

Regulatory Notice

25-17

Transaction Reporting

FINRA Adopts Amendments to Rule 6730 (Transaction Reporting) to Streamline Allocation Reporting for BD/IA's

Effective Date: June 8, 2026

Summary

FINRA has amended its TRACE reporting requirements to permit a firm that is both a broker-dealer and an investment adviser to report allocations of specified orders to managed customer accounts in a streamlined, aggregated manner. These amendments will take effect on June 8, 2026. FINRA is not otherwise changing its TRACE reporting requirements.

The rule text is available in the online FINRA manual.

Questions regarding this *Notice* may be directed to:

- ▶ Alié Diagne, Senior Director, Transparency Services, by [email](#) or (212) 858-4092; or
- ▶ For legal and interpretive questions, Erica Proctor, Associate General Counsel, Office of General Counsel, by [email](#) or (202) 728-8864.

For inquiries regarding how to access TRACE data products, please contact TRACE Data Services at (888) 507-3665 or by [email](#).

December 4, 2025

Notice Type

- ▶ Rule Amendment

Suggested Routing

- ▶ Compliance
- ▶ Institutional
- ▶ Legal
- ▶ Operations
- ▶ Systems
- ▶ Technology
- ▶ Trading
- ▶ Training

Key Topics

- ▶ Agency Debt Securities
- ▶ Asset-Backed Securities
- ▶ Corporate Bonds
- ▶ Mortgage-Backed Securities
- ▶ TRACE
- ▶ TRACE-Eligible Securities
- ▶ TRACE Transaction Data
- ▶ Transaction Reporting

Referenced Rules & Notices

- ▶ FINRA Rule 6710
- ▶ FINRA Rule 6730

Background and Discussion

FINRA has amended Rule 6730 to provide firms that are both a broker-dealer and an investment adviser (BD/IAs) with a streamlined alternative for reporting trades in TRACE-eligible securities¹ in connection with specified allocations of an aggregate order to multiple managed customer accounts.²

Currently, if a BD/IA executes a trade for multiple customer accounts as part of an aggregate order and then allocates portions to various managed customer accounts at the BD/IA, the BD/IA is required to separately report the individual allocations to TRACE. New Supplementary Material .08 would provide that a BD/IA may report such transactions in a streamlined manner. Specifically, pursuant to new Supplementary Material .08, a member BD/IA may choose to 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 the allocations to each managed customer account.³

Firms' aggregated reports to TRACE must reflect allocations with the same price and time of execution and must be submitted to TRACE within the timeframes specified in Rule 6730(a).⁴ In addition, the aggregate trade report must include the number of managed customer accounts to which the TRACE-eligible security is being allocated.⁵

The following example illustrates the operation of the new reporting alternative:⁶

- ▶ BD/IA A is both a BD and an IA and operates as one legal entity. BD/IA A directs its trading desk to purchase an aggregate amount of \$5 million (par value) in bonds from the Street (or otherwise obtain the bonds). BD/IA A then sells portions of the aggregate amount to 20 managed customer accounts at BD/IA A (\$250,000 to each account, in accordance with the allocation instructions). The sales to the managed customer accounts are all executed at the same price and do not reflect a mark-up or commission.
- ▶ Aggregated TRACE reporting alternative: BD/IA A reports the purchase (from the Street or another source) of the \$5 million in bonds to TRACE, as it would today. If BD/IA A chooses to report the sale to the 20 managed customer accounts pursuant to Rule 6730.08, BD/IA would report the sale of \$5 million in bonds to the customers in a single aggregate trade report and include the number of managed accounts to which the aggregated order is being allocated pursuant to new Rule 6730(c)(14) (*i.e.*, 20).⁷

For aggregated reports, FINRA will disseminate the number of managed accounts to which the securities are allocated and the aggregate volume of securities allocated, subject to existing transaction size caps.⁸

Reporting qualifying allocation trades pursuant to this new alternative is optional for firms; therefore, a firm may choose to continue to report individual allocations as it does today or to modify its practices to report on an aggregate basis pursuant to the amendments.

FINRA is not otherwise changing its reporting requirements for TRACE-eligible securities. In particular, after ongoing engagement with firms, FINRA is not moving forward with its proposal to reduce the 15-minute TRACE reporting outer limit to one minute.⁹ While the Securities and Exchange Commission approved these amendments, they have not taken effect. In FINRA's engagement with firms regarding the amendments, firms raised additional concerns and questions in connection with aspects of the approved reduced reporting time regime. Thus, FINRA is maintaining the currently effective standard requiring firms to report transactions in covered TRACE-eligible securities executed during TRACE system hours as soon as practicable but no later than within 15 minutes of the time of execution.¹⁰

Effective Date

The amendments will become effective on June 8, 2026.

Endnotes

- 1 See Rule 6710(a) (defining “TRACE-eligible security”).
- 2 See Securities Exchange Act Release No. 103986 (September 16, 2025), 90 FR 45283 (September 19, 2025) (Order Approving File No. SR-FINRA-2025-008).
- 3 See Rule 6730.08 (Reporting Allocation Trades).
- 4 See Rule 6730.08.
- 5 See Rule 6730(c)(14).
- 6 FINRA will update the TRACE Frequently Asked Questions (FAQ) to reflect Rule 6730.08.
- 7 The BD/IA also would include the “no remuneration” indicator pursuant to Rule 6730(d)(4)(F) and all other information required to be reported pursuant to Rule 6730(c) and the TRACE User Guide and Technical Specifications.
- 8 Dissemination is subject to transaction size caps over which the actual size of a transaction will not be included in the real-time TRACE transaction data (*i.e.*, \$5 million (par value) for investment grade corporate bonds and \$1 million (par value) for non-investment grade corporate bonds). For trades above the dissemination caps, FINRA disseminates the size of the trade as “5MM+” (for investment grade) and “1MM+” (for non-investment grade). The uncapped transaction sizes become available as part of the Historic Corporate Bond Data Set six months after the calendar quarter in which the transactions are reported. See Rule 7730(d).
- 9 See Securities Exchange Act Release No. 101121 (September 20, 2024), 89 FR 78930 (September 26, 2024) (Order Approving File No. SR-FINRA-2024-004). The reporting timeframe amendments approved in File No. SR-FINRA-2025-008 rescind the rule changes approved in File No. SR-FINRA-2024-004 that would have reduced the TRACE reporting timeframes for securities transactions subject to Rule 6730(a)(1) and required firms to append a new manual trade indicator to identify all manual trades. Certain changes that were made in SR-FINRA-2024-004 are not being superseded by any changes in SR-FINRA-2025-008. SR-FINRA-2024-004 will become effective June 8, 2026 and include: (1) clarifying amendments to Rule 6730(a)(1) related to the requirement to report transactions as soon as practicable; (2) amendments to Rule 6730(f) to add “reasonable justification” as a relevant factor in FINRA’s evaluation of late reporting; and (3) a clarifying amendment to Rule 6730.03 to refer to the requirements of Rule 6730 generally rather than Rule 6730(a) in connection with a firm’s obligation to report a transaction as soon as practicable.
- 10 The reporting timeframe reductions of File No. SR-FINRA-2024-004 would only have applied to transactions executed during TRACE-system hours in TRACE-eligible securities that are currently subject to the 15-minute outer limit reporting threshold under Rule 6730(a)(1) (*i.e.*, corporate bonds, agency debt securities, asset-backed securities, and agency pass-through mortgage-backed securities traded to-be-announced for good delivery, as defined in Rule 6710).

“TRACE system hours” means the hours the TRACE system is open, which are 8:00:00 a.m. Eastern Time through 6:29:59 p.m. Eastern Time on a business day, unless otherwise announced by FINRA. See Rule 6710(t). 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

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.