

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 53	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2013 - * 043 Amendment No. (req. for Amendments *)
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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"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires * <input type="text"/>			Rule <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 Section 806(e)(1) <input type="checkbox"/> Section 806(e)(2) <input type="checkbox"/>	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) <input type="checkbox"/>
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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 Relating to TRACE Fees for Securities Act Rule 144A Transaction Data

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 * Kathryn Last Name * Moore
 Title * Associated General Counsel
 E-mail * kathryn.moore@finra.org
 Telephone * (202) 974-2974 Fax (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 *)
Senior Vice President and Deputy General Counsel

Date 10/02/2013
By Patrice Gliniecki
(Name *)
Patrice Gliniecki

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 *

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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 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

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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.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange 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 to: (1) provide for Trade Reporting and Compliance Engine (“TRACE”) data fees for real-time and historic data sets of transactions in TRACE-Eligible Securities² that are effected pursuant to Rule 144A³ under the Securities Act of 1933⁴ (“Rule 144A transactions”);⁵ (2) clarify Level II Full Service Web Browser fee rates in light of the availability of additional data sets; and (3) make other technical amendments.

The text of the proposed rule change is attached as Exhibit 5.⁶ In addition, attached as Exhibit 4 is the text of the proposed rule change marked to show the proposed

¹ 15 U.S.C. 78s(b)(1).

² The term TRACE-Eligible Security is defined in FINRA Rule 6710(a).

³ 17 CFR 230.144A.

⁴ 15 U.S.C. 77a et seq. (hereinafter “Securities Act”).

⁵ See Securities Exchange Act Release No. 70345 (September 6, 2013), 78 FR 56251 (September 12, 2013) (Order Granting Approval of Proposed Rule Change Relating to the Dissemination of Transactions in TRACE-Eligible Securities that are Effected Pursuant to Securities Act Rule 144A; File No. SR-FINRA-2013-029) (“Rule 144A Dissemination Rule Change”). The Rule 144A Dissemination Rule Change amends FINRA Rule 6750, FINRA Rule 7730 and the TRACE dissemination protocols to provide for the dissemination of Rule 144A transactions and to establish real-time and historic data sets for Rule 144A transactions. The effective date for the Rule 144A Dissemination Rule Change will be established in a Regulatory Notice.

⁶ Exhibit 5 shows the text of the proposed rule change marked to show the proposed changes as compared to the current rule text of FINRA Rule 7730 in accordance with the requirements of Form 19b-4.

changes as compared to FINRA Rule 7730 including amendments approved by the SEC as if such amendments were effective.⁷

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

At its meeting on April 18, 2013, the FINRA Board of Governors authorized the filing of the proposed rule change with the SEC. 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 of the proposed rule change will be the same as the effective date of the Rule 144A Dissemination Rule Change.

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

(a) Purpose

Recently, FINRA amended FINRA Rule 6750, FINRA Rule 7730 and TRACE dissemination protocols to provide greater transparency in Rule 144A transactions in TRACE-Eligible Securities.⁸ In the Rule 144A Dissemination Rule Change, FINRA included amendments to FINRA Rule 7730 to establish data sets for real-time and historic Rule 144A transaction data.

⁷ See note 5. As noted in Item 2, the implementation date of the proposed rule change will be the same as the effective date of the Rule 144A Dissemination Rule Change.

⁸ See note 5. FINRA Rule 6750 will provide for the dissemination of Rule 144A transactions, provided the asset type (e.g., corporate bonds) currently is subject to dissemination under FINRA Rule 6750. The Rule 144A Dissemination Rule Change does not extend to equity transactions effected pursuant to Securities Act Rule 144A (17 CFR 230.144A).

In this proposed rule change, FINRA proposes to establish fees for the real-time disseminated Rule 144A transaction data and the Historic TRACE Data for Rule 144A transactions, clarify Level II Full Service Web Browser fee rates in light of the availability of additional data sets, and incorporate other technical amendments in FINRA Rule 7730.

Rule 144A Data Sets.

In the Rule 144A Dissemination Rule Change, FINRA amended FINRA Rule 7730(c) to establish the Rule 144A transaction data set (“Rule 144A Data Set”), which is similar to the data sets established for corporate bonds (“Corporate Bond Data Set”), Agency Debt Securities (“Agency Data Set”) and Asset-Backed Securities (“ABS Data Set”).⁹ The Rule 144A Data Set will consist of information disseminated immediately upon receipt of a transaction report for a Rule 144A transaction. FINRA proposes to extend the market data fees currently in effect for similar real-time TRACE market data sets (i.e., the Corporate Bond Data Set, the Agency Data Set and the ABS Data Set) to the Rule 144A Data Set. The proposed rule change would amend FINRA Rule 7730(c)(1), FINRA Rule 7730(c)(2) and the preceding table to provide that each data set is available at the same rate and eliminate redundant text.¹⁰

In addition, in the Rule 144A Dissemination Rule Change, FINRA amended FINRA Rule 7730(d) to establish a historic data set for Rule 144A transactions (“Historic Rule 144A Data Set”), which is similar to the data sets established for corporate bonds (“Historic Corporate Bond Data Set”), Agency Debt Securities (“Historic Agency Data

⁹ The terms Agency Debt Security and Asset-Backed Security are defined in FINRA Rule 6710(l) and FINRA Rule 6710(m), respectively.

¹⁰ See Exhibit 4 to the Form 19b-4.

Set”) and Asset-Backed Securities (“Historic ABS Data Set”) referenced in the rule.¹¹ FINRA proposes to establish fees for the Historic Rule 144A Data Set at the same rates currently in effect in FINRA Rule 7730(d) for the existing historic data sets. The proposed rule change would amend FINRA Rule 7730(d)(1), FINRA Rule 7730(d)(2) and the preceding table to provide that each data set is available at the same rate and eliminate redundant text.¹² In connection with the fees for the Historic Rule 144A Data Set, FINRA proposes to clarify in FINRA Rule 7730(d)(1)(A)(ii) and FINRA Rule 7730(d)(1)(B)(ii) that the 2003 Historic Rule 144A Data Set includes the 2002 Historic Rule 144A Data Set, and in FINRA Rules 7730(d)(1)(A)(i) and 7730(d)(1)(B)(i) that the set-up fee to receive Historic TRACE data is paid only one time, instead of per data set.¹³

FINRA also proposes two clarifying amendments to other provisions of Rule 7730 as discussed below.

Level II Full Service Web Browser Fee.

FINRA proposes to clarify in FINRA Rule 7730(a)(1) applicable fees when a firm uses a TRACE web browser that includes access to real-time TRACE transaction data. The subscription rate for the Level II Full Service Web Browser includes the fees for a subscription to one or two data sets, which were established when there were only two

¹¹ As noted in the Rule 144A Dissemination Rule Change, the Historic Rule 144A Data Set would include Rule 144A transactions in TRACE-Eligible Securities subject to dissemination, effected as of or after July 1, 2002, and, among other things, would include uncapped volume information. However, like all other Historic TRACE Data, Rule 144A transaction data included in the Historic Rule 144A Data Set would be released subject to a delay of approximately 18 months from the date of the transaction.

¹² See Exhibit 4 to the Form 19b-4.

¹³ FINRA Rule 7730(d) specifies: “Historic TRACE Data fees, except the Set-Up Fee, are charged for each Data Set.” See Exhibit 4 to the Form 19b-4.

data sets. When the Rule 144A Dissemination Rule Change becomes effective, there will be four available real-time data sets: Corporate Bond Data Set, Agency Data Set, ABS Data Set and Rule 144A Data Set. FINRA would extend the subscription rates currently applicable to first and second data sets (i.e., a discounted rate of \$30 per data set for a single user ID and \$60 per data set for additional user IDs) to the third and fourth data sets in two similar provisions. Specifically, in FINRA Rule 7730(a)(1)(B)(i), for a Level II Full Service Web Browser subscription for a single user ID or the first user ID, the current fee is \$50 per month¹⁴ (including one data set), and \$80 per month (including two data sets). As amended, the Level II Full Service Web Browser subscription fee would be \$110 per month (for subscribers to three data sets), or \$140 per month (for subscribers to four data sets). For Level II Full Service Web Browser subscriptions for additional user IDs, in FINRA Rule 7730(a)(1)(B)(ii), the current fee is \$80 per month per user ID (including one data set) and \$140 per month per user ID (including two data sets).¹⁵ FINRA would extend the same fee rate per data set to the third and fourth data sets, so that the Level II Full Service Web Browser subscription fee (applicable to additional users IDs) would be \$200 per month per user ID (for subscribers to three data sets), and \$260 per month per user ID (for subscribers to four data sets).

TBA Transaction Reporting Fee.

The trade reporting fees for transactions in TRACE-Eligible Securities are set forth in FINRA Rule 7730(b)(1). For Agency Pass-Through Mortgage-Backed Securities, as defined in FINRA Rule 6710(v), traded to be announced (“TBA”), as

¹⁴ Each fee includes the \$20 per month fee per user ID for Level I Trade Report Only Web Browser Access as specified in FINRA Rule 7730(a)(1)(A).

¹⁵ Again, each fee includes the \$20 per month fee per user ID for Level I Trade Report Only Web Browser Access. See note 14.

defined in FINRA Rule 6710(u), the trade reporting fee is \$1.50 per transaction. At the time the TBA reporting fee was established, FINRA had not defined TBA transactions to include those involving SBA-Backed ABS; however, FINRA intended the TBA reporting fee to apply to all TBA transactions. Accordingly, FINRA proposes to clarify that SBA-Backed ABS, as defined in FINRA Rule 6710(bb), traded TBA are subject to the \$1.50 per transaction trade reporting fee.

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness. The implementation date of the proposed rule change will be the same as the effective date of the Rule 144A Dissemination Rule Change.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Exchange Act,¹⁶ 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 fees for the Rule 144A Data Set and Historic Rule 144A Data Set that are an extension of the fee rates that are assessed currently for existing real-time and historic data sets are reasonable, equitably allocated and not unfairly discriminatory. FINRA believes that the proposed fees are reasonable in light of FINRA's regulatory and operational costs, including personnel, technology and storage costs to collect and provide real-time and historic Rule 144A transaction data and the increase in such costs incurred by FINRA over time. FINRA proposes fees at the rates

¹⁶ 15 U.S.C. 78q-3(b)(5).

that have been in effect for several years for similar data bases, and such fees are designed to defray a portion of such costs.

FINRA believes that the proposed rule change provides for the equitable allocation of the proposed fees among member firms and other market participants and data users, and is not unfairly discriminatory. The Rule 144A Data Set and Historic Rule 144A Data Set would be accessible by all member firms and other market participants and data users, subject to the same fee rates that are in effect for the real-time and historic Corporate Bond, Agency and ABS data sets. As with fees for other data sets (real-time and historic) provided by FINRA, the proposed fees would be charged only to those member firms and other market participants and data users that opt to receive a subscription to the applicable data set. FINRA proposes to charge qualifying Tax-Exempt Organizations¹⁷ reduced fees for the Rule 144A Data Set and Historic Rule 144A Data Set, which are the same reduced fee rates that FINRA currently charges such organizations to access other data sets. The proposed reduced data fees for qualifying Tax-Exempt Organizations are an equitable allocation of fees in that the lower rate provides greater access to TRACE information to organizations that are formed exclusively for a charitable purpose. FINRA also believes that the Rule 144A Data Set and Historic Rule 144A Data Set fees are not unfairly discriminatory because the data sets would be available to all similarly situated members and other data users on an equal basis at the same rates, except for the proposed lower rates for qualifying Tax-Exempt Organizations.

¹⁷ Tax-Exempt Organization is defined in FINRA Rule 7730(f)(2) and 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.

FINRA believes that the proposed amendments regarding the Level II Full Service Web Browser subscription fees are reasonable in light of FINRA's regulatory and operational costs, including personnel, technology and storage costs to collect and provide real-time transaction data and the increase in such costs incurred by FINRA over time. FINRA proposes amendments to allow members to access additional data bases at the same fee rate that has been in effect for several years, and such fees are designed to defray a portion of such costs. FINRA also believes that such amendments provide for the equitable allocation of fees among member firms in that the combined service/market data product, which allows members to report and review the member's transactions and to access market data, is available to all firms that wish to subscribe at the same rate. In addition, FINRA believes that the additional proposed fees for access to additional data sets as part of the Level II Full Service Web Browser are not unfairly discriminatory because the Level II Full Service Web Browser service is available to all members.

Finally, FINRA believes that applying the TBA reporting fee that currently applies to almost all TBA transactions to an additional small number of TBA transactions is a reasonable and fair fee assessment, and results in a fee that is equitably allocated among members engaged in similar transactions. Also, the proposed fee is not unfairly discriminatory in that all members engaged in such TBA transactions will be subject to the same fee.

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 Exchange Act. The proposed fees for the Rule 144A Data Set and Historic Rule 144A

Data Set, which are consistent with current rates for subscriptions to similar TRACE data sets, are reasonable, equitably allocated and not unfairly discriminatory, and will permit a broad spectrum of members, data vendors and other market participants, including qualifying Tax Exempt Organizations, to obtain and use the data in furtherance of market integrity and the protection of investors in such securities. Similarly, FINRA does not believe that the proposed amendments to the Level II Full Service Web Browser subscription, providing a member access to multiple data sets as part of such service, will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. Access to the Rule 144A Data Set and Historic Rule 144A Data Set as well as the Level II Full Service Browser subscription may facilitate competition in the market for such securities in that access to such data will assist members and customers in: (1) determining the quality of their executions; (2) price discovery; and (3) assessing the accuracy and integrity of the valuation of positions.

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 Exchange Act¹⁸ and paragraph (f)(2) of Rule 19b-4 thereunder,¹⁹ in

¹⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁹ 17 CFR 240.19b-4(f)(2).

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 Exchange 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 4. Text of proposed rule change marked to show changes from rule text that includes amendments proposed in SR-FINRA-2013-029 that were approved by the SEC on September 6, 2013 as if such amendments were effective.²⁰

Exhibit 5. Text of proposed rule change.

²⁰ See note 5.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-FINRA-2013-043)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to TRACE fees for Securities Act Rule 144A Transaction Data

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 to: (1) provide for Trade Reporting and Compliance Engine (“TRACE”) data fees for real-time and historic data

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).

sets of transactions in TRACE-Eligible Securities⁵ that are effected pursuant to Rule 144A⁶ under the Securities Act of 1933⁷ (“Rule 144A transactions”);⁸ (2) clarify Level II Full Service Web Browser fee rates in light of the availability of additional data sets; and (3) make other technical amendments.

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.⁹

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

⁵ The term TRACE-Eligible Security is defined in FINRA Rule 6710(a).

⁶ 17 CFR 230.144A.

⁷ 15 U.S.C. 77a et seq. (hereinafter “Securities Act”).

⁸ See Securities Exchange Act Release No. 70345 (September 6, 2013), 78 FR 56251 (September 12, 2013) (Order Granting Approval of Proposed Rule Change Relating to the Dissemination of Transactions in TRACE-Eligible Securities that are Effected Pursuant to Securities Act Rule 144A; File No. SR-FINRA-2013-029) (“Rule 144A Dissemination Rule Change”). The Rule 144A Dissemination Rule Change amends FINRA Rule 6750, FINRA Rule 7730 and the TRACE dissemination protocols to provide for the dissemination of Rule 144A transactions and to establish real-time and historic data sets for Rule 144A transactions. The effective date for the Rule 144A Dissemination Rule Change will be established in a Regulatory Notice.

⁹ As part of the proposed rule change, FINRA submitted an Exhibit 4 and an Exhibit 5. The Exhibit 4 shows the text of the proposed rule change marked to show the proposed changes as compared to FINRA Rule 7730 including amendments approved by the SEC as if such amendments were effective. See note 8. The Exhibit 5 shows the text of the proposed rule change marked to show the proposed changes as compared to the current rule text of FINRA Rule 7730 in accordance with the requirements of Form 19b-4.

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

Recently, FINRA amended FINRA Rule 6750, FINRA Rule 7730 and TRACE dissemination protocols to provide greater transparency in Rule 144A transactions in TRACE-Eligible Securities.¹⁰ In the Rule 144A Dissemination Rule Change, FINRA included amendments to FINRA Rule 7730 to establish data sets for real-time and historic Rule 144A transaction data.

In this proposed rule change, FINRA proposes to establish fees for the real-time disseminated Rule 144A transaction data and the Historic TRACE Data for Rule 144A transactions, clarify Level II Full Service Web Browser fee rates in light of the availability of additional data sets, and incorporate other technical amendments in FINRA Rule 7730.

Rule 144A Data Sets.

In the Rule 144A Dissemination Rule Change, FINRA amended FINRA Rule 7730(c) to establish the Rule 144A transaction data set ("Rule 144A Data Set"), which is similar to the data sets established for corporate bonds ("Corporate Bond Data Set"),

¹⁰ See note 8. FINRA Rule 6750 will provide for the dissemination of Rule 144A transactions, provided the asset type (e.g., corporate bonds) currently is subject to dissemination under FINRA Rule 6750. The Rule 144A Dissemination Rule Change does not extend to equity transactions effected pursuant to Securities Act Rule 144A (17 CFR 230.144A).

Agency Debt Securities (“Agency Data Set”) and Asset-Backed Securities (“ABS Data Set”).¹¹ The Rule 144A Data Set will consist of information disseminated immediately upon receipt of a transaction report for a Rule 144A transaction. FINRA proposes to extend the market data fees currently in effect for similar real-time TRACE market data sets (i.e., the Corporate Bond Data Set, the Agency Data Set and the ABS Data Set) to the Rule 144A Data Set. The proposed rule change would amend FINRA Rule 7730(c)(1), FINRA Rule 7730(c)(2) and the preceding table to provide that each data set is available at the same rate and eliminate redundant text.¹²

In addition, in the Rule 144A Dissemination Rule Change, FINRA amended FINRA Rule 7730(d) to establish a historic data set for Rule 144A transactions (“Historic Rule 144A Data Set”), which is similar to the data sets established for corporate bonds (“Historic Corporate Bond Data Set”), Agency Debt Securities (“Historic Agency Data Set”) and Asset-Backed Securities (“Historic ABS Data Set”) referenced in the rule.¹³ FINRA proposes to establish fees for the Historic Rule 144A Data Set at the same rates currently in effect in FINRA Rule 7730(d) for the existing historic data sets. The proposed rule change would amend FINRA Rule 7730(d)(1), FINRA Rule 7730(d)(2) and the preceding table to provide that each data set is available at the same rate and

¹¹ The terms Agency Debt Security and Asset-Backed Security are defined in FINRA Rule 6710(l) and FINRA Rule 6710(m), respectively.

¹² See Exhibit 4 to the Form 19b-4, which is available on FINRA’s website.

¹³ As noted in the Rule 144A Dissemination Rule Change, the Historic Rule 144A Data Set would include Rule 144A transactions in TRACE-Eligible Securities subject to dissemination, effected as of or after July 1, 2002, and, among other things, would include uncapped volume information. However, like all other Historic TRACE Data, Rule 144A transaction data included in the Historic Rule 144A Data Set would be released subject to a delay of approximately 18 months from the date of the transaction.

eliminate redundant text.¹⁴ In connection with the fees for the Historic Rule 144A Data Set, FINRA proposes to clarify in FINRA Rule 7730(d)(1)(A)(ii) and FINRA Rule 7730(d)(1)(B)(ii) that the 2003 Historic Rule 144A Data Set includes the 2002 Historic Rule 144A Data Set, and in FINRA Rules 7730(d)(1)(A)(i) and 7730(d)(1)(B)(i) that the set-up fee to receive Historic TRACE data is paid only one time, instead of per data set.¹⁵

FINRA also proposes two clarifying amendments to other provisions of Rule 7730 as discussed below.

Level II Full Service Web Browser Fee.

FINRA proposes to clarify in FINRA Rule 7730(a)(1) applicable fees when a firm uses a TRACE web browser that includes access to real-time TRACE transaction data. The subscription rate for the Level II Full Service Web Browser includes the fees for a subscription to one or two data sets, which were established when there were only two data sets. When the Rule 144A Dissemination Rule Change becomes effective, there will be four available real-time data sets: Corporate Bond Data Set, Agency Data Set, ABS Data Set and Rule 144A Data Set. FINRA would extend the subscription rates currently applicable to first and second data sets (i.e., a discounted rate of \$30 per data set for a single user ID and \$60 per data set for additional user IDs) to the third and fourth data sets in two similar provisions. Specifically, in FINRA Rule 7730(a)(1)(B)(i), for a Level II Full Service Web Browser subscription for a single user ID or the first user ID, the

¹⁴ See Exhibit 4 to the Form 19b-4 on FINRA's website.

¹⁵ FINRA Rule 7730(d) specifies: "Historic TRACE Data fees, except the Set-Up Fee, are charged for each Data Set." See Exhibit 4 to the Form 19b-4 on FINRA's website.

current fee is \$50 per month¹⁶ (including one data set), and \$80 per month (including two data sets). As amended, the Level II Full Service Web Browser subscription fee would be \$110 per month (for subscribers to three data sets), or \$140 per month (for subscribers to four data sets). For Level II Full Service Web Browser subscriptions for additional user IDs, in FINRA Rule 7730(a)(1)(B)(ii), the current fee is \$80 per month per user ID (including one data set) and \$140 per month per user ID (including two data sets).¹⁷ FINRA would extend the same fee rate per data set to the third and fourth data sets, so that the Level II Full Service Web Browser subscription fee (applicable to additional users IDs) would be \$200 per month per user ID (for subscribers to three data sets), and \$260 per month per user ID (for subscribers to four data sets).

TBA Transaction Reporting Fee.

The trade reporting fees for transactions in TRACE-Eligible Securities are set forth in FINRA Rule 7730(b)(1). For Agency Pass-Through Mortgage-Backed Securities, as defined in FINRA Rule 6710(v), traded to be announced (“TBA”), as defined in FINRA Rule 6710(u), the trade reporting fee is \$1.50 per transaction. At the time the TBA reporting fee was established, FINRA had not defined TBA transactions to include those involving SBA-Backed ABS; however, FINRA intended the TBA reporting fee to apply to all TBA transactions. Accordingly, FINRA proposes to clarify that SBA-Backed ABS, as defined in FINRA Rule 6710(bb), traded TBA are subject to the \$1.50 per transaction trade reporting fee.

¹⁶ Each fee includes the \$20 per month fee per user ID for Level I Trade Report Only Web Browser Access as specified in FINRA Rule 7730(a)(1)(A).

¹⁷ Again, each fee includes the \$20 per month fee per user ID for Level I Trade Report Only Web Browser Access. See note 16.

FINRA has filed the proposed rule change for immediate effectiveness. The implementation date of the proposed rule change will be the same as the effective date of the Rule 144A Dissemination Rule Change.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Exchange Act,¹⁸ 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 fees for the Rule 144A Data Set and Historic Rule 144A Data Set that are an extension of the fee rates that are assessed currently for existing real-time and historic data sets are reasonable, equitably allocated and not unfairly discriminatory. FINRA believes that the proposed fees are reasonable in light of FINRA's regulatory and operational costs, including personnel, technology and storage costs to collect and provide real-time and historic Rule 144A transaction data and the increase in such costs incurred by FINRA over time. FINRA proposes fees at the rates that have been in effect for several years for similar data bases, and such fees are designed to defray a portion of such costs.

FINRA believes that the proposed rule change provides for the equitable allocation of the proposed fees among member firms and other market participants and data users, and is not unfairly discriminatory. The Rule 144A Data Set and Historic Rule 144A Data Set would be accessible by all member firms and other market participants

¹⁸ 15 U.S.C. 78q-3(b)(5).

and data users, subject to the same fee rates that are in effect for the real-time and historic Corporate Bond, Agency and ABS data sets. As with fees for other data sets (real-time and historic) provided by FINRA, the proposed fees would be charged only to those member firms and other market participants and data users that opt to receive a subscription to the applicable data set. FINRA proposes to charge qualifying Tax-Exempt Organizations¹⁹ reduced fees for the Rule 144A Data Set and Historic Rule 144A Data Set, which are the same reduced fee rates that FINRA currently charges such organizations to access other data sets. The proposed reduced data fees for qualifying Tax-Exempt Organizations are an equitable allocation of fees in that the lower rate provides greater access to TRACE information to organizations that are formed exclusively for a charitable purpose. FINRA also believes that the Rule 144A Data Set and Historic Rule 144A Data Set fees are not unfairly discriminatory because the data sets would be available to all similarly situated members and other data users on an equal basis at the same rates, except for the proposed lower rates for qualifying Tax-Exempt Organizations.

FINRA believes that the proposed amendments regarding the Level II Full Service Web Browser subscription fees are reasonable in light of FINRA's regulatory and operational costs, including personnel, technology and storage costs to collect and provide real-time transaction data and the increase in such costs incurred by FINRA over time. FINRA proposes amendments to allow members to access additional data bases at the same fee rate that has been in effect for several years, and such fees are designed to

¹⁹ Tax-Exempt Organization is defined in FINRA Rule 7730(f)(2) and 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.

defray a portion of such costs. FINRA also believes that such amendments provide for the equitable allocation of fees among member firms in that the combined service/market data product, which allows members to report and review the member's transactions and to access market data, is available to all firms that wish to subscribe at the same rate. In addition, FINRA believes that the additional proposed fees for access to additional data sets as part of the Level II Full Service Web Browser are not unfairly discriminatory because the Level II Full Service Web Browser service is available to all members.

Finally, FINRA believes that applying the TBA reporting fee that currently applies to almost all TBA transactions to an additional small number of TBA transactions is a reasonable and fair fee assessment, and results in a fee that is equitably allocated among members engaged in similar transactions. Also, the proposed fee is not unfairly discriminatory in that all members engaged in such TBA transactions will be subject to the same fee.

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 Exchange Act. The proposed fees for the Rule 144A Data Set and Historic Rule 144A Data Set, which are consistent with current rates for subscriptions to similar TRACE data sets, are reasonable, equitably allocated and not unfairly discriminatory, and will permit a broad spectrum of members, data vendors and other market participants, including qualifying Tax Exempt Organizations, to obtain and use the data in furtherance of market integrity and the protection of investors in such securities. Similarly, FINRA does not believe that the proposed amendments to the Level II Full Service Web Browser

subscription, providing a member access to multiple data sets as part of such service, will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. Access to the Rule 144A Data Set and Historic Rule 144A Data Set as well as the Level II Full Service Browser subscription may facilitate competition in the market for such securities in that access to such data will assist members and customers in: (1) determining the quality of their executions; (2) price discovery; and (3) assessing the accuracy and integrity of the valuation of positions.

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 Act²⁰ and paragraph (f)(2) of Rule 19b-4 thereunder.²¹ 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.

²⁰ 15 U.S.C. 78s(b)(3)(A).

²¹ 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-2013-043 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-2013-043. 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-2013-043 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.²²

Elizabeth M. Murphy
Secretary

²² 17 CFR 200.30-3(a)(12).

EXHIBIT 4

Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets. The amendments to the rule text proposed in SR-FINRA-2013-029 were approved on September 6, 2013 and are incorporated herein as if effective.¹

* * * * *

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

* * * * *

**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	Trades up to and including	Market Data:
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 display
	value is not used to	application per Data

¹ See Securities Exchange Act Release No. 70345 (September 6, 2013), 78 FR 56251 (September 12, 2013) (Order Granting Approval of Proposed Rule Change Relating to the Dissemination of Transactions in TRACE-Eligible Securities that are Effected Pursuant to Securities Act Rule 144A; File No. SR-FINRA-2013-029).

<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 [(the Corporate Bond Data Set, Agency Data Set or ABS Data Set)]); \$80/month (includes two Data Sets); <u>\$110/month (includes three Data Sets);</u> <u>\$140/month includes four Data Sets)</u></p> <p>Subscription for additional user IDs — \$80/month per user ID (includes one Data Set [(the Corporate Bond Data Set, Agency Data</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>Set of Real-Time TRACE transaction data [(the Corporate Bond Data Set, Agency Data Set or ABS Data Set)], 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 TRACE transaction data [(the Corporate Bond Data Set, Agency Data Set or ABS Data Set)], entitling Professionals to make unlimited internal use of such Data Set(s) through any number of display applications.</p>
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<p>Set or ABS Data Set)); \$140/month per user ID (includes two Data Sets); <u>\$200/month (includes three Data Sets);</u> <u>\$260/month (includes four Data Sets)</u></p>	<p>Asset-Backed Securities.) All transactions in Asset-Backed Securities that are Agency Pass-Through Mortgage-Backed Securities traded to be announced (“TBA”) or <u>SBA-Backed ABS traded TBA (each a “TBA transaction[s]”) — \$1.50/trade.</u></p>	
<p>CTCI/FIX/Third Party — \$25/month/per firm</p>	<p>Cancel/Correct — \$1.50/trade</p>	<p>Market Data: Vendor Real-Time Data Feed — \$1,500/month per Data Set of Real-Time TRACE transaction data [(the Corporate Bond Data Set, Agency Data Set or ABS Data Set)] for receipt of continuous Real-Time TRACE transaction data, except for qualifying Tax-Exempt</p>

		<p>Organizations, or \$250/month per Data Set of Snapshot Real-Time TRACE transaction data [(the Corporate Bond Data Set, Agency Data Set or ABS Data Set)] for daily receipt of such Data Set(s).</p>
	<p>“As/of” Trade Late — \$3/trade</p>	<p>Market Data: Vendor Real-Time Data Feed — \$400/month per Data Set of Real-Time TRACE transaction data [(the Corporate Bond Data Set, Agency Data Set or ABS Data Set)] for qualifying Tax-Exempt Organizations.</p>
		<p>Market Data: Non-Professional Real-Time</p>

		Data Display — No charge.
		<p>Historic TRACE Data: Set-Up Fee — a single fee of \$2,000 [per Data Set] for development and set-up to receive Historic TRACE Data [(the Historic Corporate Bond Data Set, Historic Agency Data Set or Historic ABS Data Set)], except for qualifying Tax-Exempt Organizations.</p>
		<p>Historic TRACE Data: Set-Up Fee — a single fee of \$1,000 [per Data Set] for development and set-up to receive Historic TRACE Data [(the Historic Corporate Bond Data</p>

		<p>Set, Historic Agency Data Set or Historic ABS Data Set)] for qualifying Tax-Exempt Organizations.</p>
		<p>Historic TRACE Data: Fee — \$2,000/calendar year per Data Set for receipt of Historic TRACE Data [(the Historic Corporate Bond Data Set, Historic Agency Data Set or Historic ABS Data Set)], 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 Data Set of Historic TRACE Data [(the Historic Corporate Bond Data Set, Historic Agency Data Set or Historic ABS Data Set)] 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 Historic Corporate Bond Data Set, Historic Agency Data Set or Historic ABS Data Set)]. 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 Data Delivery Plus A variable monthly fee</p>

		<p>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 Data Delivery SFTP \$250 per MPID – one time set-up fee; and \$200 per MPID per month</p>

(a) System Related Fees

A member may choose among the following options to report transactions in TRACE-Eligible Securities to FINRA pursuant to the Rule 6700 Series: (1) a TRACE

web browser; (2) a Computer-to-Computer Interface (“CTCI”) or a Financial Information exchange (“FIX”) line (either a line dedicated solely to TRACE or a multi-purpose line); or (3) a third-party reporting intermediary. Fees will be charged based on the reporting method selected by the member.

(1) Web Browser Access

A member that elects to report TRACE data to FINRA via a TRACE web browser shall be charged:

(A) No Change.

(B) for Level II Full Service Web Browser Access, which includes access to Real-Time TRACE transaction data:

(i) for a subscription for a single user ID or the first user ID, \$50 per month (including one Data Set [(the Corporate Bond Data Set, Agency Data Set or ABS Data Set)]), [or] \$80 per month (including two Data Sets), \$110 per month (including three Data Sets, or \$140 per month (including four Data Sets); and

(ii) for subscriptions for additional user IDs, \$80 per month per user ID, (including one Data Set [(the Corporate Bond Data Set, Agency Data Set or ABS Data Set)]), [or] \$140 per month per user ID (including two Data Sets), \$200 per month per user ID (including three Data Sets), or \$260 per month per user ID (including four Data Sets).

(2) through (3) 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) or that is an SBA-Backed ABS, as defined in Rule 6710(bb), traded TBA (each a “TBA transaction”), 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. 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 Data Set”), Agency Debt Securities (“Agency Data Set”), Asset-Backed Securities (“ABS Data Set”), and transactions in TRACE-Eligible Securities effected pursuant to Securities Act Rule

144A (“Rule 144A transactions”) (“Rule 144A 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 [(the Corporate Bond Data Set, Agency Data Set or ABS Data Set)], except as may be subject to a waiver set forth below, or a flat fee of \$7,500 per month per Data Set [(the Corporate Bond Data Set, Agency Data Set or ABS 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 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 [(the Corporate Bond Data Set, Agency Data Set or ABS 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 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) Vendor Real-Time Data Feed Fee of \$1,500 per month per Data Set for receipt of continuous Real-Time TRACE transaction data [(the Corporate Bond Data Set, Agency Data Set or ABS Data Set)] for any person or organization (other than a Tax-Exempt Organization) that receives a feed of such Data Set(s) of Real-Time TRACE transaction data, or \$250 per month per Data Set for daily receipt of Snapshot Real-Time TRACE transaction data [(the Corporate Bond Data Set, Agency Data Set or ABS Data Set)], which shall consist of one TRACE price per security per day. These fees entitle use of such Data Set(s) 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 in such Data Set(s) for delivery and

dissemination outside the organization, such as indices or other derivative products. (These fees do not include per display application charges noted in paragraph (c)(1)(A) per Data Set(s) of Real-Time TRACE transaction data.)²

(C) Vendor Real-Time Data Feed Fee of \$400 per month per Data Set for Real-Time TRACE transaction data [(the Corporate Bond Data Set, Agency Data Set or ABS Data Set)] received by a Tax-Exempt Organization as defined in Rule 7730. A Tax-Exempt Organization qualifies to receive Real-Time TRACE transaction data under this paragraph if it does not redistribute 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.

(D) 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 more Data Sets of Real-Time TRACE transaction data [(the Corporate Bond Data Set, Agency Data Set or ABS Data Set)] disseminated through TRACE.

(d) Historic TRACE Data

Historic TRACE Data comprises the following Data Set(s): corporate bonds (“Historic Corporate Bond Data Set”), Agency Debt Securities (“Historic Agency Data Set”), Asset-Backed Securities (“Historic ABS Data Set”), and Rule 144A transactions

(“Historic Rule 144A 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) Set-Up Fee — a single fee of \$2,000 [per Data Set] for development and set-up to begin receiving Historic TRACE Data [(the Historic Corporate Bond Data Set, Historic Agency Data Set or Historic ABS Data Set)].

(ii) Data Fee — \$2,000 per calendar year per Data Set for receipt of Historic TRACE Data [(the Historic Corporate Bond Data Set, Historic Agency Data Set or Historic ABS Data Set)].

(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. The 2012 Historic ABS Data Set also includes the 2011 Historic ABS Data Set. The 2003 Historic Rule 144A Data Set also includes the 2002 Historic Rule 144A Data Set.) Historic TRACE Data is enabled for internal use and internal and/or external display

application. Bulk re-distribution of such data is not permitted.

(iii) Bulk Re-Distribution Fee — \$1 per CUSIP per calendar year (or part thereof) within a single Data Set of Historic TRACE Data [(the Historic Corporate Bond Data Set, Historic Agency Data Set or Historic ABS Data Set)] per each recipient of re-distributed data, with a maximum fee per Data Set of \$1,000 per calendar year (or part thereof) per each recipient of re-distributed data.

(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) Set-Up Fee — \$1,000 [per Data Set] for development and set-up to begin receiving Historic TRACE Data [(the Historic Corporate Bond Data Set, Historic Agency Data Set or Historic ABS Data Set)].

(ii) Data and Bulk Re-Distribution Fee — \$500 per calendar year per Data Set for receipt of Historic TRACE Data [(the Historic Corporate Bond Data Set, Historic Agency Data Set or Historic ABS Data Set)]. (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. The 2012 Historic ABS Data Set also includes the 2011 Historic ABS Data Set. The 2003 Historic Rule 144A Data Set also includes the 2002 Historic Rule 144A Data Set.

Historic TRACE Data is enabled for internal use and internal and/or external display application, 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 more Data Sets of Historic TRACE Data [(the Historic Corporate Bond Data Set, Historic Agency Data Set or Historic ABS Data Set)] 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 (g) No Change.

¹ No Change.

² No Change.

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EXHIBIT 5

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

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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**

* * * * *

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	Trades up to and including	Market Data:
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 display
	value is not used to	application per Data
Level II Full Service	determine the size (volume)	Set of Real-Time
Web Browser Access	of a transaction, for purposes	TRACE transaction
— Subscription for a	of trade reporting fees, size	data, except as may be
single user ID or the	(volume) is the lesser of	subject to a waiver set

<p>first user ID — \$50/month (includes one Data Set); \$80/month (includes two Data Sets); <u>\$110/month (includes three Data Sets);</u> <u>\$140/month includes four Data Sets)</u></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); <u>\$200/month (includes three Data Sets);</u> <u>\$260/month (includes four Data Sets)</u></p>	<p>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 Asset-Backed Securities.)</p> <p>All transactions in Asset-Backed Securities that are Agency Pass-Through</p>	<p>forth below, 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) through any number of display applications.</p>
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	<p>Mortgage-Backed Securities traded to be announced (“TBA”) or <u>SBA-Backed ABS traded TBA</u> (each a “TBA transaction[s]”) — \$1.50/trade.</p>	
<p>CTCI/FIX/Third Party — \$25/month/per firm</p>	<p>Cancel/Correct — \$1.50/trade</p>	<p>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</p>

		Data Set(s).
	<p>“As/of” Trade Late — \$3/trade</p>	<p>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.</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:</p>

		<p>Set-Up Fee — a single fee of \$1,000 for development and set-up to receive Historic TRACE Data for 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</p>

		<p>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 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</p>

		<p>internal and/or external display application.</p> <p>Bulk re-distribution of data is permitted with certain restrictions.</p>
		<p>FINRA ADDS:</p> <p>TRACE 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:</p>

		TRACE Data Delivery SFTP \$250 per MPID – one time set-up fee; and \$200 per MPID per month
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(a) System Related Fees

A member may choose among the following options to report transactions in TRACE-Eligible Securities to FINRA pursuant to the Rule 6700 Series: (1) a TRACE web browser; (2) a Computer-to-Computer Interface (“CTCI”) or a Financial Information eXchange (“FIX”) line (either a line dedicated solely to TRACE or a multi-purpose line); or (3) a third-party reporting intermediary. Fees will be charged based on the reporting method selected by the member.

(1) Web Browser Access

A member that elects to report TRACE data to FINRA via a TRACE web browser shall be charged:

(A) No Change.

(B) for Level II Full Service Web Browser Access, which includes access to Real-Time TRACE transaction data:

(i) for a subscription for a single user ID or the first user ID, \$50 per month (including one Data Set), [or] \$80 per month (including two Data Sets), \$110 per month (including three Data

Sets, or \$140 per month (including four Data Sets); and

(ii) for subscriptions for additional user IDs, \$80 per month per user ID, (including one Data Set), [or] \$140 per month per user ID (including two Data Sets), \$200 per month per user ID (including three Data Sets), or \$260 per month per user ID (including four Data Sets).

(2) through (3) 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) or that is an SBA-Backed ABS, as defined in Rule 6710(bb), traded TBA (each a “TBA transaction”), 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. 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) No Change.

(d) Historic TRACE Data

Historic TRACE Data comprises the following Data Set(s): corporate bonds (“Historic Corporate Bond Data Set”), 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. The 2003 Historic Rule 144A Data Set also includes the 2002 Historic Rule 144A Data Set.) Historic TRACE Data is enabled for internal use and internal and/or external display application. 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. The 2003 Historic Rule 144A Data Set also includes the 2002 Historic Rule 144A Data Set.) Historic TRACE Data is enabled for internal use and internal and/or external display application, and

bulk redistribution, and may be re-distributed subject to the restrictions in paragraph (d)(1)(B).

(2) No Change.

(e) through (g) No Change.

¹ No Change.

² No Change.

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