

**Text of Amended Rules**

New language is underlined; deletions are in brackets.

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**6000. QUOTATION AND TRANSACTION REPORTING FACILITIES**

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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 (t) No Change.

(u) “To Be Announced” (“TBA”) [“TBA” means “to be announced” and] means [refers to] a transaction in an Agency Pass-Through Mortgage-Backed Security as defined in paragraph (v) where the parties agree that the seller will deliver to the buyer an Agency Pass-Through Mortgage-Backed Security of a specified face amount and coupon from a specified Agency or Government-Sponsored Enterprise program representing a pool (or pools) of mortgages (that are not specified by unique pool number), and includes TBA transactions “for good delivery” (“GD”) and TBA transactions “not for good delivery” (“NGD”).

(v) through (aa) No Change.

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## **6730. Transaction Reporting**

### **(a) When and How Transactions are Reported**

Each member that is a Party to a Transaction in a TRACE-Eligible Security must report the transaction. A member must report a transaction in a TRACE-Eligible Security within 15 minutes of the Time of Execution, except as otherwise specifically provided below, or the transaction report will be “late.” A member must transmit the report to TRACE during TRACE System Hours.

(1) through (2) No Change.

### **(3) Reporting Requirements — Asset-Backed Securities Transactions**

Transactions in Asset-Backed Securities must be reported as provided in this paragraph (a)(3).

(A) General Reporting Requirements [(i) During a pilot program (Pilot Program), which shall expire on November 18, 2011, transactions in Asset-Backed Securities executed on a business day at or after 12:00:00 a.m. Eastern Time through 11:59:59 p.m. Eastern Time must be reported no later than the next business day (T + 1) during TRACE System Hours, and, if reported on T + 1, designated “as/of” and include the date of execution, except as provided in paragraph (a)(3)(C).]

[(ii)]Except as provided in paragraphs (a)(3)(C), (a)(3)(D) and (a)(3)(E), [T]transactions in Asset-Backed Securities executed on:

(i) a business day at or after 12:00:00 a.m. Eastern Time through 5:00:00 p.m. Eastern Time must be reported the same day

during TRACE System Hours; [, except as provided in paragraphs (a)(3)(A)(i) (the Pilot Program) and (a)(3)(C).]

(ii) a business day after 5:00:00 p.m. Eastern Time but before the TRACE system closes must be reported no later than the next business day (T + 1) during TRACE System Hours, and, if reported on T + 1, designated “as/of” and include the date of execution; or

(iii) a business day at or after 6:30:00 p.m. Eastern Time through 11:59:59 p.m. Eastern Time, or a Saturday, a Sunday, a federal or religious holiday or other day on which the TRACE system is not open at any time during that day (determined using Eastern Time) must be reported the next business day (T + 1) during TRACE System Hours, designated “as/of” and include the date of execution.

(B) Reserved. [Except as provided in paragraphs (a)(3)(A)(i) (the Pilot Program) and (a)(3)(C), transactions in Asset-Backed Securities executed on:]

[ (i) a business day after 5:00:00 p.m. Eastern Time but before the TRACE system closes must be reported no later than the next business day (T + 1) during TRACE System Hours, and, if reported on T + 1, designated “as/of” and include the date of execution.]

[(ii) a business day at or after 6:30:00 p.m. Eastern Time through 11:59:59 p.m. Eastern Time, or a Saturday, a Sunday, a federal or religious holiday or other day on which the TRACE system is not open at any time during that day (determined using Eastern Time) must be reported the next business day (T + 1) during TRACE System Hours, designated “as/of” and include the date of execution.]

(C) Collateralized Mortgage Obligation and Real Estate Mortgage Investment Conduit Transactions Before Issuance

[(i) During the Pilot Program in paragraph (a)(3)(A)(i), transactions in Asset-Backed Securities that are collateralized mortgage obligations (CMOs) or real estate mortgage investment conduits (REMICs) that are executed before the issuance of the security must be reported the earlier of:]

[a. the business day following the business day that the security is assigned a CUSIP, a similar numeric identifier or a FINRA symbol during TRACE System Hours, or]

[b. the business day following the date of issuance of the security during TRACE System Hours.]

[In either case, if the transaction is reported other than on the date of execution, the transaction report must be designated “as/of” and include the date of execution.]

[ii) After the expiration of the Pilot Program in paragraph (a)(3)(A)(i), such transactions must be reported the earlier of:]

Transactions in Asset-Backed Securities that are collateralized mortgage obligations (“CMOs”) or real estate mortgage investment conduits (“REMICs”) that are executed before the issuance of the security must be reported the earlier of:

[a.](i) the business day that the security is assigned a CUSIP, a similar numeric identifier or a FINRA symbol during TRACE System Hours (unless such identifier is assigned after 1:00:00 p.m. Eastern Time, and in such case, such transactions must be reported no later than the next business day during TRACE System Hours), or

[b.](ii) the date of issuance of the security during TRACE System Hours.

In either case, if the transaction is reported other than on the date of execution, the transaction report must be designated “as/of” and include the date of execution.

(D) Agency Pass-Through Mortgage-Backed Securities Traded To Be Announced For Good Delivery

Transactions in Asset-Backed Securities that are Agency Pass-Through Mortgage-Backed Securities traded to be announced (“TBA”) for good delivery (“GD”) (“TBA transactions GD”) must be reported as provided in this paragraph (a)(3)(D).

(i) During a pilot program for TBA transactions GD (“TBA GD Pilot Program”), which shall expire at 11:59:59 p.m. Eastern Time May 17, 2013, TBA transactions GD must be reported as follows:

a. Transactions executed on a business day at or after 12:00:00 a.m. Eastern Time through 7:59:59 a.m. Eastern Time must be reported the same day no later than 45 minutes after the TRACE system opens.

b. Transactions executed on a business day at or after 8:00:00 a.m. Eastern Time through 6:29:59 p.m. Eastern Time (standard TRACE System Hours) must be reported within 45 minutes of the Time of Execution, except as provided in paragraph (a)(3)(D)(i)c. below.

c. Transactions executed on a business day less than 45 minutes before 6:30:00 p.m. Eastern Time must be reported no later than 45 minutes after the TRACE system opens the next business day (T + 1), and if reported on T + 1, designated “as/of” and include the date of execution.

d. Transactions executed on a business day at or after 6:30:00 p.m. Eastern Time through 11:59:59 p.m. Eastern Time or on a Saturday, a Sunday, a federal or religious holiday or other day on which the TRACE system is not open at any time during that day (determined using

Eastern Time) must be reported the next business day (T + 1), no later than 45 minutes after the TRACE system opens, designated “as/of” and include the date of execution.

(ii) After the TBA GD Pilot Program expires, TBA transactions GD must be reported as provided in paragraph (a)(1)(A) through paragraph (a)(1)(D).

(E) Agency Pass-Through Mortgage-Backed Securities Traded To Be Announced Not For Good Delivery (“TBA Transactions NGD”) Transactions in Asset-Backed Securities that are Agency Pass-Through Mortgage-Backed Securities traded to be announced (“TBA”) not for good delivery (“NGD”) (“TBA transactions NGD”) must be reported as provided in this paragraph (a)(3)(E).

(i) During a pilot program for TBA transactions NGD (“TBA NGD Pilot Program”), which shall expire at 11:59:59 p.m. Eastern Time May 17, 2013, TBA transactions NGD must be reported as follows:

a. Transactions executed on a business day at or after 12:00:00 a.m. Eastern Time through 7:59:59 a.m. Eastern Time must be reported the same day no later than 120 minutes after the TRACE system opens.

b. Transactions executed on a business day at or after 8:00:00 a.m. Eastern Time through 6:29:59 p.m. Eastern Time (standard TRACE System Hours) must be

reported within 120 minutes of the Time of Execution, except as provided in paragraph (a)(3)(E)(i)c. below.

c. Transactions executed on a business day less than 120 minutes before 6:30:00 p.m. Eastern Time must be reported no later than 120 minutes after the TRACE system opens the next business day (T + 1), and if reported on T + 1, designated “as/of” and include the date of execution.

d. Transactions executed on a business day at or after 6:30:00 p.m. Eastern Time through 11:59:59 p.m. Eastern Time or on a Saturday, a Sunday, a federal or religious holiday or other day on which the TRACE system is not open at any time during that day (determined using Eastern Time) must be reported the next business day (T + 1), no later than 120 minutes after the TRACE system opens, designated “as/of” and include the date of execution.

(ii) After the TBA NGD Pilot Program expires, TBA transactions NGD must be reported as follows:

a. Transactions executed on a business day at or after 12:00:00 a.m. Eastern Time through 7:59:59 a.m. Eastern Time must be reported the same day no later than 60 minutes after the TRACE system opens.



b. Transactions executed on a business day at or after 8:00:00 a.m. Eastern Time through 6:29:59 p.m. Eastern Time (standard TRACE System Hours) must be reported within 60 minutes of the Time of Execution, except as provided in paragraph (a)(3)(E)(ii)c. below.

c. Transactions executed on a business day less than 60 minutes before 6:30:00 p.m. Eastern Time must be reported no later than 60 minutes after the TRACE system opens the next business day (T + 1), and if reported on T + 1, designated “as/of” and include the date of execution.

d. Transactions executed on a business day at or after 6:30:00 p.m. Eastern Time through 11:59:59 p.m. Eastern Time or on a Saturday, a Sunday, a federal or religious holiday or other day on which the TRACE system is not open at any time during that day (determined using Eastern Time) must be reported the next business day (T + 1), no later than 60 minutes after the TRACE system opens, designated “as/of” and include the date of execution.

(4) through (6) No Change.

(b) through (f) No Change.

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**6750. Dissemination of Transaction Information**

(a) No Change.

**(b) Transaction Information Not Disseminated**

FINRA will not disseminate information on a transaction in a TRACE-Eligible Security that is:

(1) through (3) No Change.

(4) an Asset-Backed Security, except an Agency Pass-Through Mortgage-Backed Security traded to be announced (“TBA”) (“TBA transaction”).

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**7000. CLEARING, TRANSACTION AND ORDER DATA REQUIREMENTS, AND FACILITY CHARGES**

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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”):

<b>Systems Fees</b>	<b>Transaction Reporting Fees</b>	<b>Data Fees</b>
Level I Trade Report	Trades up to and including	Market Data: [BTDS]
Only Web Browser	\$200,000 par value —	Professional Real-Time
Access — \$20/month	\$0.475/trade. (For Asset-	Data Display —
per user ID	Backed Securities where par	\$60/month per terminal
	value is not used to	per Data Set of Real-

<p>Level II Full Service Web Browser Access — Subscription for a single user ID or the first user ID — \$50/month (includes one Data Set); \$80/month (includes two Data Sets)</p> <p>Subscription for additional user IDs — \$80/month per user ID (includes one Data Set); \$140/month per user ID (includes two Data Sets)</p>	<p>determine the size (volume) of a transaction, for purposes of trade reporting fees, size (volume) is the lesser of original face value or Remaining Principal Balance (or the equivalent) at the Time of Execution of the transaction.)</p> <p>Trades over \$200,000 and up to and including \$999,999.99 par value — \$0.000002375 times the par value of the transaction (i.e., \$0.002375/\$1000). (See note above regarding certain Asset-Backed Securities.)</p> <p>Trades of \$1,000,000 par value or more — \$2.375/trade. (See note above regarding certain</p>	<p>Time TRACE transaction data, or a flat fee of \$7,500/month per Data Set of Real-Time TRACE transaction data, entitling Professionals to make unlimited internal use of such Data Set(s) on any number of interrogation or display devices.</p>
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	<p>Asset-Backed Securities.)</p> <p>All transactions in Asset-Backed Securities that are Agency Pass-Through Mortgage-Backed Securities traded to be announced (“TBA”) (“TBA transactions”) — \$1.50/trade.</p>	
<p>CTCI/FIX/Third Party</p> <p>— \$25/month/per firm</p>	<p>Cancel/Correct —</p> <p>\$1.50/trade</p>	<p>Market Data: Vendor</p> <p>Real-Time Data Feed</p> <p>— \$1,500/month per</p> <p>Data Set of Real-Time</p> <p>TRACE transaction</p> <p>data for receipt of</p> <p>continuous Real-Time</p> <p>TRACE transaction</p> <p>data in such Data Sets,</p> <p>except for qualifying</p> <p>Tax-Exempt</p> <p>Organizations, or</p> <p>\$250/month per Data</p> <p>Set of Snapshot Real-</p> <p>Time TRACE</p>

		transaction data for daily receipt of such Data Set(s).
	“As/of” Trade Late — \$3/trade	Market Data: Vendor Real-Time Data Feed — \$400/month per Data Set of Real-Time TRACE transaction data for such Data Set(s) for qualifying Tax-Exempt Organizations.
		Market Data: [BTDS] Non-Professional Real-Time Data Display — No charge.
		Historic TRACE Data: Set-Up Fee — a single fee of \$2,000 for development and set-up to receive Historic TRACE Data, except for qualifying Tax-

		Exempt Organizations.
		Historic TRACE Data: Set-Up Fee — a single fee of \$1,000 for development and set-up to receive Historic TRACE Data for qualifying Tax-Exempt Organizations.
		Historic TRACE Data: Fee — \$2,000/calendar year per Data Set for receipt of Historic TRACE Data, except for qualifying Tax-Exempt Organizations. [The 2003 Historic Corporate Bond Data Set also includes the 2002 Historic Corporate Bond Data Set.] The data is enabled for internal use

		<p>and internal and/or external desktop display distribution.</p> <p>Bulk re-distribution of data is not permitted.</p>
		<p>Historic TRACE Data: Bulk Re-Distribution Fee — except for qualifying Tax-Exempt Organizations, \$1/CUSIP per calendar year (or part thereof) within a single Data Set of Historic TRACE Data per each recipient of re-distributed data; maximum fee per Data Set of \$1,000/calendar year (or part thereof) per each recipient of re-distributed data.</p>
		<p>Historic TRACE Data: Bulk Re-Distribution</p>

		<p>Fee — for qualifying Tax-Exempt Organizations, \$500/calendar year per Data Set for receipt of Historic TRACE Data. [The 2003 Historic Corporate Bond Data Set also includes the 2002 Historic Corporate Bond Data Set.] The data is enabled for internal use and internal and/or external desktop display. Bulk re-distribution of data is permitted with certain restrictions.</p>
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(a) No Change.

**(b) Transaction Reporting Fees**

For each transaction in a TRACE-Eligible Security that is reportable to FINRA pursuant to the Rule 6700 Series, the following charges shall be assessed against each



member responsible for reporting the transaction:

**(1) Trade Reporting Fee**

(A) Except for a transaction in an Asset-Backed Security, as defined in Rule 6710(m), that is an Agency Pass-Through Mortgage-Backed Security, as defined in Rule 6710(v), traded to be announced (“TBA”), as defined in Rule 6710(u) (“TBA transaction”), a member shall be charged a [T]rade [R]eporting [F]ee based upon a sliding scale ranging from \$0.475 to \$2.375 per transaction based on the size of the reported transaction. For Asset-Backed Securities where par value is not used to determine the size (volume) of a transaction, for purposes of trade reporting fees, the size (volume) of a transaction is the lesser of the original face value or the Remaining Principal Balance, as defined in Rule 6710(aa).

(B) through (C) No Change.

(2) through (3) No Change.

**(c) Market Data Fees**

Real-Time TRACE transaction data disseminated by FINRA comprises the following databases (“Data Set(s)”): corporate bonds (“Corporate Bond[s] Data Set”), [and] Agency Debt Securities (“Agency Data Set”) and Asset-Backed Securities (“ABS Data Set”). Market data fees are charged for each Data Set. Professionals and Non-Professionals may subscribe to receive one or [both] more Data Sets of Real-Time TRACE transaction data disseminated by FINRA in one or more of the following ways

for the charges specified, as applicable. Members, vendors and other redistributors shall be required to execute appropriate agreements with FINRA.

(1) No Change.

**(2) Non-Professional Fees**

There shall be no charge paid by a Non-Professional for receiving all or any portion of one or [both] more Data Sets of Real-Time TRACE transaction data disseminated through TRACE.

**(d) Historic TRACE Data**

Historic TRACE Data comprises the following Data Set(s): corporate bonds (“Historic Corporate Bond[s] Data Set”), [and] Agency Debt Securities (“Historic Agency Data Set”) and Asset-Backed Securities (“Historic ABS Data Set”). Historic TRACE Data fees, except the Set-Up Fee, are charged for each Data Set. Professionals and Non-Professionals may receive Historic TRACE Data provided by FINRA in one or more of the following ways for the charges specified, as applicable. Recipients of Historic TRACE Data shall be required to execute appropriate agreements with FINRA.

**(1) Professional Fees**

Professionals may subscribe for the following:

(A) Persons or Organizations Other Than Qualifying Tax-Exempt Organizations

(i) No Change.

(ii) Data Fee – \$2,000 per calendar year per Data Set for receipt of Historic TRACE Data. (The 2003 Historic Corporate Bond Data Set also includes the 2002 Historic Corporate Bond

Data Set[.], the 2011 Historic Agency Data Set also includes the 2010 Historic Agency Data Set, and the 2013 Historic ABS Data Set also includes the 2012 Historic ABS Data Set.) Historic TRACE Data is enabled for internal use and internal and/or external desktop display distribution. Bulk re-distribution of such data is not permitted.

(iii) No Change.

(B) Qualifying Tax-Exempt Organizations

A Tax-Exempt Organization qualifies for development and set-up and to receive Historic TRACE Data under this paragraph (d)(1)(B) if it does not re-distribute such data in bulk, or it re-distributes such data in bulk or otherwise at no charge solely to Non-Professionals or other Tax-Exempt Organizations that agree to be subject to the same restrictions.

(i) No Change.

(ii) Data and Bulk Re-Distribution Fee – \$500 per calendar year per Data Set for receipt of Historic TRACE Data. (The 2003 Historic Corporate Bond Data Set also includes the 2002 Historic Corporate Bond Data Set[.], the 2011 Historic Agency Data Set also includes the 2010 Historic Agency Data Set, and the 2013 Historic ABS Data Set also includes the 2012 Historic ABS Data Set.) Historic TRACE Data is enabled for internal use and internal and/or external desktop display, and bulk redistribution, and may be re-distributed subject to the restrictions in paragraph (d)(1)(B).

**(2) Non-Professional Fees**

If FINRA provides all or any portion of one or [both] more Data Sets of Historic TRACE Data to a Non-Professional, FINRA will charge a cost-neutral fee under Rule 7730(e) comprised solely of the cost of the media and the cost of delivery (e.g., U.S. Postal Service or other requested delivery service).

(e) through (f) No Change.

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<sup>1</sup> No Change.

<sup>2</sup> No Change.

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