Counsel

Attachment

Required fields are shown with yellow backgrounds and asterisks.

OMB APPROVAL	
OMB Number: 3235-0045	
Estimated average burden hours per response.....38	

Page 1 of * 28

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2019 - * 008
Amendment No. (req. for Amendments *) 2

Filing by Financial Industry Regulatory Authority

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pilot	Extension of Time Period for Commission Action *	Date Expires *	Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934		
Section 806(e)(1) *		Section 806(e)(2) *	Section 3C(b)(2) *		
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		

Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document



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 *	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.

(Title *)

Date 10/03/2019
By Stephanie Dumont

Senior Vice President and Director of Capital Markets
Policy

(Name *)

Stephanie Dumont,

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 EDDS 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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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 Sent As Paper Document

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 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, 2019,¹ and received twenty 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. 2,³ FINRA is including Exhibit 4, which reflects changes to the text of the proposed rule change pursuant to this Partial

¹ Securities Exchange Act Release No. 85488 (April 2, 2019), 84 FR 13977 (April 8, 2019) (Notice of Filing of File No. SR-FINRA-2019-008). On July 1, 2019, the Commission issued an order instituting proceedings to determine whether to approve or disapprove the Proposal. See Securities Exchange Act Release No. 86256 (July 1, 2019), 84 FR 32506 (July 8, 2019).

² See Letters to Commission from Greg Babyak, Global Head of Regulatory Affairs, Bloomberg L.P., dated April 29, 2019 (“Bloomberg Letter I”), July 1, 2019 (“Bloomberg Letter II”), and July 29, 2019 (“Bloomberg Letter III”); Tom Quaadman, Executive Vice President, U.S. Chamber of Commerce’s Center for Capital Markets Competitiveness, dated April 29, 2019 (“Chamber Letter I”), and July 29, 2019 (“Chamber Letter II”); John Plansky, Executive Vice President and Chief Executive Officer, Charles River Development, dated May 24, 2019 (“Charles River Letter”); John L. Thornton, Co-Chair, Hal S. Scott, President, and R. Glenn Hubbard, Co-Chair, Committee on Capital Markets Regulation, dated July 25, 2019 (“Committee on Capital Markets Regulation Letter”); Cathy Scott, Director, Fixed Income Forum on behalf of The Credit Roundtable, dated April 29, 2019 (“Credit Roundtable Letter”); SEC FIMSAC, dated June 11, 2019 (“FIMSAC Letter”); Larry Harris, Fred V. Keenan Chair in Finance, U.S.C. Marshall School of Business, dated May 17, 2019 (“Harris Letter”); Tyler Gellasch, Executive Director, Healthy Markets Association, dated April 29, 2019 (“Healthy Markets Letter I”), and July 29, 2019 (“Healthy Markets Letter II”); David R. Burton, Senior Fellow in Economic Policy, The Heritage Foundation, dated April 29, 2019 (“Heritage Foundation Letter I”), and July 29, 2019 (“Heritage Foundation Letter II”); Marshall Nicholson and Thomas S. Vales, ICE Bonds, dated April 29, 2019 (“ICE Bonds Letter”); Lynn Martin, President and COO, ICE Data Services, dated April 29, 2019 (“ICE Data Letter”); Salman Banaei, Executive Director, IHS Markit, dated April 29, 2019 (“IHS Markit Letter”); Christopher B. Killian, Managing Director, SIFMA, dated April 29, 2019 (“SIFMA Letter I”), and July 29, 2019 (“SIFMA Letter II”); and Larry Tabb, TABB Group, dated May 15, 2019 (“Tabb Letter”).

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.”⁴ However, seven commenters raised questions about the proposed fees.⁵ 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

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

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.

Fields Specified in FIMSAAC Recommendation (Schedule A)			
Proposed Data Field *currently disseminated on the Corporate Security Daily List	Description	Rationale	Currently Mandatory, Voluntary or New Field
Issuer*	Name of the issuing entity of the security.	<u>This field is necessary for settlement and valuation purposes. Additionally, the investor needs to know the issuing entity of the bond.</u>	Mandatory
Coupon*	Current interest rate of the security.	<u>This field is needed for settlement and valuation purposes. The coupon rate is needed for accrual/interest/cash flow calculations.</u>	Mandatory
ISIN Number	The International Securities Identification Number (ISIN).	<u>This field is needed to uniquely identify securities that are traded and settled internationally outside of North America.</u>	New Field
CUSIP Number*	The Committee on Uniform Security Identification Procedures (CUSIP) number.	<u>This field is needed to uniquely identify securities that trade, clear, and settle in North America, particularly in the United States.</u>	Mandatory

Fields Specified in FIMSAC Recommendation (Schedule A)			
Proposed Data Field *currently disseminated on the Corporate Security Daily List	Description	Rationale	Currently Mandatory, Voluntary or New Field
Currency	Currency in which the security was issued.	<u>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.</u>	New Field
Issue Date / First Settlement Date	Date the security is issued. Displays the First Settle Date, the date payment is due. <u>Note: FINRA may require the issue date and first settlement date to be input separately as they may not always be the same.</u>	<u>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.</u>	Voluntary
Interest Accrual Date	Date from which interest begins to accrue.	<u>This field is necessary for settlement and valuation purposes. This field is needed in order to start the cash flow period of the coupon.</u>	New Field
Day Count Description	The description of the day-count convention for calculating yields and/or accrued interest (e.g., 30/365, actual/365, etc.).	<u>This field is necessary for settlement and valuation purposes. This field is needed to calculate the purchase accrued interest and coupon of the security.</u>	New Field

Fields Specified in FIMSAC Recommendation (Schedule A)			
Proposed Data Field *currently disseminated on the Corporate Security Daily List	Description	<u>Rationale</u>	Currently Mandatory, Voluntary or New Field
Coupon Frequency	Number of times per year interest is paid.	<u>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.</u>	Voluntary
First Coupon Payment Date	The first coupon payment date following the initial settlement date.	<u>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.</u>	Voluntary
Maturity*	Date the principal of a security is due and payable.	<u>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.</u>	Mandatory

Fields Specified in FIMSAC Recommendation (Schedule A)			
Proposed Data Field *currently disseminated on the Corporate Security Daily List	Description	<u>Rationale</u>	Currently Mandatory, Voluntary or New Field
144A Eligible Indicator*	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.	<u>This field is necessary for settlement purposes. This field is needed to distinguish 144A securities for QIB eligible investors.</u>	Mandatory

Fields Specified in FIMSAC Recommendation (Schedule A)			
Proposed Data Field *currently disseminated on the Corporate Security Daily List	Description	Rationale	Currently Mandatory, Voluntary or New Field
Regulation S Indicator	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.	<u>This field is necessary for settlement purposes. This field is needed to distinguish Regulation S securities for non-US entities.</u>	New Field
Security Type	Brief description of the specific instrument type. For example, Corporate Note, Bond or Debenture; <u>Equity Linked Note</u> ; <u>Convertible Bond</u> ; <u>Convertible Note</u> ; <u>Bank Note</u> ; <u>Medium Term Note</u> ; <u>Index Linked Security</u> ; <u>Pass Through Certificate</u> ; <u>Sinking Fund Bond</u> ; or Other.	<u>This field is needed to identify the type of security being traded and its terms/features.</u>	Mandatory

Fields Specified in FIMSAC Recommendation (Schedule A)			
Proposed Data Field *currently disseminated on the Corporate Security Daily List	Description	Rationale	Currently Mandatory, Voluntary or New Field
Bond Type	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.	<u>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.</u>	Mandatory
First Coupon Period Type	Describes the first coupon period of the bond with respect to the payment frequency.	<u>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.</u>	New Field
Convertible Indicator*	Indicates if the security is convertible to equity.	<u>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.</u>	Mandatory
<u>First Conversion Date</u>	<u>Date when issue can first be converted to equity, if applicable.</u>	<u>This field is necessary for valuation purposes as it is needed to determine when the bond may be converted into stock.</u>	<u>New Field</u>

Fields Specified in FIMSAC Recommendation (Schedule A)			
Proposed Data Field *currently disseminated on the Corporate Security Daily List	Description	Rationale	Currently Mandatory, Voluntary or New Field
<u>First Conversion Ratio</u>	<u>Number of shares into which each convertible bond can be converted.</u>	<u>This field is necessary for valuation purposes as it is to determine the number of shares into which each convertible bond can be converted.</u>	<u>New Field</u>
Call Indicator	Indicates whether the security has a call provision.	<u>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.</u>	Mandatory
First Call Date	The first date on which bonds may be called for redemption.	<u>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.</u>	Mandatory
Put Indicator	Indicates the existence of a feature that provides the bond holder the contractual option to redeem the bond prior to the scheduled maturity date.	<u>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.</u>	New Field
Put Date	Date on which securities are subject to redemption by the bond holder.	<u>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.</u>	New Field

Fields Specified in FIMSAC Recommendation (Schedule A)			
Proposed Data Field *currently disseminated on the Corporate Security Daily List	Description	<u>Rationale</u>	Currently Mandatory, Voluntary or New Field
Minimum Increment	The minimum increment of the face value of the bond as originally specified in the issuer's offering documentation of the security.	<u>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.</u>	New Field
Minimum Piece/Denomination	The minimum tradable denomination, amount, or investment, as originally specified in the issuer's offering documentation of the security.	<u>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.</u>	New Field

Fields Specified in FIMSAC Recommendation (Schedule A)			
Proposed Data Field *currently disseminated on the Corporate Security Daily List	Description	Rationale	Currently Mandatory, Voluntary or New Field
<u>Spread</u>	<u>Spread is used in the calculation of the coupon for floating rate securities. This field is represented in basis points.</u>	<u>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.</u> <u>Additionally, this field is needed in order to calculate the purchase and interest accrued.</u>	<u>New Field</u>
<u>Reference Rate</u>	<u>Benchmark of a floating rate bond.</u>	<u>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.</u> <u>Additionally, this field is needed in order to calculate the purchase and interest accrued.</u>	<u>New Field</u>

Fields Specified in FIMSAC Recommendation (Schedule A)			
Proposed Data Field *currently disseminated on the Corporate Security Daily List	Description	Rationale	Currently Mandatory, Voluntary or New Field
<u>Floor</u>	<u>The lowest allowable rate a coupon can be.</u>	<u>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.</u> <u>Additionally, this field is needed in order to calculate the purchase and interest accrued.</u>	<u>New Field</u>
<u>Underlying Entity Ticker</u>	<u>Returns the ticker that corresponds to the security's corporate identifier.</u>	<u>This field is necessary for valuation purposes. This is needed to value convertible bonds.</u>	<u>New Field</u>

Fields Added Based On Additional Industry Outreach			
Proposed Field	Description	Rationale	Currently Mandatory, Voluntary or New Field
Issuance Amount	The total issue amount of the security.	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.	New Field

Fields Added Based On Additional Industry Outreach			
Proposed Field	Description	Rationale	Currently Mandatory, Voluntary or New Field
First Call Price	The first price on which bonds may be called for redemption based on the call schedule.	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.	Mandatory
First Put Price	The price at which the bond holder can sell the security if exercising the put option on the security.	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.	New Field
Coupon Type	Fixed, floating, step up/down, etc.	This field denotes potential complexity and predictable cash flow data.	Mandatory
<u>Rating (TRACE Grade)</u>	If the security has been rated, and if so if the security is Investment Grade or Non-Investment Grade, as <u>those terms are defined in Rule 6710</u> .	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.	Voluntary

Fields Added Based On Additional Industry Outreach			
Proposed Field	Description	Rationale	Currently Mandatory, Voluntary or New Field
Perpetual Maturity Indicator	<p>Indicates if the security does not have a maturity date.</p> <p><u>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.</u></p>	This field is used in pre-trade compliance. Yield calculations generally use first call on perpetual securities.	Mandatory
Payment-In-Kind (PIK) Indicator	Indicates if the security has a Pay-In-Kind interest.	This field used in pre-trade compliance as it indicates cash flow implications and risk for many investors.	New Field

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.

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

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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
* * * * *	* * * * *	* * * * *
		[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

	Corporate New Issue Reference Data for any person or organization who shall retransmit or repackage the Data for delivery and dissemination to any outside person or organization in any way.]
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(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.]

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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.

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2200. COMMUNICATIONS AND DISCLOSURES

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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)

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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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