

Information Notice

Publication of Daily and Monthly Short Sale Reports on the FINRA Web Site

Executive Summary

Beginning September 30, 2009, FINRA will publish on its Web site a Monthly Short Sale Transaction File to provide public access to certain transaction data, including transaction times, price, and number of shares for every short sale transaction in an NMS stock. FINRA also will begin publishing a Daily Short Sale Volume File in the fourth quarter of 2009, which will provide aggregate daily short sale volume data by security for NMS stocks and OTC Equity Securities.

The short sale data files may be found online as they become available at: www.finra.org/trf/regsho and www.finra.org/adf/regsho.

Questions regarding this *Notice* should be directed to FINRA Operations at (866) 776-0800.

Background and Discussion

In furtherance of the SEC's efforts to increase the public availability of short sale-related information, FINRA, in addition to other self-regulatory organizations, is publishing certain monthly short sale transaction files and daily aggregate short sale volume files.¹ Specifically, FINRA will begin publishing on its Web site: (1) monthly short sale transaction data by security for NMS stocks,² and (2) aggregate daily short sale volume data by security for NMS stocks and OTC Equity Securities.³

September 29, 2009

Suggested Routing

- Compliance
- Legal
- Operations
- Senior Management
- Trading and Market Making

Key Topics

- Short Sales

Referenced Rules

- Regulation NMS
- FINRA Rule 6420

Monthly Short Sale Transaction File

Beginning September 30, 2009, FINRA will publish a Monthly Short Sale Transaction File. Each monthly file, which will be posted by the last day of each calendar month, will include the data relating to the prior month's short sale transaction activity. For example, short sale data for August 2009 will be posted by September 30, 2009, and short sale data for September 2009 will be posted by October 31, 2009. The Monthly Short Sale Transaction File will include trade information for short sale transactions in NMS stocks reported to the Alternative Display Facility or a Trade Reporting Facility during regular and after-market hours that are submitted by FINRA to a tape plan for dissemination purposes.

The Monthly Short Sale Transaction Files will include the:

- market center reported on the tape;
- ticker symbol or other symbols used for trading by the market center;
- date that the trade was reported to the tape;
- reported trade time (Eastern Standard Time [EST]);
- size of the trade in mixed or round lots as reported to the tape; and
- price of the trade as reported to the tape.

FINRA will retain on the FINRA Web site one year of historical monthly short sale transaction data beginning with the data to be published on September 30, 2009.

Daily Short Sale Volume File

The Daily Short Sale Volume File will provide daily access to the aggregate volume of short sales in NMS Stocks and OTC Equity Securities reported to a consolidated tape and traded over-the-counter during regular trading hours on each trading day. FINRA will post the Daily Short Sale Volume File within a reasonable amount of time after the end of regular trading hours on each trading day. Specifically, the Daily Short Sale Volume File will include the following:

- trade date;
- trading symbol;
- aggregate reported share volume of executed short sale trades during regular trading hours;
- aggregate reported share volume of all executed trades during regular trading hours; and
- market identifier.

Unlike the Monthly Short Sale Transaction File, the Daily Short Sale Volume File will be limited to short sale transactions executed during regular trading hours (generally between 9:30 a.m. and 4:00 p.m. EST). FINRA expects initial publication of the Daily Short Sale Volume File to commence in October 2009, but no later than the end of the fourth quarter of 2009. Upon publication, FINRA also will include daily files retroactive to August 3, 2009. FINRA will retain on its Web site one year of historical daily short sale data from the date of initial publication onward on a rolling basis.⁴

Endnotes

- 1 See SEC Takes Steps to Curtail Abusive Short Sales and Increase Market Transparency (July 27, 2009), available at www.sec.gov/news/press/2009/2009-172.htm.
- 2 Rule 600 of SEC Regulation NMS defines “NMS stock” as any “NMS security” other than an option, and further defines “NMS security” as any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan, or an effective national market system plan for reporting transactions in listed options.
- 3 FINRA Rule 6420 defines “OTC Equity Security” as any non-exchange-listed security and certain exchange-listed securities that do not otherwise qualify for real-time trade reporting.
- 4 Additional information regarding the daily and monthly files is available in SR-FINRA-2009-064, which was filed with the SEC on September 24, 2009, to set forth specific information and clarifications regarding the content and parameters of the daily and monthly files.