Commission meeting. [Note: Pursuant to 5 U.S.C. 552b(c)(2), a portion of this session may be closed to discuss organizational and personnel matters that relate solely to internal personnel rules and practices of the ACRS.] [Note: Pursuant to 5 U.S.C. 552b(c)(4), a portion of this session may be closed to discuss and protect information designated as proprietary.]

1:00 p.m.–6:00 p.m.: Terrapower Natrium Reactor Design Overview and Digital Twin Walkthrough (Open/Closed)—The Committee will have presentation and discussion with representatives from Terrapower and NRC staff regarding the subject topic. [Note: Pursuant to 5 U.S.C. 552b(c)(4), a portion of this session may be closed to discuss and protect information designated as proprietary.]

Friday, April 7, 2023

8:30 a.m.–1:00 p.m.: Kairos Topics Discussion/Planning and Procedures Session Continued/International Outreach Activities/Future ACRS Activities/Reconciliation of ACRS Comments and Recommendations/Preparation of Reports/Commission Meeting Preparation (Open/Closed)—The Committee will have discussion with representatives from the NRC staff regarding the subject topic. The Committee will hear discussion of the recommendations of the Planning and Procedures Subcommittee regarding items proposed for consideration by the Full Committee during future ACRS meetings, and/or proceed to preparation of reports as determined by the Chairman and preparation of upcoming Commission meeting. [Note: Pursuant to 5 U.S.C. 552b(c)(2), a portion of this session may be closed to discuss organizational and personnel matters that relate solely to internal personnel rules and practices of the ACRS.] [Note: Pursuant to 5 U.S.C. 552b(c)(4), a portion of this session may be closed to discuss and protect information designated as proprietary.]

1:00 p.m.–6:00 p.m.: Preparation of Reports/Commission Meeting Preparation (Open/Closed)—The Committee will continue its discussion of proposed ACRS reports and preparation of upcoming Commission meeting. [Note: Pursuant to 5 U.S.C. 552b(c)(4), a portion of this session may be closed to discuss and protect information designated as proprietary.]

Procedures for the conduct of and participation in ACRS meetings were published in the Federal Register on June 13, 2019 (84 FR 27662). In accordance with those procedures, oral or written views may be presented by members of the public, including representatives of the nuclear industry. Persons desiring to make oral statements should notify Quynh Nguyen, Cognizant ACRS Staff and the Designated Federal Officer (DFO) (Telephone: 301–415–5844, Email: Quynh.Nguyen@nrc.gov), 5 days before the meeting, if possible, so that appropriate arrangements can be made to allow necessary time during the meeting for such statements. In view of the possibility that the schedule for ACRS meetings may be adjusted by the Chairman as necessary to facilitate the conduct of the meeting, persons planning to attend should check with the cognizant ACRS staff if such rescheduling would result in major inconvenience.

An electronic copy of each presentation should be emailed to the cognizant ACRS staff at least one day before the meeting.

In accordance with subsection 10(d) of Public Law 92–463 and 5 U.S.C. 552b(c), certain portions of this meeting may be closed, as specifically noted above. Use of still, motion picture, and television cameras during the meeting may be limited to selected portions of the meeting as determined by the Chairman. Electronic recordings will be permitted only during the open portions of the meeting.

ACRS meeting agendas, meeting transcripts, and letter reports are available through the NRC Public Document Room (PDR) at pdr.resource@nrc.gov, or by calling the PDR at 1–800–397–4209, or from the Publicly Available Records System component of NRC’s Agencywide Documents Access and Management System, which is accessible from the NRC website at http://www.nrc.gov/reading-rm/adams.html or http://www.nrc.gov/reading-rm/doc-collections/ACRS/.

Dated: March 6, 2023.

Russell E. Chazell, Federal Advisory Committee Management Officer, Office of the Secretary.


Sarah Sullivan, Attorney, Ethics & Legal Compliance.

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Instituting Proceedings To Determine Whether To Approve or Disapprove Proposed Rule Change To Adopt FINRA Rules 6151 (Disclosure of Order Routing Information for NMS Securities) and 6470 (Disclosure of Order Routing Information for OTC Equity Securities)


On November 16, 2022, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)1 and Rule 19b–4 thereunder,2 a proposed rule change to require members to (i) publish order routing reports for orders in OTC Equity Securities, and (ii) submit their order routing reports for both OTC Equity Securities and NMS Securities to FINRA for publication on the FINRA website.

The proposed rule change was published for comment in the Federal Register on December 6, 2022.3 On January 18, 2023, the Commission extended the time period within which to approve, disapprove the proposed rule change, or institute proceedings to determine whether to approve or

disapprove the proposed rule change to March 6, 2023.3 The Commission received four comment letters on the proposed rule change, one of which was received after the Extension.5 Under Section 19(b)(3)(C) of the Exchange Act,6 the Commission is hereby instituting proceedings to determine whether to approve or disapprove File Number SR–FINRA–2022–031.

I. Summary of the Proposed Rule Change and Comments Received

In 2018, the Commission amended SEC Rule 606(a) of Regulation NMS,7 to enhance required disclosures from broker-dealers about their order routing practices for NMS Securities.8 Including enhanced disclosures for non-directed orders in NMS stocks that are submitted on a “held” basis in order to better allow “customers—and retail investors in particular—that submit orders to their broker-dealers [to] be better able to assess the quality of order handling services provided by their broker-dealers” and to allow customers to determine “whether their broker-dealers are effectively managing potential conflicts of interest.”9 As described in more detail in the Notice, FINRA proposes to adopt FINRA Rule 6470 (Disclosure of Order Routing Information for NMS Securities), which imposes disclosure requirements for unlisted stocks that are generally aligned with the requirements of SEC Rule 606(a) disclosures, but with modifications to account for differences between the over-the-counter (“OTC”) markets and the market for NMS Securities. In addition, to improve the accessibility of these new disclosures, as well as SEC Rule 606(a) reports, FINRA proposes to adopt FINRA Rule 6151 (Disclosure of Order Routing Information for OTC Equity Securities) to require members to submit their order routing reports for NMS Securities to FINRA for centralized publication on the FINRA website.

Proposed FINRA Rule 6470, entitled “Disclosure of Order Routing Information for OTC Equity Securities,” would require the publication of order routing disclosures for OTC Equity Securities.10 Specifically, FINRA Rule 6470(a) would require every member to make publicly available for each calendar quarter a report on its routing of non-directed orders in OTC Equity Securities that are submitted on a held basis during that quarter, broken down by calendar month, and keep such report posted on an internet website that is free and readily accessible to the public for a period of three years from the initial date of posting on the internet website (“OTC Equity Security reports”).11 These reports would be required to be separated into three sections: (i) domestic OTC Equity Securities; (ii) American Depositary Receipts (“ADRs”) and foreign ordinary shares that are OTC Equity Securities; and (iii) Canadian-listed securities traded in the United States as OTC Equity Securities.12 In addition, FINRA Rule 6470(a) would specify that the new OTC Equity Security reports must be made available using the most recent versions of the XML schema and associated PDF renderer as published on the FINRA website,13 and FINRA Rule 6470(d) would require the reports to be made publicly available within one month after the end of the quarter addressed in the report.14

Pursuant to FINRA Rule 6470(a), the new OTC Equity Security reports would be required to include the information specified in paragraphs (a)(1) through (4) of proposed FINRA Rule 6470, specifically:

13 FINRA states that it will publish the technical specifications for the XML schema and associated PDF renderer on its website for members generating the new reports. See Notice, supra note 3, at 74673 n.12. FINRA expects that, subject to the differences between the SEC Rule 606(a) reports and the OTC Equity Security reports, the XML schema and associated PDF renderer published by FINRA would be substantially similar to those published by the SEC for the SEC Rule 606(a) reports. Id. FINRA believes this requirement would ensure that reports are generated and published in standardized machine-readable and human-readable forms, which would benefit investors by permitting the public to more easily analyze and compare the OTC Equity Security reports across members, as well as to more easily perform combined analysis of both SEC Rule 606(a) and OTC Equity Security reports. See Notice, supra note 3, at 74673.

14 FINRA states that it understands that some introducing firms route all of their orders in OTC Equity Securities to one or more clearing firms for further routing to other venues for execution. See Notice, supra note 3 at 74673 n.10. FINRA states that the Commission has provided guidance that, where an introducing firm routes all of its covered orders to one or more clearing firms for routing and execution and the clearing firm in fact makes the routing decision, the introducing firm generally may comply with the order routing disclosure requirements by using the same reporting format as required of the clearing firm(s) on its website that includes any payment for order flow received by the introducing firm, and (ii) adopting the clearing firm’s disclosures by reference, provided that the introducing firm has examined the report and does not have reason to believe it materially misrepresents the order routing practices. Id. FINRA states that it intends to provide parallel guidance with respect to proposed FINRA Rule 6470.

15 FINRA states that “total orders” would include all orders from customers for the section, including both directed and non-directed orders from customers. See Notice, supra note 3, at 74673 n.14.

16 FINRA states that for purposes of the proposed disclosures, a “non-directed order” would mean any order from a customer other than a directed order. See Notice, supra note 3, at 74673–74 n.15. FINRA further states that consistent with the definition of “directed order” under Regulation NMS, a “directed order” would mean any order from a customer that the customer specifically instructed the member to route to a particular venue for execution. See id.; 17 CFR 242.600(b). FINRA notes that “customer” is defined under SEC Rule 606(b)(23) of Regulation NMS. A “customer” is defined under FINRA rules to exclude a broker or dealer. See FINRA Rule 0161(b)(4). Orders from other broker-dealers would


5 All comments received by the Commission on the proposed rule change are available at: https://www.sec.gov/comments/sr-fnrra-2022-031/srfinrra2022031.htm.


7 17 CFR 242.600(a).

8 “NMS Securities” include any security or class of securities for which transaction reports are collected, processed, and made available to an electronic market, market system, or market system operator.

9 As described in more detail in the Notice, FINRA proposes to adopt FINRA Rule 6470 (Disclosure of Order Routing Information for NMS Securities), which imposes disclosure requirements for unlisted stocks that are generally aligned with the requirements of SEC Rule 606(a) disclosures, but with modifications to account for differences between the over-the-counter (“OTC”) markets and the market for NMS Securities. In addition, to improve the accessibility of these new disclosures, as well as SEC Rule 606(a) reports, FINRA proposes to adopt FINRA Rule 6151 (Disclosure of Order Routing Information for OTC Equity Securities) to require members to submit their order routing reports for NMS Securities to FINRA for centralized publication on the FINRA website.

10 See Notice, supra note 3, at 74672 n.8. FINRA Rule 6420(l) defines an “OTC Equity Security” as any equity security for which an NMS stock other than a Restricted Equity Security. FINRA Rule 6420(k) defines a “Restricted Equity Security” as any equity security that meets the definition of “restricted security” as contained in Securities Act Rule 144(a)(3).

11 Proposed FINRA Rule 6470 would apply to “every member,” but FINRA notes that the focus of the proposed disclosures is held orders from customers in OTC Equity Securities, and some members may not engage in any activities involving held orders from customers in OTC Equity Securities. See Notice, supra note 3, at 74673 n.9. If a member does not accept any orders in OTC Equity Securities from customers during a given calendar quarter (whether held or not held), such member would not be required to publish a report under Rule 6470 for that quarter. Id. Similarly, a member that accepted only held orders in OTC Equity Securities from customers—but no held orders in OTC Equity Securities from customers—during a given calendar quarter would not be required to publish a report for that quarter. Id. Further, FINRA states that if a member accepted orders in OTC Equity Securities (whether held, not held, or both) only from other broker-dealers, but not from customers, during a given calendar quarter, such member would not be required to publish a report for that quarter. Id.

12 FINRA notes that to provide for consistency across member reports, FINRA will publish a list of the OTC Equity Security symbols that fall under each category, and members would be required to publish reports in a manner consistent with such list. See Notice, supra note 3, at 74673. FINRA states that it will post this list in the Regulatory Notice announcing the effective date regarding where members may access the list of OTC Equity Security symbols that FINRA will make available as an attachment to the report. See Notice, supra note 3, at 74673. FINRA also notes that these categories differ from the NMS Securities required to be reported for SEC Rule 606(a) reports, which it believes is not relevant to the OTC market. Id.

15 FINRA states that “total orders” would include all orders from customers for the section, including both directed and non-directed orders from customers. See Notice, supra note 3, at 74673 n.14.

16 FINRA states that for purposes of the proposed disclosures, a “non-directed order” would mean any order from a customer other than a directed order. See Notice, supra note 3, at 74673–74 n.15. FINRA further states that consistent with the definition of “directed order” under Regulation NMS, a “directed order” would mean any order from a customer that the customer specifically instructed the member to route to a particular venue for execution. See id.; 17 CFR 242.600(b). FINRA notes that “customer” is defined under SEC Rule 606(b)(23) of Regulation NMS. A “customer” is defined under FINRA rules to exclude a broker or dealer. See FINRA Rule 0161(b)(4). Orders from other broker-dealers would...
To make both the existing SEC Rule 606(a) reports and the new OTC Equity Security reports more accessible for regulators, investors and others seeking to analyze and compare the data, FINRA is proposing to require that members provide the reports to FINRA for central publication on the FINRA website. Proposed FINRA Rule 6151 would require every member that is required to publish a report pursuant to SEC Rule 606(a) of Regulation NMS to provide the report to FINRA, in a manner prescribed by FINRA, within the same time and in the same formats that such report is required to be made publicly available pursuant to SEC Rule 606(a). In combination with proposed FINRA Rule 6470(d), which would require members to provide the report required by paragraph (a) of FINRA Rule 6470 within one month after the end of the quarter addressed in the report in such a manner as may be prescribed by FINRA, FINRA would be able to publish both SEC Rule 606(a) and OTC Equity Security reports on its public website, free of charge and without usage restrictions.

FINRA states that it undertook an “economic impact assessment” to analyze the potential economic impacts of the proposed rule change, including potential costs, benefits, and distributional and competitive effects, relative to the current baseline.21 In this analysis, FINRA analyzed the number of firms quoting, executing trades and routing orders in OTC Equity Securities over specific time periods, as well as the number of symbols traded per firm and average dollar volume of trading per symbol and per firm. In addition, FINRA published the proposed rule change in Regulatory Notice 21–35 (October 2021) and received five comments in response.22 FINRA provided these comments, as well as a summary of these comments and its responses in its filing with the Commission.23 FINRA argues in support of its proposal that the proposed requirement for members to publish order routing disclosures for OTC Equity Securities, similar to what is available under SEC rules for NMS Securities, would provide valuable information for investors and other market participants, academics, regulators and others regarding order routing practices in the OTC market, thereby enhancing the protection of investors and the public interest.24 In particular, FINRA believes that these new disclosures will enable investors to better assess the quality of their broker-dealers’ order handling services for these securities, provide more information on the financial incentives that may affect their broker-dealers’ routing decisions, and allow clearing firm(s)’ reports by reference.25 FINRA states that this information will enable FINRA to provide investors with relevant information for all firms which would allow investors to better evaluate whether their broker-dealers are effectively managing potential conflicts of interest.26 FINRA also argues that the proposed requirements for members to send their disclosure reports for both NMS Securities and OTC Equity Securities to FINRA for centralized publication on the FINRA website will make this important information more accessible for regulators, investors, academics and others seeking to analyze and compare the data, particularly across firms, and would facilitate the

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21 See Notice, supra note 3, at 74675–78.
22 Comments received by FINRA are available on FINRA’s website at https://www.finra.org/rules-guidance/notices/21-35#comments.
23 See Notice, supra note 3, at 74678–80.
24 See Notice, supra n. 3 at 74675.
25 See id.
26 See id.
understand the financial inducements faced by a reporting firm, the relevant information is the payments between the reporting firm and the routing firm. The commenter also argues that this results in reported data that is not comparable across broker-dealers. The commenter also states that this approach requires firms to report on financial arrangements to which they might not be a party, that the rules do not impose any obligation on the routing firm to provide this data to the reporting firm, and a reporting firm cannot effectively validate the data relating to routing firm scenarios. The commenter further states that the rule filing does not explicitly discuss the costs for such reporting. The commenter further suggests that if FINRA adopts this reporting, FINRA Rule 6470 should be revised to address the routing scenario. The commenter also states this reporting scenario should not apply for routes to foreign routing firms.

The commenter argues that there are a significant number of OTC stocks that have a limited number of available execution venues or only have one or two market makers, and that there is a potential risk that investors viewing the report for these stocks would see a high percentage of order flow being routed to one or two venues without appropriate context of the limited choices available to the reporting firm, and that some firms with lower trading volume in OTC equities could have routing relationships with a limited number of market makers. The commenter suggests that FINRA should identify this as a factor for investors to consider when reviewing a broker-dealer’s OTC Equity Security report. The commenter also states that FINRA should consider whether certain categories of data that firms are required to report in the OTC Equity Security reports could be obtained by FINRA from the consolidated audit trail (“CAT”). The commenter further states that the rule filing does not provide clear guidance on reporting scenarios relating to trading on OTC Link ATS and raises several hypothetical situations where it believes OTC Link ATS should be reported as the execution venue, as opposed to where the execution actually took place.

The commenter also raises concerns about implementation of the proposal and argues that a longer implementation period is appropriate to ensure that industry members will have sufficient time to properly implement the planned reporting changes. The commenter states that it supports centralized publication of SEC Rule 606(a) reports and the OTC routing reports, but argues that if FINRA will publish these reports that firms should no longer be required to separately publish these reports on their own websites, and instead firms should be required to provide a link from its public website to the applicable section of the FINRA website.

II. Proceedings To Determine Whether To Approve or Disapprove SR–FINRA–2022–031 and Grounds for Disapproval Under Consideration

The Commission hereby institutes proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act to determine whether the proposed rule change should be approved or disapproved. Institution of proceedings is appropriate at this time in view of the legal and policy issues raised by the proposal. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, the Commission seeks and encourages interested persons to provide additional comment on the proposed rule change to inform the Commission’s analysis of whether to approve or disapprove the proposed rule change.

Pursuant to Section 19(b)(2)(B) of the Exchange Act, the Commission is
III. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written view of interested persons concerning whether the proposal is consistent with Section 15A(b)(6) or any other provision of the Exchange Act, or the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b–4, any request for an opportunity to make an oral presentation.

Interested persons are invited to submit written data, views, and arguments regarding whether the proposal should be approved or disapproved by March 30, 2023. Any person who wishes to file a rebuttal to any other person’s submission must file that rebuttal by April 13, 2023.

The Commission asks that commenters address the sufficiency of FINRA’s statements in support of the proposal and any other issues raised by the proposed rule change under the Exchange Act. In this regard, the Commission seeks commenters’ views regarding the application of the proposed rule in the routing firm scenario.

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 email to rule-comments@sec.gov. Please include File Number SR–FINRA–2022–031 on the subject line.

Paper Comments
- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number SR–FINRA–2022–031. This file number should be included on the subject line if email 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 10:00 a.m. and 3:00 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–2022–031 should be submitted on or before March 30, 2023. Rebuttal comments should be submitted by April 13, 2023.

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

Sherry R. Haywood,
Assistant Secretary.

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule


Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),1 and Rule 19b–4 thereunder,2 notice is hereby given that on March 1, 2023, Cboe EDGX Exchange, Inc. (the “Exchange” or “EDGX”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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

Cboe EDGX Exchange, Inc. (the “Exchange” or “EDGX”) proposes to amend its Fee Schedule. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website (http://markets.cboe.com/us/options/regulation/rule_filings/edgx/) [sic], at the Exchange’s Office of the Secretary, 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, the Exchange 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. The Exchange has prepared summaries, set