

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

On August 9, 2007, Financial Industry Regulatory Authority, Inc. or “FINRA” (f/k/a the National Association of Securities Dealers, Inc. (“NASD”)) filed with the Securities and Exchange Commission (the “SEC” or “Commission”) proposed rule change SR-FINRA-2007-006: (1) to adopt a policy providing for public access to historic Trade Reporting and Compliance Engine (“TRACE”) data (“Historic TRACE Data”); and (2) to amend NASD Rule 7030 (now FINRA Rule 7730) to: (i) define Historic TRACE Data and establish fees related thereto; (ii) make conforming and technical changes to the fee chart and certain defined terms; and (iii) designate paragraph (c)(4) of NASD Rule 7030 (now FINRA Rule 7730(c)(4)) as paragraph (e). On September 10, 2007, the SEC published the proposed rule change for comment in the Federal Register.¹ On October 11, 2007, FINRA submitted its response to comments. On December 12, 2007, FINRA filed Partial Amendment No. 1 to SR-FINRA-2007-006, proposing minor amendments to NASD Rule 7030(d)(2) (now FINRA Rule 7730(d)(2)), NASD Rule 7030(c)(4) (now FINRA Rule 7730(c)(4)) and the fee chart in Rule 7030 (now in FINRA Rule 7730).²

On September 25, 2008, the SEC approved proposed rule change SR-FINRA-2008-021, in which FINRA proposed, among other things, to adopt the NASD Marketplace Rules (the NASD Rule 4000 through 7000 Series) as the FINRA Rule 6000 through 7000 Series in the Consolidated FINRA Rulebook. The rule change became effective December 15, 2008, and NASD Rule 7030 was transferred to the Consolidated FINRA Rulebook as FINRA Rule 7730.³

¹ See Securities Exchange Act Release No. 56327 (August 28, 2007), 72 FR 51689 (September 10, 2007) (Notice of Filing of SR-FINRA-2007-006).

² In Partial Amendment No. 1, FINRA also incorporated minor amendments to Form 19b-4, Item 3.(a), “Purpose,” at pages 16-17 and Exhibit 1, Item II.A.1., “Purpose,” at pages 33-35 describing the proposed amendments, and the rule text, which was marked to show changes.

³ See Securities Exchange Act Release No. 58643 (September 25, 2008), 73 FR 57174 (October 1, 2008) (Ordering Approving SR-FINRA-2008-021; SR-FINRA-2008-022; SR-FINRA-2008-026; SR-FINRA-2008-028; and SR-FINRA-2008-029). See Regulatory Notice 08-57 (SEC Approves New Consolidated FINRA Rules) (October 2008).

In SR-FINRA-2008-021, FINRA made non-material changes to Rule 7030 (now FINRA Rule 7730), consisting of: renumbering the rule as Rule 7730 and changing all internal references to the rule number accordingly; changing references to the “Rule 6200 Series” to the FINRA “Rule 6700 Series,” which is the renumbered TRACE rule series; deleting references to “NASD” and replacing them with “FINRA;” changing “as of” to “as/of”; and changing “Commission” to “SEC”.

None of the changes proposed in SR-FINRA-2007-006 and Partial Amendment No. 1 to SR-FINRA-2007-006 were incorporated in the conversion of NASD Rule 7030 to FINRA Rule 7730. FINRA is filing this Partial Amendment No. 2 to show such proposed changes as amendments to FINRA Rule 7730. In addition, FINRA has incorporated two additional non-substantive rule text amendments to reflect changes in FINRA style convention. In Rule 7730(c)(3)(ii), FINRA deletes “of 1940” from the term “Investment Advisers Act of 1940” and in Rule 7730(d)(1)(B), FINRA amends the reference “this paragraph 7730(d)(1)(B)” to “this paragraph (d)(1)(B)” to reflect a change in FINRA style convention.

Exhibit 5 below sets forth the full rule text of FINRA Rule 7730 as adopted pursuant to SR-FINRA-2008-021 and effective on December 15, 2008, marked to show changes that were proposed in SR-FINRA-2007-006 and Partial Amendment No. 1 to SR-FINRA-2007-006, and the additional non-substantive amendments discussed above that are proposed in this Partial Amendment No. 2 to SR-FINRA-2007-006.

EXHIBIT 5

**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”):

System Fees	Transaction Reporting Fees	Market Data Fees
Level I Trade Report Only Web Browser Access — \$20/month per user ID	Trades up to and including \$200,000 par value — \$0.475/trade;	BTDS Professional Real-Time Data Display — \$60/month per terminal, or a flat fee of \$7,500/month entitling Professionals to make unlimited

<p>Level II Full Service Web Browser Access — \$80/month per user ID, except that the charge for the first such user ID shall be \$50/month</p>	<p>Trades between \$201,000 and \$999,999 par value — \$0.002375 times the number of bonds traded/trade; Trades of \$1,000,000 par value or more — \$2.375/trade</p>	<p>internal use of Real-Time TRACE transaction data on any number of interrogation or display devices</p>
<p>CTCI/Third Party — \$25/month/per firm</p>	<p>Cancel/Correct — \$1.50/trade</p>	<p>Vendor Real-Time Data Feed — \$1,500/month for receipt of continuous Real-Time TRACE transaction data, except for qualifying Tax-Exempt Organizations, or \$250/month for daily receipt of Snapshot Real-Time TRACE transaction data</p>
	<p>“As/of” Trade Late — \$3/trade</p>	<p>Vendor Real-Time Data Feed — \$400/month for Real-Time TRACE transaction data for</p>

		<p>qualifying Tax-Exempt Organizations. <u>A Tax-Exempt Organization qualifies to obtain Real-Time TRACE transaction data under this provision if it redistributes data solely to Non-Professionals at no extra charge.</u></p>
		<p>BTDS Non-Professional Real-Time Data Display — No charge</p>
		<p><u>Historic TRACE Data Set-Up Fee - a single fee of \$2,000 for development, set-up and receipt of 2002 Historic TRACE Data, except for qualifying Tax-Exempt Organizations.</u></p>
		<p><u>Historic TRACE Data Set-Up Fee - a single fee of \$1,000 for development, set-up and receipt of 2002 Historic TRACE Data for qualifying</u></p>

		<p><u>Tax-Exempt Organizations. A Tax-Exempt Organization qualifies under this provision if it redistributes the data solely to Non-Professionals at no charge or to other qualifying Tax-Exempt Organizations at no charge.</u></p>
		<p><u>Historic TRACE Data Fee - \$2,000/calendar year for receipt of Historic TRACE Data, except for qualifying Tax-Exempt Organizations. The data is enabled for internal use and internal and/or external desktop display distribution. Bulk re-distribution of data is not permitted. (Calendar year 2003 Historic TRACE Data is first year available.)</u></p>
		<p><u>Historic TRACE Data Bulk</u></p>

		<p><u>Re-Distribution Fee – except for qualifying Tax-Exempt Organizations, \$1/CUSIP per calendar year (or part thereof) of Historic TRACE Data per each recipient of re-distributed data; maximum fee of \$1,000/calendar year (or part thereof) of data per each recipient of re-distributed data.</u></p>
		<p><u>Historic TRACE Data/Bulk Re-Distribution Fee – for qualifying Tax-Exempt Organizations, \$500/calendar year for receipt of Historic TRACE Data. The data is enabled for internal use and internal and/or external desktop display. Bulk re-distribution of data is permitted. A Tax-Exempt Organization qualifies under this provision if it redistributes the data solely to</u></p>

		<u>Non-Professionals at no charge</u> <u>or to other qualifying Tax-</u> <u>Exempt Organizations at no</u> <u>charge. (Calendar year 2003</u> <u>Historic TRACE Data is first</u> <u>year available.)</u>
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(a) System Related Fees

There are three methods by which a member may report corporate bond transactions that are reportable to FINRA pursuant to the Rule 6700 Series. A member may choose among the following methods to report data to FINRA: (1) a TRACE web browser; (2) a Computer-to-Computer Interface (“CTCI”) (either one dedicated solely to TRACE or a multi-purpose line); or (3) a third-party reporting intermediary. Fees will be charged based on the reporting methodology selected by the member.

(1) Web Browser Access

The charge to be paid by a member that elects to report TRACE data to FINRA via a TRACE web browser shall be as follows: \$20 per month, per user ID for Level I Web Trade Report Only Browser Access and \$80 per month, per user ID for Level II Full Service Web Browser Access, except that the charge for the first such user ID for Level II Full Service Web Browser Access shall be \$50 per month.

(2) Computer-to-Computer Interface Access

The charge to be paid by a member that elects to report TRACE data to FINRA via a CTCI line shall be \$25 per month, per firm, regardless of whether the line is or is not dedicated exclusively for TRACE.¹

(3) Third Party Access — Indirect Reporting

A member may elect to report TRACE data indirectly to FINRA via third-party reporting intermediaries, such as vendors, service bureaus, clearing firms, or the National Securities Clearing Corporation (“NSCC”). The charge to be paid by a member shall be \$25 per month, per firm. Nothing in this Rule shall prevent such third-party intermediaries from charging additional fees for their services.

(b) Transaction Reporting Fees

For each transaction in corporate bonds that is reportable to FINRA pursuant to the Rule 6700 Series, the following charges shall be assessed against the member responsible for reporting the transaction:

(1) Trade Reporting Fee

A member shall be charged a Trade Reporting Fee based upon a sliding scale ranging from \$0.475 to \$2.375 per transaction based on the size of the reported transaction. Trades up to and including \$200,000 par value will be charged a \$0.475 fee per trade; trades between \$201,000 par value and \$999,999 par value will be charged a fee of \$0.002375 multiplied by the number of bonds traded per trade; and trades of \$1,000,000 par value or more will be charged a fee of \$2.375 per trade.

(2) Cancel or Correct Trade Fee

A member shall be charged a Cancel or Correct Trade Fee of \$1.50 per canceled or corrected transaction.

(3) “As/of” Trade Late Fee

A member shall be charged an “As/of” Trade Late Fee of \$3.00 per transaction for those transactions that are not timely reported “As/of” as required by these rules.

(c) Market Data Fees

Professionals and Non-Professionals may subscribe to receive 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) Professional Fees

Professionals may subscribe for the following:

(A) Bond Trade Dissemination Service (“BTDS”) Professional Real-Time Data Display Fee of \$60 per month, per terminal charge for each interrogation or display device receiving Real-Time TRACE transaction data, or a flat fee of \$7,500 per month entitling Professionals to make unlimited internal use of Real-Time TRACE transaction data on any number of interrogation or display devices.

(B) Vendor Real-Time Data Feed Fee of \$1,500 per month for receipt of continuous Real-Time TRACE transaction data for any person or organization (other than a Tax-Exempt Organization) that receives a Real-Time TRACE transaction data feed, or \$250 per month for daily

receipt of Snapshot Real-Time TRACE transaction data which shall consist of one TRACE price per security per day. These fees entitle use in one or more of the following ways: internal operational and processing systems, internal monitoring and surveillance systems, internal price validation, internal portfolio valuation services, internal analytical programs leading to purchase/sale or other trading decisions, and other related activities, and the repackaging of market data for delivery and dissemination outside the organization, such as indices or other derivative products. (These fees do not include per terminal charges for each interrogation or display device receiving Real-Time TRACE transaction data.)²

(C) Vendor Real-Time Data Feed Fee of \$400 per month for Real-Time TRACE transaction data received by a Tax-Exempt Organization as defined in Rule 7730[(c)] for the Tax-Exempt Organization to use solely to provide Non-Professionals access to Real-Time TRACE transaction data at no charge.

(D) A natural person otherwise subject to market data fees under Rule 7730[(c)] is not subject to such fees when he or she accesses and uses TRACE transaction data solely for his or her personal, non-commercial use.

(2) Non-Professional Fees

There shall be no charge paid by a Non-Professional for receiving all or any portion of Real-Time TRACE transaction data disseminated through TRACE.

(3) Definitions

(A) “Non-Professional” — As used in Rule 7730[(c)] a “Non-Professional” is a natural person who uses TRACE transaction data solely for his or her personal, non-commercial use. A Non-Professional subscriber must agree to certain terms of use of the TRACE data, including that he or she receive and use the TRACE transaction data solely for his or her personal, non-commercial use. As used in Rule 7730[(c)] a “Non-Professional” is not:

i. registered nor qualified in any capacity with the SEC, the Commodity Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association, nor an employee of the above and, with respect to any person identified in this subparagraph i., uses TRACE transaction data for other than personal, non-commercial use;

ii. engaged as an “investment adviser” as that term is defined in Section 202 (a)(11) of the Investment Advisers Act [of 1940] (whether or not registered or qualified under that Act), nor an employee of the above and, with respect to any person identified in this subparagraph ii., uses TRACE transaction data for other than personal, non-commercial use;

iii. employed by a bank, insurance company or other organization exempt from registration under federal or state

securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt, nor any other employee of a bank, insurance company or such other organization referenced above and, with respect to any person identified in this subparagraph iii., uses TRACE transaction data for other than personal, non-commercial use; nor

iv. engaged in, nor has the intention to engage in, any redistribution of all or any portion of the TRACE transaction data.

(B) “Tax-Exempt Organization” as used in Rule 7730[(c)] means an organization that is described in Section 501(c) of the Internal Revenue Code (26 U.S.C. §501(c)) and[;] has received recognition of the exemption from federal income taxes from the Internal Revenue Service_;; and obtains and uses Real-Time TRACE transaction data solely for redistribution to Non-Professionals, as defined for purposes of Rule 7730(c), at no charge.]

(C) “Real-Time” as used in Rule 7730 means[(c) shall mean] that period of time starting from the time of dissemination by FINRA of transaction data on a TRACE-eligible security, and ending no more than four hours thereafter.

(D) “Historic TRACE Data” as used in Rule 7730 means historic transaction-level data with elements to be determined from time to time by FINRA in its discretion and as stated in a Regulatory Notice or other

equivalent publication. Historic TRACE Data will be delayed a minimum of 18 months and will not include MPID information.

(d) Historic TRACE Data

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) Set-Up Fee – a single fee of \$2,000 for development, and set-up to begin receiving Historic TRACE Data and to receive all 2002 Historic TRACE Data. 2002 Historic TRACE Data will be enabled for internal use and internal and/or external desktop display distribution. Bulk re-distribution of such data is not permitted.

(ii) Data Fee - \$2,000 per calendar year for receipt of Historic TRACE Data, for calendar year 2003 and each subsequent year. 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) Bulk Re-Distribution Fee - \$1 per CUSIP per calendar year (or part thereof) of Historic TRACE Data per each recipient of re-distributed data, with a maximum fee of \$1,000 per calendar year (or part thereof) of data per each recipient of re-distributed data.

(B) Qualifying Tax-Exempt Organizations

A Tax-Exempt Organization qualifies to receive Historic TRACE Data at the reduced fees 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 only to Non-Professionals or other Tax-Exempt Organizations that agree to be subject to the same restrictions on re-distribution.

(i) Set-Up Fee - \$1,000 for set-up to begin receiving Historic TRACE Data and to receive all 2002 Historic TRACE Data. 2002 Historic TRACE Data will be enabled for internal use and internal and/or external desktop display distribution. Such data may be re-distributed in bulk, provided it is re-distributed at no charge only to Non-Professionals or other Tax-Exempt Organizations that agree to be subject to the same restrictions on re-distribution.

(ii) Data and Bulk Re-Distribution Fee - \$500 per calendar year of data, for calendar year 2003 and each subsequent year, for receipt of Historic TRACE Data. Historic TRACE Data is enabled

for internal use and internal and/or external desktop display, and bulk redistribution. Such data may be re-distributed in bulk, provided it is re-distributed at no charge only to Non-Professionals or to other Tax-Exempt Organizations that agree to be subject to the same restrictions on re-distribution.

(2) Non-Professional Fees

If FINRA provides 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[4]) Other Requests for Data

FINRA may impose and collect charges for data FINRA supplied upon request, where there is no provision elsewhere in this Rule 7730[(c)] for charges for such service or sale.

¹ Charges that may be imposed by third parties, such as CTCI line providers, are not included in these fees.

² Under the Vendor Real-Time Data Feed Fee and service, Real-Time TRACE transaction data may not be used in any interrogation display devices or any systems that permit end users to determine individual transaction pricing.