

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="27"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2013"/> - * <input type="text" value="040"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by Financial Industry Regulatory Authority
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) <input type="checkbox"/>	Section 3C(b)(2) <input type="checkbox"/>
Section 806(e)(2) <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposed Rule Change to Amend FINRA Rule 7730(c) to Extend the Limited Waiver of the TRACE Professional Real-Time Data Display Fee Pilot

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * <input type="text" value="Kathryn"/>	Last Name * <input type="text" value="Moore"/>
Title * <input type="text" value="Associate General Counsel"/>	
E-mail * <input type="text" value="kathryn.moore@finra.org"/>	
Telephone * <input type="text" value="(202) 974-2974"/>	Fax <input type="text" value="(202) 728-8264"/>

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date <input type="text" value="09/17/2013"/>	Senior Vice President and Director of Capital Markets Policy
By <input type="text" value="Stephanie Dumont"/>	<input type="text" value="Stephanie Dumont,"/>
(Name *)	

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

Add Remove View

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 *

Add Remove View

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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies

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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, security-based swap submission, or advance notice 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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend FINRA Rule 7730(c)(1)(A)(i) to extend the pilot program to November 7, 2014. The pilot program provides a limited waiver of the Professional Real-Time Data Display Fee of \$60 to access Real-Time Trade Reporting and Compliance Engine (“TRACE”) transaction data in connection with certain free trials of data products.

The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The Chief Legal Officer of FINRA authorized the filing of the proposed rule change with the SEC pursuant to delegated authority. No other action by FINRA is necessary for the filing of the proposed rule change.

FINRA has filed the proposed rule change for immediate effectiveness. The implementation date will be the date of filing.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

Pursuant to FINRA Rule 7730(c)(1)(A), FINRA charges a Professional \$60 per

¹ 15 U.S.C. 78s(b)(1).

month, per display application per Data Set² of Real-Time³ TRACE transaction data.

The fee waiver pilot program in FINRA Rule 7730(c)(1)(A)(i) waives the \$60 fee for one month for a Professional to access Real-Time TRACE transaction data in connection with a vendor's offer of a free trial of a data product that displays Real-Time TRACE transaction data.⁴

The fee waiver pilot program permits Professionals to access Real-Time TRACE transaction data on a free trial basis in connection, and concurrently, with the free trial of the vendor's product. The pilot program will expire on November 8, 2013.

² FINRA makes Real-Time TRACE transaction data available in three Data Sets – the Corporate Bond Data Set, the Agency Data Set and the ABS Data Set. A fourth Data Set, the Rule 144A Data Set, will become available in 2014. See Securities Exchange Act Release No. 70345 (September 6, 2013), 78 FR 56251 (September 12, 2013) (Order Approving File No. SR-FINRA-2013-029) (SEC approves a proposed rule change to disseminate transactions in TRACE-Eligible Securities that are effected pursuant to Rule 144A (17 CFR 239.144A) under the Securities Act of 1933 (15 U.S.C. 77a et seq.) and to establish the Rule 144A Data Set.)

³ Real-Time is defined in FINRA Rule 7730(f)(3).

⁴ See Securities Exchange Act Release No. 68255 (November 19, 2012), 77 FR 70515 (November 26, 2012) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2012-049) (proposed rule change establishing the fee waiver pilot program).

In general, Real-Time TRACE transaction data is accessed not directly from FINRA but through a vendor, such as Bloomberg, L.P. and its Bloomberg display application, or other redistributors (collectively, "vendors") of financial market data. Under this arrangement, a Professional pays the vendor for the license to use the vendor's display application and if the display application displays Real-Time TRACE transaction data, the payment must include the applicable TRACE fee, which the vendor remits to FINRA. Vendors continually develop new products and offer free trials of such products to members and other Professional end users of market data. Such new products may display, among other data, Real-Time TRACE transaction data.

FINRA proposes to extend the fee waiver pilot program approximately one year to November 7, 2014 to permit more time to assess the effectiveness of the pilot program. All other terms and conditions of the fee waiver pilot program would remain the same. The FINRA fee waiver would continue to be limited to one month (i.e., a period not longer than 31 days). In addition, the FINRA fee waiver would continue to be available to not more than four Professionals associated with, employed by, or otherwise affiliated with a member, employer or other person during one free trial period.⁵ As is currently the case, once the Real-Time Data Display Fee had been waived, a Professional and the member, employer or other person whom the Professional is associated with, employed by, or otherwise affiliated with would not be eligible for the FINRA fee waiver again in connection with another free trial offered by the same vendor until 12 months had lapsed from the last day of the prior fee waiver.⁶ However, a Professional and the member, employer or other person with whom the Professional is associated or otherwise affiliated would be eligible for a FINRA fee waiver in connection with a free trial offered by a different vendor regarding its data products.

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness. The implementation date will be the date of filing.

⁵ The fee waiver pilot program is not applicable to Professionals associated with, employed by or otherwise affiliated with entities that obtain unlimited internal use of market data through any number of display applications by paying a flat fee of \$7,500 (per month per Data Set) under Rule 7730(c)(1)(A) (“enterprise fee”). The enterprise fee structure is inconsistent with the limitation that the fee waiver apply to not more than four Professionals per entity per trial period.

⁶ For example, if a Professional were granted a waiver for one month beginning on November 15, 2013, the Professional would not be eligible for another waiver in connection with another free trial offered by the same vendor until December 15, 2014.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁷ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and Section 15A(b)(5) of the Act,⁸ which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls. FINRA believes that the proposed extension of the pilot program, which encourages additional Professionals to test and use Real-Time TRACE transaction data, may promote more accurate and timely pricing and valuations of debt securities by members, and may prevent fraudulent and manipulative acts and practices regarding pricing and valuations, for the protection of investors and the public interest.

FINRA believes that the extension of the pilot program providing for a limited waiver of the monthly fee per display application for access to Real-Time TRACE transaction data also results in reasonable fees and financial benefits from fee waivers that are equitably allocated. The financial benefit of the fee waiver would be available to all Professionals that accept an offer to test a vendor data product that includes Real-Time TRACE transaction data on a free trial basis. Any Professional that tests data products during a free trial would be eligible for and would benefit from the concurrent FINRA fee

⁷ 15 U.S.C. 78o-3(b)(6).

⁸ 15 U.S.C. 78o-3(b)(5).

waiver, subject to the proscriptions against a Professional obtaining multiple free trials as previously described.

In addition, the financial benefit of the fee waiver would be available for a very limited period (i.e., 31 days or less), such that Professionals not eligible for the fee waiver are not unfairly or inequitably affected. The proposed extension of the pilot period is reasonable because the waiver of a standard FINRA fee, and the financial benefit from such waiver, is of limited amount, duration (i.e., one month) and application (i.e., only four Professionals per member (or other end-user)), limited to concurrent free trials of data products offered by vendors, and subject to restrictions on re-use, and is being proposed to enhance a member's ability to access and test, among other things, the uses of Real-Time TRACE transaction data to determine if access to such Real-Time TRACE transaction data would further its business needs.

Finally, the proposed extension of the fee waiver pilot program does not unfairly discriminate between or among Professionals and members (or other end-users) in that the waiver would be available to any of such persons that accepts an offer to test a vendor data product that includes Real-Time TRACE transaction data on a free trial basis, subject to the limitations described above. The data vendor, rather than FINRA, would decide initially whether to offer a free trial of its data product to a particular Professional, member, or other end-user. FINRA's role is limited to refusing to extend a fee waiver to a particular person previously identified by the data vendor, due to the prohibition against extending multiple fee waivers to the same person.

4. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. FINRA believes that the proposed extension of the fee waiver pilot program, which is designed to encourage additional Professionals to test and use Real-Time TRACE transaction data, may promote more accurate and timely pricing and valuations of debt securities by members. Moreover, the extension of the pilot program would not place an unreasonable fee burden on members and other persons (i.e., Professionals) that currently subscribe to receive Real-Time TRACE transaction data, nor confer an uncompetitive benefit to Professionals taking advantage of the pilot program, in that the fee waiver would be available for a very limited period (i.e., 31 days or less), and the financial impact of such a pilot program on Professionals would be de minimis. In addition, the proposed rule change does not place a burden on competition in that the financial benefit of the fee waiver would be available in general to all Professionals. Any Professional that tests data products during a free trial would be eligible for and would benefit from the concurrent FINRA fee waiver, subject to the proscriptions against a Professional obtaining multiple free trials previously described.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

Not applicable.

7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)**

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act⁹ and paragraph (f)(2) of Rule 19b-4 thereunder,¹⁰ in that the proposed rule change is establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization.

8. **Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**

Not applicable.

9. **Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**

Not applicable.

10. **Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act**

Not applicable.

11. **Exhibits**

Exhibit 1. Completed notice of proposed rule change for publication in the Federal Register.

Exhibit 5. Text of proposed rule change.

⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁰ 17 CFR 240.19b-4(f)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-FINRA-2013-040)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend FINRA Rule 7730(c) to Extend the Limited Waiver of the TRACE Professional Real-Time Data Display Fee Pilot

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on , Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as “establishing or changing a due, fee or other charge” under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon receipt of this filing by the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

FINRA is proposing to amend FINRA Rule 7730(c)(1)(A)(i) to extend the pilot program to November 7, 2014. The pilot program provides a limited waiver of the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

Professional Real-Time Data Display Fee of \$60 to access Real-Time Trade Reporting and Compliance Engine (“TRACE”) transaction data in connection with certain free trials of data products.

The text of the proposed rule change is available on FINRA’s website at <http://www.finra.org>, at the principal office of FINRA and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FINRA 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. FINRA 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

Pursuant to FINRA Rule 7730(c)(1)(A), FINRA charges a Professional \$60 per month, per display application per Data Set⁵ of Real-Time⁶ TRACE transaction data.

⁵ FINRA makes Real-Time TRACE transaction data available in three Data Sets – the Corporate Bond Data Set, the Agency Data Set and the ABS Data Set. A fourth Data Set, the Rule 144A Data Set, will become available in 2014. See Securities Exchange Act Release No. 70345 (September 6, 2013), 78 FR 56251 (September 12, 2013) (Order Approving File No. SR-FINRA-2013-029) (SEC approves a proposed rule change to disseminate transactions in TRACE-Eligible Securities that are effected pursuant to Rule 144A (17 CFR 239.144A) under the Securities Act of 1933 (15 U.S.C. 77a *et seq.*) and to establish the Rule 144A Data Set.)

⁶ Real-Time is defined in FINRA Rule 7730(f)(3).

The fee waiver pilot program in FINRA Rule 7730(c)(1)(A)(i) waives the \$60 fee for one month for a Professional to access Real-Time TRACE transaction data in connection with a vendor's offer of a free trial of a data product that displays Real-Time TRACE transaction data.⁷

The fee waiver pilot program permits Professionals to access Real-Time TRACE transaction data on a free trial basis in connection, and concurrently, with the free trial of the vendor's product. The pilot program will expire on November 8, 2013.

FINRA proposes to extend the fee waiver pilot program approximately one year to November 7, 2014 to permit more time to assess the effectiveness of the pilot program. All other terms and conditions of the fee waiver pilot program would remain the same. The FINRA fee waiver would continue to be limited to one month (i.e., a period not longer than 31 days). In addition, the FINRA fee waiver would continue to be available to not more than four Professionals associated with, employed by, or otherwise affiliated

⁷ See Securities Exchange Act Release No. 68255 (November 19, 2012), 77 FR 70515 (November 26, 2012) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2012-049) (proposed rule change establishing the fee waiver pilot program).

In general, Real-Time TRACE transaction data is accessed not directly from FINRA but through a vendor, such as Bloomberg, L.P. and its Bloomberg display application, or other redistributors (collectively, "vendors") of financial market data. Under this arrangement, a Professional pays the vendor for the license to use the vendor's display application and if the display application displays Real-Time TRACE transaction data, the payment must include the applicable TRACE fee, which the vendor remits to FINRA. Vendors continually develop new products and offer free trials of such products to members and other Professional end users of market data. Such new products may display, among other data, Real-Time TRACE transaction data.

with a member, employer or other person during one free trial period.⁸ As is currently the case, once the Real-Time Data Display Fee had been waived, a Professional and the member, employer or other person whom the Professional is associated with, employed by, or otherwise affiliated with would not be eligible for the FINRA fee waiver again in connection with another free trial offered by the same vendor until 12 months had lapsed from the last day of the prior fee waiver.⁹ However, a Professional and the member, employer or other person with whom the Professional is associated or otherwise affiliated would be eligible for a FINRA fee waiver in connection with a free trial offered by a different vendor regarding its data products.

FINRA has filed the proposed rule change for immediate effectiveness. The implementation date will be the date of filing.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹⁰ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public

⁸ The fee waiver pilot program is not applicable to Professionals associated with, employed by or otherwise affiliated with entities that obtain unlimited internal use of market data through any number of display applications by paying a flat fee of \$7,500 (per month per Data Set) under Rule 7730(c)(1)(A) (“enterprise fee”). The enterprise fee structure is inconsistent with the limitation that the fee waiver apply to not more than four Professionals per entity per trial period.

⁹ For example, if a Professional were granted a waiver for one month beginning on November 15, 2013, the Professional would not be eligible for another waiver in connection with another free trial offered by the same vendor until December 15, 2014.

¹⁰ 15 U.S.C. 78o-3(b)(6).

interest, and Section 15A(b)(5) of the Act,¹¹ which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls. FINRA believes that the proposed extension of the pilot program, which encourages additional Professionals to test and use Real-Time TRACE transaction data, may promote more accurate and timely pricing and valuations of debt securities by members, and may prevent fraudulent and manipulative acts and practices regarding pricing and valuations, for the protection of investors and the public interest.

FINRA believes that the extension of the pilot program providing for a limited waiver of the monthly fee per display application for access to Real-Time TRACE transaction data also results in reasonable fees and financial benefits from fee waivers that are equitably allocated. The financial benefit of the fee waiver would be available to all Professionals that accept an offer to test a vendor data product that includes Real-Time TRACE transaction data on a free trial basis. Any Professional that tests data products during a free trial would be eligible for and would benefit from the concurrent FINRA fee waiver, subject to the proscriptions against a Professional obtaining multiple free trials as previously described.

In addition, the financial benefit of the fee waiver would be available for a very limited period (i.e., 31 days or less), such that Professionals not eligible for the fee waiver are not unfairly or inequitably affected. The proposed extension of the pilot period is reasonable because the waiver of a standard FINRA fee, and the financial benefit from such waiver, is of limited amount, duration (i.e., one month) and application (i.e., only

¹¹ 15 U.S.C. 78q-3(b)(5).

four Professionals per member (or other end-user)), limited to concurrent free trials of data products offered by vendors, and subject to restrictions on re-use, and is being proposed to enhance a member's ability to access and test, among other things, the uses of Real-Time TRACE transaction data to determine if access to such Real-Time TRACE transaction data would further its business needs.

Finally, the proposed extension of the fee waiver pilot program does not unfairly discriminate between or among Professionals and members (or other end-users) in that the waiver would be available to any of such persons that accepts an offer to test a vendor data product that includes Real-Time TRACE transaction data on a free trial basis, subject to the limitations described above. The data vendor, rather than FINRA, would decide initially whether to offer a free trial of its data product to a particular Professional, member, or other end-user. FINRA's role is limited to refusing to extend a fee waiver to a particular person previously identified by the data vendor, due to the prohibition against extending multiple fee waivers to the same person.

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

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. FINRA believes that the proposed extension of the fee waiver pilot program, which is designed to encourage additional Professionals to test and use Real-Time TRACE transaction data, may promote more accurate and timely pricing and valuations of debt securities by members. Moreover, the extension of the pilot program would not place an unreasonable fee burden on members and other persons (i.e., Professionals) that currently subscribe to receive Real-Time TRACE transaction data, nor confer an uncompetitive

benefit to Professionals taking advantage of the pilot program, in that the fee waiver would be available for a very limited period (i.e., 31 days or less), and the financial impact of such a pilot program on Professionals would be de minimis. In addition, the proposed rule change does not place a burden on competition in that the financial benefit of the fee waiver would be available in general to all Professionals. Any Professional that tests data products during a free trial would be eligible for and would benefit from the concurrent FINRA fee waiver, subject to the proscriptions against a Professional obtaining multiple free trials previously described.

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

Written comments were neither solicited nor received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹² and paragraph (f)(2) of Rule 19b-4 thereunder.¹³ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(2).

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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2013-040 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2013-040. This file number should be included on the subject line if e-mail 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 (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street,

NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2013-040 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Elizabeth M. Murphy
Secretary

¹⁴ 17 CFR 200.30-3(a)(12).

Exhibit 5

Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

7700. CHARGES FOR OTC REPORTING FACILITY, OTC BULLETIN BOARD AND TRADE REPORTING AND COMPLIANCE ENGINE SERVICES

* * * * *

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	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. (For Asset-Backed Securities where par value is not used to 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)	Market Data: Professional Real-Time Data Display — \$60/month per display application per Data Set of Real-Time TRACE transaction data, except as may be subject to a waiver set forth below, or a flat fee of \$7,500/month per Data Set of Real-Time
Level II Full Service Web Browser Access — Subscription for a single user ID or the first user ID — \$50/month (includes one Data Set);		

<p>\$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>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 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</p>	<p>TRACE transaction data, entitling Professionals to make unlimited internal use of such Data Set(s) through any number of display applications.</p>
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	transactions") — \$1.50/trade.	
CTCI/FIX/Third Party — \$25/month/per firm	Cancel/Correct — \$1.50/trade	Market Data: Vendor Real-Time Data Feed — \$1,500/month per Data Set of Real-Time TRACE transaction data for receipt of continuous Real-Time TRACE transaction data in such Data Sets, except for qualifying Tax-Exempt Organizations, or \$250/month per Data Set of Snapshot Real-Time TRACE 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

		<p>transaction data for such Data Set(s) for qualifying Tax-Exempt Organizations.</p>
		<p>Market Data: Non-Professional Real-Time Data Display — No charge.</p>
		<p>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.</p>
		<p>Historic TRACE Data: Set-Up Fee — a single fee of \$1,000 for development and set-up to receive Historic TRACE Data for</p>

		<p>qualifying Tax-Exempt Organizations.</p>
		<p>Historic TRACE Data: Fee — \$2,000/calendar year per Data Set for receipt of Historic TRACE Data, except for qualifying Tax-Exempt Organizations. The data is enabled for internal use and internal and/or external display application. 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</p>

		<p>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 Fee — for qualifying Tax-Exempt Organizations, \$500/calendar year per Data Set for receipt of Historic TRACE Data. The data is enabled for internal use and internal and/or external display application. Bulk re-distribution of data is permitted with certain restrictions.</p>

		<p>FINRA ADDS: TRACE</p> <p>Data Delivery Plus</p> <p>A variable monthly fee charged per MPID subscriber, based upon the average number of transactions per month to which the MPID subscriber was a party in the prior calendar year, and the number of Plus reports received by the MPID subscriber per month (see paragraph (g))</p>
		<p>FINRA ADDS: TRACE</p> <p>Data Delivery SFTP</p> <p>\$250 per MPID — one time set-up fee; and \$200 per MPID per month</p>

(a) through (b) 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 Data Set"), 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 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) Professional Fees

Professionals may subscribe for the following:

(A) Professional Real-Time Data Display Fee of \$60 per month, per display application per Data Set of Real-Time TRACE transaction data, except as may be subject to a waiver set forth below, or a flat fee of \$7,500 per month per Data Set entitling Professionals to make unlimited internal use of such Data Set(s) of Real-Time TRACE transaction data on any number of display applications.

(i) During a pilot program that expires on [November 8, 2013]November 7, 2014, if a member, vendor or other redistributor offers a Professional a free trial of a data product that includes Real-Time TRACE transaction data, FINRA will waive the Professional Real-Time Data Display Fee of \$60 per month, per display application per Data Set, for not longer than one month (i.e., a period not longer than 31 days), concurrently with the free trial. Not more than four Professionals associated with, employed by, or otherwise affiliated with a member,

employer or other person may receive the FINRA fee waiver during the free trial. After FINRA has waived the fee in connection with a free trial offered by a member, vendor or other redistributor, a Professional and the member, employer, or other person [with] whom the Professional is associated with, employed by or otherwise affiliated with may not use the waiver again for that member, vendor or other distributor until 12 months has lapsed from the last day of the prior waiver.

(B) through (D) No Change.

(2) No Change.

(d) through (g) No Change.

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