

has observed that the challenges facing such companies generally are not temporary and may be so severe that the company is not likely to regain compliance within the prescribed compliance period. Moreover, the concerns with Market Value of Listed Securities of less than \$5 million with these companies can be a leading indicator of other listing compliance concerns, and these companies often become subject to delisting for other reasons during the compliance periods.

Nasdaq also believes that the proposal to amend Listing Rule 5815(a)(1)(B)(ii) to provide that a hearing request shall not stay the suspension of the securities from trading when the matter relates to a request made by a company that received a Staff Delisting Determination notice due to non-compliance with one or more of the listing requirements contained in Rule 5450 or Rule 5550 and the company's Market Value of Listed Securities has failed to maintain a value of at least \$5 million for a period of 10 consecutive business days is designed to protect investors and the public interest. In particular, this change will prevent continued trading in such company's securities until an independent Hearings Panel reviews the Delisting Determination and determines that the company has regained compliance with all listing requirements and that continued trading on Nasdaq is appropriate.

Finally, Nasdaq believes the proposed rule change furthers the objectives of Section 6(b)(7) of the Act in that it continues to provide a fair procedure for companies subject to these enhanced listing requirements. These companies can seek review of a Delisting Determination from a Hearings Panel, which can afford the company additional time to regain compliance, and can appeal the Hearings Panel decision to the Nasdaq Listing and Hearing Review Council.<sup>11</sup> As a result, Nasdaq believes that the proposed rule appropriately balances the need for appropriate listing standards with the statutory requirement to protect investors and the public interest.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. While Nasdaq does not believe there will be any impact on competition from the proposed change, any impact on competition that does arise will be

necessary to better protect investors, in furtherance of a central purpose of the Act.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were either solicited or received.

#### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

#### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### *Electronic Comments*

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-NASDAQ-2025-068 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-NASDAQ-2025-068. 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 (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is

obscene or subject to copyright protection.

All submissions should refer to file number SR-NASDAQ-2025-068 and should be submitted on or before October 10, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**J. Matthew DeLesDernier,**  
*Deputy Secretary.*

[FR Doc. 2025-18143 Filed 9-18-25; 8:45 am]

BILLING CODE 8011-01-P

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-103986; File No. SR-FINRA-2025-008]

### **Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Approving a Proposed Rule Change To Amend FINRA Rule 6730 (Transaction Reporting)**

September 16, 2025.

#### **I. Introduction**

On June 10, 2025, 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 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend FINRA Rule 6730 (Transaction Reporting) to maintain the currently operative 15-minute outer limit timeframe for reporting TRACE-eligible securities covered by a previous proposed rule change (File No. SR-FINRA-2024-004) and to provide an alternative for reporting and dissemination in connection with specified allocations of an aggregate order in a TRACE-eligible security to multiple managed customer accounts ("Proposal"). The proposed rule change was published for comment in the **Federal Register** on June 20, 2025.<sup>3</sup> On July 22, 2025, the Commission extended until September 18, 2025, the time period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>4</sup> The Commission received

<sup>12</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 103270 (June 16, 2025), 90 FR 26382 (June 20, 2025) ("Notice").

<sup>4</sup> See Securities Exchange Act Release No. 103515 (July 22, 2025), 90 FR 103515 (July 25, 2025).

<sup>11</sup> See Listing Rules 5815 and 5820, respectively.

comment letters on the proposed rule change.<sup>5</sup> This order approves the proposed rule change.

## II. Description of the Proposed Rule Change

FINRA has collected and disseminated transaction information in fixed income securities through TRACE since 2002.<sup>6</sup> On September 20, 2024, the Commission issued an order approving proposed rule change SR-FINRA-2024-004, as modified by Partial Amendment No. 1, to amend FINRA Rule 6730 to reduce the 15-minute TRACE reporting outer limit timeframe for fully electronic trades to one minute, with a later deadline for manual trades and firms with limited trading activity.<sup>7</sup> As approved by the Commission, where a trade qualified for the manual trades exception, a 15-minute outer limit would apply for the first year following implementation; a 10-minute outer limit would have applied for the second and third years; and a five-minute outer limit would have applied thereafter.<sup>8</sup> In addition, the filing provided an exception to the one-minute reporting timeframe for FINRA members with “limited trading activity.”<sup>9</sup> Under File No. SR-FINRA-2024-004, FINRA also included a requirement that its members append a new manual trade indicator to identify all manual trades. The amendments were intended to modernize the TRACE reporting rules, while providing additional time for reporting trades that were not fully electronic from end to end and for firms with limited trading activity.

FINRA has not implemented the changes approved in File No. SR-FINRA-2024-004. According to FINRA, “[f]ollowing the approval of File No. SR-FINRA-2024-004, FINRA continued its engagement with members regarding TRACE reporting timeframes, and

members raised several additional concerns and questions in connection with aspects of the approved reporting regime.”<sup>10</sup> Specifically, FINRA members provided additional insights into the workflows that impact the current feasibility of one-minute reporting for certain fully electronic trades and five-minute reporting for manual trades.<sup>11</sup> In this regard, FINRA members discussed, among other things, challenges to reporting within one minute fully electronic transactions with more complex workflows (such as allocations to managed customer accounts or portfolio trades).<sup>12</sup>

FINRA members also discussed challenges to faster reporting for trades executed by telephone, email, or through a chat/messaging function where some or all of the trade details must be manually entered to book the trade or report it to TRACE.<sup>13</sup> Firms’ challenges varied depending on firm characteristics, such as firm size and business model.<sup>14</sup> FINRA members further noted that the amendments compounded compliance concerns given the rigors of the condensed reporting timeframes.<sup>15</sup> In this context, FINRA members also noted FINRA’s current approach to late report marking, which marks as late any corrections made to a disseminated field if such corrections were entered outside of the reporting timeframe (even where the initial trade was reported within the reporting timeframe).<sup>16</sup>

In light of these further discussions and concerns raised, and to ensure that it takes a measured and informed approach to significant modifications to TRACE reporting requirements, FINRA determined that it would be appropriate at this time to maintain the currently operative TRACE reporting standard requiring its members to report transactions as soon as practicable, but no later than within 15 minutes of the Time of Execution<sup>17</sup> of the transaction

for all types of trades (*i.e.*, manual, hybrid, and fully electronic trades) that are currently subject to Rule 6730(a)(1).<sup>18</sup> In addition, FINRA proposed to implement additional responsive measures to address concerns raised to FINRA during its engagement process.<sup>19</sup> Therefore, FINRA filed this proposed rule change to: (1) amend Rule 6730 to maintain the currently operative 15-minute outer limit timeframe for reporting transactions in the securities impacted by File No. SR-FINRA-2024-004; and (2) adopt new Rule 6730.08 to provide a streamlined alternative for reporting and dissemination in connection with specified allocations of an aggregate order in a TRACE-Eligible Security to multiple managed customer accounts.<sup>20</sup>

### A. Reporting Timeframes

FINRA proposed amendments to Rule 6730 to maintain the currently operative TRACE reporting outer limit timeframe for the securities transactions subject to Rule 6730(a)(1)—*i.e.*, rescinding the rule changes approved in September 2024 that would have reduced the TRACE reporting timeframes and instead continuing to require that FINRA members report impacted transactions to TRACE as soon as practicable, but no later than within 15 minutes from the Time of Execution.<sup>21</sup> Therefore, FINRA proposed to amend Rule 6730(a) and subparagraphs (a)(1)(B) and (C) to delete references to “one minute” and replace

transactions involving TRACE-Eligible Securities, as defined by Rule 6710(a), that are trading “when issued” on a yield basis, the “Time of Execution” is when the yield for the transaction has been agreed to by the parties to the transaction. *See* Notice, 90 FR at n.6.

<sup>18</sup> *See* Notice, 90 FR at 26383.

<sup>19</sup> *See id.*

<sup>20</sup> *See id.*

<sup>21</sup> *See id.* Certain changes that were made in SR-FINRA-2024-004 are not being rescinded in this proposed rule change. These items include amendments to: (i) FINRA Rules 6730(a)(1)(A), (C), and (D) to require transactions in TRACE-Eligible Securities that are executed at or after 12:00:00 a.m. through 7:59:59 a.m. Eastern Time on a TRACE business day, less than fifteen minutes before the TRACE system closes, or after TRACE System Hours or on non-business days be reported “as soon as practicable after the TRACE system opens;” (ii) FINRA Rule 6730(a)(1)(B) to note the requirement to report transactions “as soon as practicable, but no later than” for transactions executed during TRACE System Hours, so that the language of this provision conforms with the language of FINRA Rule 6730(a); (iii) FINRA Rule 6730(f) to add “or reasonable justification” as a relevant factor in FINRA’s evaluation of a firm experiencing a pattern or practice of late reporting; and (iv) FINRA Rule 6730 Supplementary Material .03 to refer to the requirements of FINRA Rule 6730 generally rather than Rule 6730(a) in the context of a FINRA member with an obligation to report a transaction in a TRACE Eligible Security “as soon as practicable.” *See* Ex. 5 to SR-FINRA-2024-004, available at <https://www.sec.gov/files/rules/sro/fjinra/2024/34-99404-ex5.pdf>.

<sup>5</sup> Comments received are available at: <https://www.sec.gov/comments/sr-finra-2025-008/srfinra2025008.htm>.

<sup>6</sup> *See* Securities Exchange Act Release No. 43873 (Jan. 23, 2001), 66 FR 8131 (Jan. 29, 2001) (“Original TRACE Order”).

<sup>7</sup> *See* Securities Exchange Act Release No. 101121, 89 FR 78930 (Sept. 26, 2024) (Order Approving File No. SR-FINRA-2024-004) (“2024 Approval Order”). The reporting timeframe reductions of SR-FINRA-2024-004 would only have applied to TRACE-eligible securities that are currently subject to the 15-minute outer limit reporting timeframe under Rule 6730(a)(1).

<sup>8</sup> *See* Rule 6730.09(b); *see also*, 2024 Approval Order, 89 FR 78930, 78931.

<sup>9</sup> *See* Rule 6730.08; *see also*, 2024 Approval Order, 89 FR 78931. A FINRA member with limited trading activity was defined as one that, during one of the prior two calendar years, reported to TRACE fewer than 4,000 transactions in the TRACE-Eligible Securities that are subject to paragraphs (a)(1)(A) through (a)(1)(D) of Rule 6730, including any manual trades. *Id.*

<sup>10</sup> *See* Notice, 90 FR at 26383.

<sup>11</sup> *See id.*

<sup>12</sup> *See id.*

<sup>13</sup> *See id.*

<sup>14</sup> *See id.*

<sup>15</sup> *See id.*

<sup>16</sup> *See id.* In response to these comments, FINRA is updating TRACE system logic with respect to trade corrections so that trade report timeliness is determined based only on the time of submission of the original trade report. Therefore, a member’s trade report will no longer be marked late if the member makes a correction to a disseminated field outside of the reporting timeframe applicable to the original transaction (so long as the transaction was reported originally on a timely basis). *Id.* at 26384.

<sup>17</sup> *See* Rule 6710(d). Under Rule 6710(d), the “Time of Execution” generally means the time when the parties to a transaction agree to all of the terms of the transaction that are sufficient to calculate the dollar price of the trade. For

them with “15 minutes.”<sup>22</sup> FINRA also proposed to amend Rule 6730 to: (i) delete paragraph (d)(4)(I) (Manual Trade Indicator) to remove the requirement that FINRA members append a manual trade indicator; (ii) delete Supplementary Material .08 (Exception for Members with Limited Trading Activity), which would have retained a 15-minute outer limit reporting timeframe for firms with *de minimis* trading activity; and (iii) delete Supplementary Material .09 (Exception for Manual Trades), which would have provided additional reporting time for trades other than fully electronic trades.<sup>23</sup>

According to FINRA, in order to continue to work with its members to support timely and efficient trade reporting, FINRA has an established dedicated email inbox—“*bondreporting@finra.org*”—where FINRA members and their service bureaus can self-identify reporting issues.<sup>24</sup> FINRA states that this proactive engagement can help to avoid late trade reporting inquiries from FINRA, reducing the time firms spend responding to inquiries.<sup>25</sup> FINRA states that self-reporting in this manner is voluntary but continues to be encouraged.<sup>26</sup> FINRA is also exploring ways to enhance its processes to improve the ability of FINRA members and their service bureaus to identify different types of challenges or issues, including those that may not be systematic or widespread (e.g., manual errors).<sup>27</sup>

FINRA states that it remains committed to encouraging timely reporting—i.e., as soon as practicable following the execution of a transaction—to facilitate the benefits to transparency. FINRA believes that the proposed rule change is appropriate at this time in light of the additional information obtained since File No. SR-FINRA-2024-004 was approved, to be responsive to its members’ concerns, and to ensure that FINRA takes a measured and informed approach to significant modifications to TRACE reporting requirements.<sup>28</sup> FINRA also anticipates that its members who elect to avail themselves of the proposed reporting alternative for allocation trades will benefit from a more streamlined approach that should improve their trade reporting processes

and efficiency. In addition, the modifications to TRACE system marking logic should provide for a focused view on the timeliness of the initial report.<sup>29</sup> FINRA states that it will continue to engage with its members and monitor and study developments in the market for TRACE-Eligible Securities, including changes in reporting timeframes.<sup>30</sup>

#### *B. Aggregate Reporting for Allocation Trades*

FINRA proposed to amend Rule 6730 to add new Supplementary Material .08 (Reporting Allocation Trades) to permit a FINRA member that is both a broker-dealer and an investment adviser (“BD/IA”) to report allocations of specified orders to managed customer accounts in a streamlined manner.<sup>31</sup> Specifically, proposed Supplementary Material .08 would provide that a FINRA member BD/IA may report allocations of an aggregate order in a TRACE-Eligible Security to multiple managed customer accounts in a single, aggregate TRACE trade report (in lieu of separately reporting allocations to each managed customer account).<sup>32</sup> Under the Proposal, an aggregate TRACE trade report must reflect allocations with the same price and Time of Execution and be submitted to TRACE within the timeframes specified in Rule 6730(a). In addition, Rule 6730(c) would be updated to require that the aggregate trade report include the number of managed customer accounts to which the TRACE-Eligible Security is being allocated.<sup>33</sup>

According to FINRA, the proposed alternative approach will streamline reporting, thereby improving efficiency and removing unnecessary burdens.<sup>34</sup> FINRA states that the proposed rule change also may improve transparency by removing reports with low utility from dissemination (to the extent that firms avail themselves of this alternative), while continuing to ensure that the allocation associated with the aggregate order is reported and disseminated to the market, without the loss of price information.<sup>35</sup> FINRA also notes that reporting pursuant to this alternative approach would be voluntary; therefore, depending on a FINRA member BD/IA’s business and determinations regarding burdens and benefits, such member may choose to continue to report individual allocations

as it does today or to modify its practices to begin reporting on an aggregate basis pursuant to this proposed rule change.<sup>36</sup> FINRA member BD/IAs also would have the flexibility on a case-by-case basis to choose whether to report a particular transaction on an aggregate basis pursuant to proposed Rule 6730.08 or whether to report the allocations to managed customer accounts individually.<sup>37</sup>

### **III. Summary of Comments, FINRA’s Response, and Commission Findings**

After carefully reviewing the Proposal and comment letters received, the Commission finds that the Proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association.<sup>38</sup> In particular, the Proposal is consistent with Section 15A(b)(6) of the Act, which requires, among other things, that FINRA rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in, securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.<sup>39</sup> Additionally, the Proposal is consistent with Section 15A(b)(9) of the Act,<sup>40</sup> which requires that FINRA rules do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

#### *A. 15-Minute Reporting and Manual Trades Exception*

The Commission received comments on the proposed rule change.<sup>41</sup> Several commenters support the Proposal to maintain the currently operative 15-minute outer limit timeframe for reporting TRACE-eligible securities covered by File No. SR-FINRA-2024-004.<sup>42</sup> Commenters point out that the

<sup>36</sup> See *id.*

<sup>37</sup> See *id.*

<sup>38</sup> In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>39</sup> 15 U.S.C. 78o-3(b)(6).

<sup>40</sup> 15 U.S.C. 78o-3(b)(9).

<sup>41</sup> See *supra* note 5.

<sup>42</sup> See, e.g., Letter from Christopher A. Iacovella, President & Chief Executive Office, American Securities Association (July 10, 2025) (“ASA

<sup>22</sup> See Notice, 90 FR at 26383.

<sup>23</sup> See *id.*

<sup>24</sup> See *id.*

<sup>25</sup> See *id.*

<sup>26</sup> See *id.*

<sup>27</sup> See *id.*

<sup>28</sup> See *id.* at 26384.

<sup>29</sup> See *id.*

<sup>30</sup> See *id.*

<sup>31</sup> See *id.*

<sup>32</sup> See *id.*

<sup>33</sup> See *id.*

<sup>34</sup> See *id.*

<sup>35</sup> See *id.*

vast majority of trades reported to TRACE are reported automatically upon execution and are therefore already reported within one minute.<sup>43</sup> For those trades that are not reported within one minute, one commenter states there are generally operational reasons why that is not possible.<sup>44</sup> This commenter also states that the one-minute reporting initiatives would not have contributed meaningfully to market transparency, and allowing the 2024 Approval Order to take full effect would have resulted in negligible improvement in market transparency.<sup>45</sup> Another commenter states that it continues to believe that one-minute reporting is neither necessary nor appropriate in fixed income markets, would create enormous expense for little benefit, and would be unworkable for some trades.<sup>46</sup>

Other commenters oppose the Proposal to maintain the 15-minute timeframe for reporting TRACE-eligible securities.<sup>47</sup> One commenter states that “the current administrative record does not support backtracking on the timeliness of trade reporting” and that FINRA has not met its burden of providing new data and analysis, or otherwise factually and analytically supporting their policy reversals.<sup>48</sup> Another commenter states that “shortening the time between trade execution and price dissemination would enhance transparency and reduce information asymmetries in the fixed

income market” and that “market quality is improved when public information is disseminated evenly and in real time to all market participants.”<sup>49</sup>

One commenter specifically addresses the manual trades exception to the one-minute reporting requirement, stating that it strongly supports FINRA’s decision to eliminate the manual trade exception and “to return to a uniform reporting standard for all transactions subject to TRACE reporting.”<sup>50</sup> Another commenter points out that with respect to trades that are reported manually, industry members are subject to the obligation to report these trades “as soon as practical,” and this requirement already applies for trades reported to TRACE.<sup>51</sup>

As discussed below, the Proposal to maintain the currently operative TRACE reporting timeframes requiring members to report transaction as soon as practicable, but no later than within 15 minutes of the Time of Execution of the transaction for all types of trades (*i.e.*, manual, hybrid, and fully electronic) is consistent with the Act.<sup>52</sup> In particular, after approval of SR-FINRA-2024-004, market participants continued to provide FINRA with feedback regarding the challenges of reporting certain complex workflows within one minute.<sup>53</sup> Comment letters submitted by various market participants also expressed concern about faster reporting of executions that had a manual component.<sup>54</sup> As one commenter explains, even some fully electronic trades may not be able to be reported in one minute, including trades with large amounts of customer allocations, which are required to be individually reported by FINRA members that are BD/IA.<sup>55</sup> According to the commenter, these trades may simply not be able to pass through trade processing and network infrastructure within one minute even if done in an automated manner and can number in the tens of thousands for a single block trade.<sup>56</sup> The commenter states that other trades may involve dozens or hundreds of CUSIPs, such as a portfolio trade, where even if fully automated a one minute requirement may be impossible to meet.<sup>57</sup> The changes proposed by FINRA address compliance concerns discussed above resulting from shorter reporting

timeframes for FINRA members that face more complex workflows. In response to these concerns, FINRA reasonably determined to maintain the currently operative reporting timelines across all types of trades that are subject to Rule 6730(a)(1), which reflects a measured approach to TRACE reporting requirements that avoids unintended consequences while continuing to facilitate timely reporting.<sup>58</sup>

The Commission disagrees with the commenter who stated that the Proposal is not supported by data, analysis, or facts.<sup>59</sup> As an initial matter, FINRA is not required to demonstrate that the Act requires rescinding the previously approved changes to TRACE reporting requirements and instead maintaining the currently operative reporting requirements. Rather, FINRA must demonstrate that its proposal to maintain the currently operative reporting requirements in light of market participant feedback is consistent with the requirements of the Act and the rules and regulations thereunder. The comment letters and FINRA’s filing detail significant, continued operational and compliance concerns with the reduced reporting timeframes approved in 2024 despite the exceptions crafted to address some of those concerns. In particular, as discussed above, FINRA members provided additional information regarding how certain, complex workflows impact the feasibility of reporting in one minute for electronic trades and five minutes for manual trades at this time.<sup>60</sup> Additionally, FINRA members discussed challenges associated with reporting trades executed by telephone or email, or other means that require some or all trade details to be reported manually within the new reporting timeframes.<sup>61</sup>

Maintaining the currently operative TRACE reporting timeframes and implementing other measures included in the Proposal is a reasonable response to the significant feasibility concerns that market participants have continued to raise, particularly in light of the high percentage of trades already reported within one minute.<sup>62</sup> Further, eliminating the manual trade exception is appropriate given that it was created

Letter”) at 1; Letter from Kenneth E. Bentsen Jr., President and CEO, SIFMA and SIFMA Asset Management Group (July 11, 2025) (“SIFMA Letter”) at 1; Letter from Howard Meyerson, Managing Director, Financial Information Forum (“FIF Letter”) at 1; Letter from Michael Decker, Senior Vice President, Research and Public Policy, Bond Dealers of America (July 11, 2025) (“BDA Letter”); Letter from Joanna Mallers, Secretary, FIA Principal Traders Group (July 11, 2025) (“FIA PTG Letter”). One of these commenters also commented on the governance practices and rulemaking processes of FINRA. See ASA Letter at 2–5. Another commenter commented on additional TRACE enhancements. See FIA PTG Letter at 2. Those comments are outside of the scope of the Proposal.

<sup>43</sup> See, e.g., FIF Letter at 2–3; BDA Letter at 1–2. See also Securities Exchange Act Release No. 99404 (Jan. 19, 2024), 89 FR 5034 (Jan. 24, 2024) at 5035 (“FINRA has found that 82.9 percent of trades in the TRACE-Eligible Securities that are currently subject to the 15-minute outer-limit reporting timeframe were reported within one minute of execution.”) (“2024 Notice”).

<sup>44</sup> BDA Letter at 1–2.

<sup>45</sup> *Id.* at 2.

<sup>46</sup> See SIFMA Letter at 2–3.

<sup>47</sup> See, e.g., Letter from Tyler Gellasch, President and CEO, Healthy Markets Association (Aug. 8, 2025) (“HMA Letter”) at 2; Letter from Gerard O’Reilly, Co-CEO and Co-Chief Investment Office, and David A. Plecha, Global Head of Fixed Income, Dimensional Fund Advisors LP (July 10, 2025) (“Dimensional Letter”) at 1; see also FIA PTG Letter at 2 (stating, “the reporting timeframe should be reduced for *all transactions* given technological developments . . .”).

<sup>48</sup> HMA Letter at 2.

<sup>49</sup> Dimensional Letter at 1.

<sup>50</sup> FIA PTG Letter at 1–2.

<sup>51</sup> FIF Letter at 3.

<sup>52</sup> 15 U.S.C. 78o–3(b)(9).

<sup>53</sup> See Notice, 90 FR at 26383.

<sup>54</sup> See SIFMA Letter at 3; BDA Letter at 2.

<sup>55</sup> See SIFMA Letter at 3.

<sup>56</sup> *Id.*

<sup>57</sup> *Id.*

<sup>58</sup> See *supra* notes 28–30 and 43 and accompanying text. One commenter that supports FINRA’s change to the TRACE system logic for marking trades late states that it expects that FINRA would continue to examine firms with a focus on identifying patterns and practices of amendments to previously reported trades. See SIFMA Letter at 5.

<sup>59</sup> See *supra* note 48.

<sup>60</sup> See *supra* notes 10–12 and accompanying text.

<sup>61</sup> See *supra* notes 10–12 and accompanying text.

<sup>62</sup> See *supra* note 43.

to accommodate the one minute reporting requirement that is now being rescinded. The Proposal reasonably balances FINRA's goals of increasing market transparency and improving access to timely transaction data with the potential compliance burdens highlighted by market participants and anticipated costs associated with systems changes in support of meeting a one-minute reporting requirement and claiming a manual trade exception.<sup>63</sup>

The Commission has recognized that price transparency plays a fundamental role in promoting fairness and efficiency of U.S. capital markets.<sup>64</sup> The currently operative TRACE reporting timeframe with an outer limit of 15 minutes of the Time of Execution and a requirement to report transactions as soon as practicable has resulted in 82.9% of transactions being reported within one minute of the Time of Execution and 97.6% within five minutes.<sup>65</sup> Accordingly, the Commission finds that maintaining the currently operative TRACE reporting timeframe is a reasonable policy choice designed to protect investors and the public interest by continuing to provide market transparency and timely pricing information while mitigating potential compliance burdens. In addition, the Commission finds that the Proposal would not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because it will maintain the currently operative reporting timeframe that applies to all transactions in TRACE-eligible securities, including the requirement that all transactions that are currently subject to Rule 6730(a)(1) be reported as soon as practicable, but no later than within 15 minutes of the Time of Execution.<sup>66</sup>

Although the Commission finds that maintaining the currently operative timeframes is reasonable for these reasons, the Commission continues to recognize that more timely reporting promotes fairness and efficiency of the U.S. capital markets. In the instant filing, FINRA makes an incremental step to enhance the timeliness of reporting. As discussed in Section III.B., FINRA's Proposal streamlines the reporting of allocations by permitting aggregate reporting for certain allocation trades, which may enhance the timeliness of TRACE reporting.

Moreover, FINRA has stated that it will continue to engage with its members and monitor and study developments in the market for TRACE-Eligible Securities, including changes in reporting timeframes. In light of the changes by FINRA to streamline the reporting of allocations, which may enhance the timeliness of TRACE reporting, and to modify the TRACE system late marking logic, which will provide a focused view on the timeliness of the initial report, FINRA could re-evaluate the timeliness of transaction reporting after these changes have been implemented.

Finally, a similar proposed rule change filed by the Municipal Securities Rulemaking Board ("MSRB")<sup>67</sup> would result in a consistent timeframe for trade reporting for municipal securities and the TRACE-Eligible Securities covered by the Proposal. Accordingly, the Commission finds that the Proposal would foster cooperation and coordination between the MSRB and FINRA by maintaining consistent trade reporting deadlines across various classes of fixed income securities. Consistent trade reporting deadlines for municipal securities covered by MSRB rules and the TRACE-Eligible Securities covered by the Proposal also may reduce compliance burdens resulting from inconsistent obligations and standards for different classes of fixed income securities.

#### B. Allocation Reporting Requirement

Commenters express support for allowing a FINRA member that is dually registered as a broker-dealer and an investment adviser to report allocations of an aggregate order through a single, aggregated TRACE report.<sup>68</sup> One commenter considers this to be a practical change, noting that FINRA also should consider expanding it to non BD/IA transactions, and states that streamlining will allow firms to better serve retail investors by lowering compliance burdens and TRACE costs, which ultimately translates into better pricing and access for their customers.<sup>69</sup> Another commenter that supports the

amendment points out the significant reporting burden, imposed by the current requirement to report individual allocations, that does not apply to broker-dealers that conduct the equivalent business through an affiliated investment adviser.<sup>70</sup> This commenter also states that under the currently operative reporting requirement for these types of allocations, the pricing for these allocations is based on a block-sized trade, but the trades are disseminated to the market as smaller-sized trades.<sup>71</sup> This commenter also states that the proposed requirement to identify and report the number of allocations within the 15-minute reporting timeframe could be challenging. The commenter states that the policy goal should be to provide equivalent treatment for broker-dealers that have an affiliated investment adviser ("affiliated IA") and BD/IAs.<sup>72</sup> This commenter further supports the decision of FINRA to make the proposed streamlined reporting of allocations optional.<sup>73</sup>

FINRA's proposed alternative approach to reporting allocation trades for BD/IAs is reasonable. Allowing these FINRA members to report allocations of an aggregate order with the same price and Time of Execution to multiple managed customer accounts in a single, aggregated TRACE trade report is in the public interest as it will streamline reporting for those who choose to report aggregated reports, thus potentially improving the timeliness of reporting. Further, aggregate reporting of allocation trades by BD/IAs may improve transparency as it would reduce the number of individual trade reports about allocations that are at the same price and Time of Execution, yet continue to convey information about the number of such allocations. This alternative approach, and the improvements it is designed to achieve, may enhance the timeliness of TRACE reporting and improve transparency. Accordingly, the Commission finds that the Proposal will protect investors and the public interest by improving market transparency and providing the market with more timely pricing information, which may improve price efficiency.

<sup>67</sup> See Securities Exchange Act Release 103262 (June 16, 2025), 90 FR 26390 (June 20, 2025).

<sup>68</sup> See, e.g., Letter from Stephen Sikes, Chief Executive Office, Open to the Public Investing, Inc. (July 11, 2025) ("Public Letter") at 1; BDA Letter at 1; FIF Letter at 3; SIFMA Letter at 4 (stating, "to the extent that advisory allocations must continue to be reported, we support [the Proposal]"). One of these commenters also commented on the fees charged by FINRA, which is outside of the scope of the Proposal. See Public Letter at 1, 3.

<sup>69</sup> See Public Letter at 2–3. This commenter also suggests expanding the availability of aggregated TRACE reporting, which is outside the scope of the Proposal. See *id.* at 3.

<sup>70</sup> See FIF Letter at 3.

<sup>71</sup> See *id.*

<sup>72</sup> The commenter states that if a broker-dealer has an affiliated investment adviser, the broker-dealer would report a single trade with the affiliated investment adviser without reporting the number of allocations by the affiliated investment adviser; accordingly, it would be appropriate similarly to require the BD/IA to report an aggregated allocation to the customers of the BD/IA without reporting the number of allocations. See *id.*

<sup>73</sup> See *id.*

<sup>63</sup> See *supra* notes 10–12 and accompanying text.

<sup>64</sup> See Original TRACE Order at 8136.

<sup>65</sup> See *supra* note 43 and accompanying text. See also 2024 Notice at 89 FR 5038–39.

<sup>66</sup> See *supra* note 17.

One commenter states that the allocation reporting requirement is superfluous.<sup>74</sup> Another commenter asks that FINRA reconsider why advisory allocations are required to be reported, noting that allocations can number in the tens of thousands for a single block trade, creating a significant burden for these dual-registered firms that other firms do not face, which is not fair and disadvantages these firms based on the business model they choose.<sup>75</sup> The commenter also states that, since reporting of allocations varies depending on a firm's business model, this results in incomplete and misleading market data.<sup>76</sup> However, this commenter states that, to the extent that allocations must continue to be reported, they support the addition of the option in the Proposal to allow FINRA members to report allocations of an aggregate order to multiple managed customer accounts in a single, aggregate TRACE trade report.<sup>77</sup> In response to the comment that identifying and reporting the number of allocations on a TRACE trade report may be challenging, this requirement only applies if a BD/IA chooses to report in a single, aggregated TRACE trade report. The number of allocations is not required if a BD/IA reports each allocation in a separate TRACE trade report. However, if a BD/IA elects to report in a single, aggregated TRACE trade report, requiring the number of allocations to be included on the trade report would ensure that there is no loss of information between trade reports by BD/IAs of individual allocations versus a single, aggregated report. In both cases, the quantity of allocations would be reported.

As stated above, the Proposal streamlines the process for reporting certain trades, thus reducing inefficiencies and eliminating the requirement to report certain reports that have low utility to those seeking price information.

### C. Consultation With the Treasury Department

Pursuant to Section 19(b)(6) of the Act,<sup>78</sup> the Commission has considered the sufficiency and appropriateness of existing laws and rules applicable to government securities brokers,

government securities dealers, and their associated persons in approving the proposed rule change. Pursuant to Section 19(b)(5) of the Act,<sup>79</sup> the Commission consulted with and considered the views of the Treasury Department in determining whether to approve the proposed rule change. The Treasury Department did not object to the proposed rule change.

### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>80</sup> that the proposed rule change (SR-FINRA-2025-008) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>81</sup>

**J. Matthew DeLesDernier,**  
*Deputy Secretary.*

[FR Doc. 2025-18147 Filed 9-18-25; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103975; File No. SR-LCH SA-2025-008]

### Self-Regulatory Organizations; LCH SA; Notice of Filing of Proposed Rule Change Relating To Revisions to Its Terms of Reference of the Nomination Committee and Board of Directors

September 16, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4,<sup>2</sup> notice is hereby given that on September 2, 2025, Banque Centrale de Compensation, which conducts business under the name LCH SA (“LCH SA”), filed with the Securities and Exchange Commission (“Commission”) the proposed rule change (“Proposed Rule Change”), as described in Items I, II and III below, which Items have been prepared primarily by the clearing agency. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

<sup>79</sup> 15 U.S.C. 78s(b)(5) (providing that the Commission “shall consult with and consider the views of the Secretary of the Treasury prior to approving a proposed rule filed by a registered securities association that primarily concerns conduct related to transactions in government securities, except where the Commission determines that an emergency exists requiring expeditious or summary action and publishes its reasons therefor”).

<sup>80</sup> 15 U.S.C. 78s(b)(2).

<sup>81</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

### I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

LCH SA is proposing to amend the Terms of Reference (“ToR”) of the Nomination Committee and the Board of Directors (the “Board”) (together, the “Proposed Rule Change”).<sup>3</sup> The text of the Proposed Rule Change is provided in Exhibits 5.1 and 5.2.<sup>4</sup> The implementation of the Proposed Rule Change will be contingent on LCH SA's receipt of all necessary regulatory approvals.

### II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, LCH SA 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. LCH SA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

#### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The composition of the LCH SA Board is comprised of twelve directors; five independent directors (which shall include the Chairman), the LCH SA CEO, the LCH Group CEO, the London Stock Exchange Group (“LSEG”) CRO, a director nominated by LSEG, two User Directors and a Director nominated by Euronext in accordance with the provisions of the Derivatives Clearing Agreement. The term “User Director” currently means a director who is nominated by a shareholder of LCH Group Holdings Limited (“LCH Group”) which is a User or who is otherwise connected to such User shareholder by virtue of employment or directorship.

<sup>3</sup> LCH SA, a subsidiary of LCH Group and an indirect subsidiary of the London Stock Exchange Group plc (“LSEG”), manages its liquidity risk pursuant to, among other policies and procedures, the Group Liquidity Risk Policy and the Group Liquidity Plan applicable to each entity within LCH Group. In addition to its CDSClear service, LCH SA provides clearing services in connection with cash equities and derivatives listed for trading on Euronext (EquityClear), commodity derivatives listed for trading on Euronext (CommodityClear), and tri-party Repo transactions (RepoClear). LCH SA also maintains an interoperability link with Euronext Clearing, formerly Cassa di Compensazione e Garanzia, in Milan, Italy.

<sup>4</sup> All capitalized terms not defined herein have the same definition as in the Framework, unless otherwise stated.

<sup>74</sup> See, e.g., BDA Letter I at 2 (stating that while the Proposal is an improvement to the current reporting requirements, “there is no reason to report allocations to TRACE at all”).

<sup>75</sup> See SIFMA Letter at 3-4.

<sup>76</sup> See *id.* at 4-5; see also BDA Letter at 1.

<sup>77</sup> See *id.* at 4 (the commenter further states however, that this change will exacerbate the problem of providing incomplete and misleading market data).

<sup>78</sup> 15 U.S.C. 78s(b)(6).