

OTC Equity Trading Volume

FINRA Requests Comment on a Proposal to Expand OTC Equity Trading Volume Data Published on FINRA's Website

Comment Period Expires: November 12, 2018

Summary

FINRA requests comment on a proposal to expand the summary firm data relating to over-the-counter (OTC) equity trading that FINRA publishes on its website by (1) publishing on a one-month delayed basis new monthly aggregate block-size trading data for OTC trades in NMS stocks executed outside an alternative trading system (ATS); (2) publishing aggregate non-ATS volume for all firms, by eliminating the existing *de minimis* exception; and (3) separately identifying firms' volume of trading on a single dealer platform (SDP), by requiring firms to use a unique market participant identifier (MPID) when reporting their SDP trades to FINRA.

The proposed rule text is set forth in Attachment A.

Questions concerning this *Notice* should be directed to:

- ▶ Chris Stone, Vice President, Transparency Services, at (202) 728-8457;
- ▶ Brendan Loonam, Senior Director, Transparency Services, at (212) 858-4203; or
- ▶ Lisa Horrigan, Associate General Counsel, Office of General Counsel, at (202) 728-8190.

Action Requested

FINRA encourages all interested parties to comment on the proposal. Comments must be received by November 12, 2018.

Comments must be submitted through one of the following methods:

- ▶ Emailing comments to pubcom@finra.org; or

September 11, 2018

Notice Type

- ▶ Request for Comment

Suggested Routing

- ▶ Compliance
- ▶ Legal
- ▶ Operations
- ▶ Senior Management
- ▶ Systems
- ▶ Trading

Key Topics

- ▶ Alternative Display Facility
- ▶ ATS Data
- ▶ NMS Stocks
- ▶ Non-ATS Data
- ▶ OTC Equity Securities
- ▶ OTC Reporting Facility
- ▶ Trade Reporting
- ▶ Trade Reporting Facilities

Referenced Rules & Notices

- ▶ FINRA Rule 6110
- ▶ FINRA Rule 6160
- ▶ FINRA Rule 6170
- ▶ FINRA Rule 6480
- ▶ FINRA Rule 6610

► Mailing comments in hard copy to:

Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

To help FINRA process comments more efficiently, persons should use only one method to comment on the proposal.

Important Notes: The only comments that FINRA will consider are those submitted pursuant to the methods described above. All comments received in response to this *Notice* will be made available to the public on the FINRA website. Generally, FINRA will post comments as they are received.¹

Before becoming effective, the proposed rule change must be filed with the Securities and Exchange Commission (SEC) pursuant to Section 19(b) of the SEA.²

Background & Discussion

To improve market transparency relating to trading occurring on ATSS, in June 2014, FINRA began publishing individual ATS volume information for equity securities on its website. In April 2016, FINRA expanded its transparency initiative by publishing the remaining equity volume executed OTC by member firms, including their trading activity in non-ATS electronic trading systems and internalized trades.

FINRA publishes weekly OTC volume information (number of trades and shares) by ATS or firm and by security on a two-week or four-week delayed basis.³ FINRA also publishes aggregate non-ATS volume totals across all NMS stocks and OTC equity securities for each calendar month.⁴ For firms executing fewer than, on average, 200 non-ATS transactions per day during the reporting period, FINRA combines and publishes the volume for these firms on an aggregated non-attributed basis identified in the data as “*de minimis* firms.”⁵ FINRA does not charge for this data.

ATS and non-ATS volume information is derived directly from OTC trades reported to a FINRA equity trade reporting facility (*i.e.*, the Alternative Display Facility, a Trade Reporting Facility or the OTC Reporting Facility). Firms that operate an ATS are required to obtain and use a single separate MPID for exclusive use for reporting trades occurring on the ATS.⁶ Non-ATS data is published at the firm level and not by individual MPID.

In October 2016, FINRA further expanded its transparency initiative and began publishing monthly information on block-size trades in all NMS stocks occurring on ATSS. Data regarding ATS block-size trades is aggregated across all NMS stocks (*i.e.*, there is no

security-by-security block data), is for a time period of one month of trading, and is published no earlier than one month following the end of the month for which trading was aggregated. Rather than narrowly defining what constitutes a “block-size” trade for purposes of the published data, FINRA provides information on ATS trades using share-based thresholds, dollar-based thresholds and thresholds that include both shares and dollar amount as follows:

- ▶ 10,000 or more shares;
- ▶ \$200,000 or more in dollar value;
- ▶ 10,000 or more shares and \$200,000 or more in dollar value;
- ▶ 2,000 to 9,999 shares;
- ▶ \$100,000 to \$199,999 in dollar value; and
- ▶ 2,000 to 9,999 shares and \$100,000 to \$199,999 in dollar value.

For each of these categories, FINRA publishes monthly trade count and volume information for each ATS aggregated across all NMS stocks. As a convenience for users, FINRA also calculates and displays the average trade size and each ATS’s rank as well as “ATS Block Market Share” (*i.e.*, the proportion of each ATS’s block-size trading volume in relation to total block-size trading by all ATSs) and “ATS Block Business Share” (*i.e.*, the proportion of a particular ATS’s overall trading volume that was done as block-size trades) and rankings of those metrics for each of the above categories.

Proposal to Expand Published OTC Equity Trading Volume Data

FINRA is proposing to expand the OTC equity trading volume data that FINRA publishes on its website as follows.

First, FINRA is proposing to publish monthly aggregate non-ATS block-size trading data for all NMS stocks,⁷ which data is not currently published, on the same terms as current ATS block-size data. Specifically, monthly non-ATS block-size data would be published on a one-month delayed basis and would be broken down by firm.⁸ As with the current ATS block-size data, there would be no security-by-security block data and there would be no differentiation between Tier 1 and the remaining NMS stocks. In addition, non-ATS block-size data would be published according to the current thresholds for publication of ATS block-size data set forth above.⁹ Non-ATS block information would be generated from trades reported to a FINRA equity trade reporting facility.

FINRA believes that non-ATS block-size data would be beneficial to firms and the general public and provide interested parties with more detailed information on non-ATS trading activities, thus enhancing transparency in the OTC market.

Second, as noted above, if a firm averages fewer than 200 non-ATS transactions per day across all securities during the reporting period, FINRA aggregates the firm's volume with that of similarly situated firms. FINRA is proposing to eliminate this *de minimis* exception and publish on an attributed basis each firm's aggregate non-ATS volume (number of trades and number of shares). Thus, there would no longer be a *de minimis* line item on the OTC (non-ATS) Firm Data page.

Based on a review of trading data for the period from August 21, 2017, through April 22, 2018, FINRA determined that, on average, there are only 36 and 32 firms with attributed volume for Tier 1 NMS stocks and the remaining NMS stocks, respectively, on a weekly basis. For OTC equity securities during the same time period, there are, on average, only 37 firms with attributed volume on a weekly basis. By removing the *de minimis* category, on average 151 and 182 firms would have their aggregate non-ATS volume in Tier 1 and the remaining NMS stocks, respectively, published. For OTC equity securities, the number of firms that would have their aggregate non-ATS volume published, on average, is 126.

Since a large number of small trades can add up to significant volume, FINRA believes that the data at the firm level may be more meaningful if each firm's volume is published, irrespective of size. FINRA notes that the *de minimis* exception would continue to apply for purposes of the security-specific non-ATS volume data. Thus, if a firm averages fewer than 200 non-ATS transactions per day in a given security during the reporting period, FINRA will continue to aggregate the firm's volume in that security with that of similarly situated firms and there will continue to be a *de minimis* line item on the OTC (non-ATS) Issue Data "Details" page.

Third, FINRA is proposing to publish information regarding trading by firms through their SDPs. OTC dealer firms offer access to their SDPs to other brokers and active trading customers to provide an efficient way for these customers to execute trades directly with the dealer firm away from an exchange or ATS. Unlike a dark pool, where multiple buyers and sellers can interact and are matched anonymously, the dealer firm operating the SDP always represents either the buy or sell side of the trade on a proprietary basis. Thus, SDPs are electronic trading platforms in which firms are systematically interacting with order flow by dealing on their own accounts.

SDPs are not registered ATSS, and as such, data relating to trades occurring on an SDP currently is published as part of (and hence indistinguishable from) the operating firm's OTC volume (*i.e.*, non-ATS volume) data. FINRA proposes to separately identify volume data for SDPs in the published data on FINRA's website.

To gather the SDP data, FINRA proposes to require firms that operate an SDP to obtain and use a unique MPID for purposes of reporting trades executed on the SDP to a FINRA equity trade reporting facility. A firm that already has a single MPID used solely for SDP transactions and no other transactions would be required to notify FINRA; the firm would

not be required to obtain a new MPID. If a firm operates multiple SDPs, either directly or through another firm, consistent with the current ATS MPID requirement, it would be required to obtain a separate MPID for each of its SDPs irrespective of where that SDP activity may be situated. If an SDP is embedded in or linked to an ATS, the ATS should not report the SDP trades under the ATS MPID, but instead would report under the SDP MPID to ensure that SDP volume is not included in ATS volume.

FINRA believes that the proposal will bring additional transparency to this part of the market, and much like with the ATS data, it would highlight important trading platforms firms use. If customers see a significant concentration of volume at a given SDP, it may help inform their order flow routing decisions related to that platform.

Economic Impacts

Except for the proposed requirement that firms use a unique MPID for trades occurring on SDPs, the proposal described above would not impose any additional requirements on firms because the data will be derived solely from trade reports submitted to the FINRA equity trade reporting facilities and already disseminated trade-by-trade on an anonymous basis through the securities information processors. In addition, because the data is available free of charge, FINRA does not believe that there would be any direct costs associated with the proposal—to firms, investors or data consumers. Thus, FINRA believes that the proposal would have minimal to no impact on firms with respect to systems development. At the same time, the proposal is anticipated to help market participants better understand the overall OTC trading of equities, by providing information that could be used in assessing where liquidity is concentrated and how order routing strategies could be improved. The proposal would provide additional transparency into OTC trading activity by expanding the availability of information about OTC block-size trading to non-ATS volume at no required cost to firms.

FINRA believes that, by expanding transparency to all segments of the OTC equity market, the proposal would bridge gaps in information published across ATS versus non-ATS segments of the OTC equity market, thereby reducing any competitive distortions that may be associated with such information gaps.

Firms that operate SDPs would incur costs associated with systems changes needed to incorporate a separate MPID for their SDP activity. However, FINRA believes that there is no alternative method of identifying SDP transactions on an automated basis (*e.g.*, using an SDP “flag” or other modifier on trade reports) that would provide FINRA with the same degree of comprehensive, reliable information as requiring unique MPIDs, since MPIDs are used across FINRA trade reporting facilities. Some firms may choose to incur costs to verify the information FINRA publishes, but these cost are also likely to be minimal and are not required by the proposal.

FINRA also considered information leakage concerns, *i.e.*, whether a firm's proprietary trading strategy could be discerned from the published data. FINRA notes that there may be differences in non-ATS block-size trading and ATS block-size trading, *e.g.*, the total number of shares traded in non-ATS block-size trades of 10,000 or more shares tends to be a significantly higher percentage of the overall non-ATS OTC activity as compared to ATS block activity. Nonetheless, given that the proposed non-ATS block-size trading data would be displayed at the firm aggregate level only, with no accompanying security level data, along with the delay in publication and FINRA's previous experience with the parallel publication of ATS OTC trading volume, FINRA believes that the proposal is a well-calibrated effort to reduce information leakage concerns and to provide market participants access to meaningful information on non-ATS trading activity.

Request for Comment

Current Proposals

FINRA seeks comments on the proposals outlined above. Depending on the comments received, FINRA anticipates filing a proposed rule change with the SEC proposing to implement these proposals. In addition to general comments, FINRA specifically requests comments on the following questions:

- ▶ Would the proposals outlined above provide valuable information to the marketplace? If so, how do you intend to use the information in your operations (input into the routing algorithm, assessment of execution metrics)? Are there any areas outside operations, for example, in regard to investments in technology or connectivity, where such information may potentially impact firm-level decisions?
- ▶ What (if any) concerns do firms have about the proposals?
- ▶ What other economic impacts, including costs and benefits, might be associated with the proposals? Who might be affected and how?
- ▶ What would be an appropriate definition of SDP for purposes of the proposed unique MPID requirement?
 - ▶ What types of activities should fall into the SDP category?
 - ▶ For those firms that conduct both SDP and non-SDP activities, what should distinguish each type of activity within the firm?
 - ▶ For firms that operate ATSS and SDPs, either directly or through another firm, how do firms structure these separate platforms and differentiate for operational and regulatory reporting purposes?
- ▶ Would data users find the breakdown of SDP data to be of interest or use to them?
- ▶ Should security-specific SDP data be subject to the *de minimis* threshold that currently applies to security-specific non-ATS data?

Future enhancements

In addition, FINRA is requesting comment on possible future enhancements to the OTC equity trading volume data published on FINRA's website. FINRA notes that such future enhancements would not be part of any proposed rule change to implement the set of current proposals discussed above, but would be proposed at a later time.

First, should FINRA consider adopting a uniform publication delay across all equity securities, for example, by publishing weekly ATS and non-ATS data on a two-week delayed basis for all NMS stocks and OTC equity securities? Thus, the current four-week delay for NMS stocks that are not in Tier 1 of the Limit Up/Limit Down Plan and OTC equity securities would be shortened to two weeks, and volume data for NMS stocks would no longer be divided into two tiers and instead would be published in a single combined data set.

- ▶ Do commenters believe a two-week delay for all securities (*i.e.*, all NMS stocks and OTC equity securities) would be appropriate? Is there an alternative uniform schedule for all securities (*e.g.*, three-week delay) that commenters would suggest and why?
- ▶ Do commenters believe that the current four-week delay is still appropriate for less liquid securities (*i.e.*, non-Tier 1 NMS stocks and OTC equity securities)?
- ▶ FINRA has heard from firms that the bifurcation of data relating to NMS stocks into two tiers may complicate the data sets for users. Do commenters agree? Do commenters see any value in continuing to bifurcate the NMS data?

Second, should FINRA consider lowering the *de minimis* threshold for security-specific data? As noted above, a firm must average 200 non-ATS trades per day during the reporting period in a given security to have its volume attributed at the security level. Alternatively, should FINRA consider eliminating the *de minimis* threshold for non-ATS data altogether?

- ▶ Do commenters believe that the current threshold is appropriate? If not, is there an alternative threshold that FINRA should consider and why?
- ▶ What concerns would commenters have if the *de minimis* threshold for security-specific data were eliminated altogether? For example, would there be a greater possibility for reverse engineering a firm's trading strategy, particularly with respect to more thinly traded securities, if FINRA were to no longer aggregate *de minimis* volume in the security-specific data?
- ▶ If FINRA were to eliminate the *de minimis* threshold for security-specific data, should FINRA nonetheless mask the identity of each firm with *de minimis* volume, *e.g.*, Firm 1, Firm 2, in the published data?
 - ▶ Do commenters feel that data masked in this way would still provide useful information to the marketplace?

Third, are there additional statistical offerings that FINRA should consider in the future? For example, ATS heat maps could display time of execution clusters by ATS on average for the trading week. These heat maps could show whether certain ATSS are better able to execute more or larger trades in certain types of stocks (or specific stocks) at different times of the day (*e.g.*, at the open or the close). Another potential offering could be unique Top 10 lists for the most active securities and ETPs. FINRA is interested in any suggestions that commenters may have for other future offerings.

Fourth, should FINRA consider adding ATS and non-ATS block-size data for OTC equity securities? As noted above, FINRA is not proposing to include such data at this time, due largely to the wide variance of trading activity in these securities and the difficulty associated with determining appropriate block thresholds that would be appropriate across this class of securities.

FINRA requests that commenters provide empirical data or other factual support for their comments wherever possible.

Endnotes

1. Persons submitting comments are cautioned that FINRA does not redact or edit personal identifying information, such as names or email addresses, from comment submissions. Persons should submit only information that they wish to make publicly available. *See NTM 03-73* (November 2003) (NASD Announces Online Availability of Comments) for more information.
2. *See* Section 19 of the Securities Exchange Act of 1934 (SEA) and rules thereunder. After a proposed rule change is filed with the SEC, the proposed rule change generally is published for public comment in the *Federal Register*. Certain limited types of proposed rule changes, however, take effect upon filing with the SEC. *See* SEA Section 19(b)(3) and SEA Rule 19b-4.
3. Information on NMS stocks in Tier 1 of the Limit Up/Limit Down NMS Plan is published on a two-week delayed basis; information on the remaining NMS stocks and OTC equity securities is published on a four-week delayed basis. *See* Rules 6110 and 6610. OTC volume information regarding fixed income securities is not reported or disseminated pursuant to the rules.
4. Monthly aggregate totals are published on a one month delayed basis, *e.g.*, totals for the month of June are published on or about August 1.
5. Thus, if a firm averages fewer than 200 non-ATS transactions per day across all securities during the reporting period, FINRA aggregates the firm's volume with that of similarly situated firms. Additionally, because the published volume data is broken down by security, if a firm averages fewer than 200 non-ATS transactions per day in a given security during the reporting period, FINRA aggregates the firm's volume in that security with that of similarly situated firms, even if the firm averages more than 200 non-ATS transactions per day across all securities during the reporting period.
6. *See* Rules 6160, 6170 and 6480.
7. As with ATS block-size data, FINRA believes that OTC equity securities should not be included in the initial publication phase, due largely to the wide variance of trading activity in these securities and the difficulty associated with determining appropriate block thresholds that would be appropriate across this class of securities. However, FINRA will continue to assess whether the data should be expanded to include trades in OTC equity securities or some subset thereof and welcomes comment on such an expansion.
8. As is the case with non-ATS data today, non-ATS block-size data would not be published on an MPID-by-MPID basis.
9. FINRA notes that there would be no *de minimis* exception for non-ATS block-size data.

ATTACHMENT A

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

6000. QUOTATION, ORDER, AND TRANSACTION REPORTING FACILITIES

6100. QUOTING AND TRADING IN NMS STOCKS

6110. Trading Otherwise than on an Exchange

(a) No Change.

(b) Trading Information for OTC Transactions in NMS Stocks Executed Outside of Alternative Trading Systems

(1) FINRA will publish on its public web site the Trading Information for each member with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b) on the following timeframes:

(A) no earlier than two weeks following the end of the Trading Information week, aggregate weekly Trading Information regarding NMS stocks in Tier 1 of the NMS Plan to Address Extraordinary Market Volatility;

(B) no earlier than four weeks following the end of the Trading Information week, Trading Information regarding NMS stocks that are subject to FINRA trade reporting requirements and are not in Tier 1 of the NMS Plan to Address Extraordinary Market Volatility; and

(C) no earlier than one month following the end of the Trading Information month, aggregate volume totals across all NMS stocks.

(2) Published Trading Information will be presented on FINRA's web site as follows:

(A) Trading Information will be aggregated for all Market Participant Identifiers (MPIDs) used by a single member (excluding, if applicable, any MPIDs used by the member for reporting trades executed in its alternative trading system or single dealer platform).

[(B) Trading Information will be aggregated for members that have executed on average fewer than 200 transactions per day across all NMS stocks during the applicable Trading Information period.]

[(C) Trading Information by security will be aggregated for members that have executed on average fewer than 200 transactions per day in [an NMS stock] the security during the applicable Trading Information period.

(3) FINRA will publish on its public web site monthly aggregate block trading statistics, with elements to be determined from time to time by FINRA in its discretion as stated in a Regulatory Notice or other equivalent publication, for each member with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b). For each member, such block trading statistics shall be aggregated for all Market Participant Identifiers (MPIDs) used by the member (excluding, if applicable, any MPIDs used by the member for reporting trades executed in its alternative trading system), be aggregated across all NMS stocks, be for a minimum time period of one month of trading, and be published no earlier than one month following the end of the month for which trading was aggregated.

([3]4) For purposes of this paragraph (b), “Trading Information” includes:

(A) the number of shares of an NMS stock executed by the member with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b) and reported to FINRA; and

(B) the number of trades in an NMS stock executed by the member with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b) and reported to FINRA.

“Trading Information” for purposes of this paragraph (b) shall not include any ATS Trading Information, as that term is defined in paragraph (c)(3).

(c) Trading Information for OTC Transactions in NMS Stocks Executed on Alternative Trading Systems

(1) FINRA will publish on its public web site [the] aggregate weekly ATS Trading Information for each ATS with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b) on the following timeframes:

(A) no earlier than two weeks following the end of the ATS Trading Information week, aggregate weekly ATS Trading Information regarding NMS stocks in Tier 1 of the NMS Plan to Address Extraordinary Market Volatility; and

(B) no earlier than four weeks following the end of the ATS Trading Information week, aggregate weekly ATS Trading Information regarding NMS stocks that are subject to FINRA trade reporting requirements and are not in Tier 1 of the NMS Plan to Address Extraordinary Market Volatility.

(2) FINRA will publish on its public web site monthly aggregate ATS block trading statistics, with elements to be determined from time to time by FINRA in its discretion as stated in a Regulatory Notice or other equivalent publication, for each ATS with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b). For each ATS, such block trading statistics shall be aggregated across all NMS stocks, be for a minimum time period of one month of trading, and be published no earlier than one month following the end of the month for which trading was aggregated.

(3) For purposes of this paragraph (c):

(A) “ATS” has the same meaning as the term “alternative trading system” as that term is defined in Rule 300 of SEC Regulation ATS; and

(B) “ATS Trading Information” includes:

(i) the number of shares of an NMS stock executed on an ATS with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b) and reported to FINRA; and

(ii) the number of trades in an NMS stock executed on an ATS with the trade reporting obligation under Rules 6282(b), 6380A(b) and 6380B(b) and reported to FINRA.

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6160. Multiple MPIDs for Trade Reporting Facility Participants

[Note: Identical changes will be made to Rules 6170 (relating to ADF) and 6480 (relating to ORF)]

(a) through (b) No Change.

(c) ATS MPID Requirement

(1) Except as set forth in paragraph ([d]c)(2), a Trade Reporting Facility Participant that operates an alternative trading system (“ATS”), as that term is defined in Rule 300 of SEC Regulation ATS, must obtain a single, separate MPID for each such ATS designated for exclusive use for reporting each ATS’s transactions. The member must use such separate MPID to report all transactions executed within the ATS to a Trade Reporting Facility (or Facilities), except if the member is submitting a clearing-only, non-regulatory report pursuant to Rule 7230A(i)(4) or 7230B(h)(4). The member shall not use such separate MPID to report any transaction that is not executed within the ATS. Any member that operates multiple ATSs must obtain a separate MPID for

each ATS. Members must have policies and procedures in place to ensure that trades reported with a separate MPID obtained under this paragraph are restricted to trades executed within the ATS.

((d)2) An ATS is permitted to use two separate MPIDs only if one MPID is used exclusively for reporting transactions to TRACE and the other MPID is used exclusively for reporting transactions to the equity trade reporting facilities (the Alternative Display Facility, the OTC Reporting Facility, the FINRA/Nasdaq TRF, or the FINRA/NYSE TRF).

(d) SDP MPID Requirement

(1) Except as set forth in paragraph (d)(2), a Trade Reporting Facility Participant that operates a single dealer platform (“SDP”), as that term is defined in paragraph (d) (4), must obtain a single, separate MPID for each such SDP designated for exclusive use for reporting each SDP’s transactions. The member must use such separate MPID to report all transactions executed within the SDP to a Trade Reporting Facility (or Facilities), except if the member is submitting a clearing-only, non-regulatory report pursuant to Rule 7230A(i)(4) or 7230B(h)(4). The member shall not use such separate MPID to report any transaction that is not executed within the SDP. Any member that operates multiple SDPs must obtain a separate MPID for each SDP. Members must have policies and procedures in place to ensure that trades reported with a separate MPID obtained under this paragraph are restricted to trades executed within the SDP.

(2) An SDP is permitted to use two separate MPIDs only if one MPID is used exclusively for reporting transactions to TRACE and the other MPID is used exclusively for reporting transactions to the equity trade reporting facilities (the Alternative Display Facility, the OTC Reporting Facility, the FINRA/Nasdaq TRF, or the FINRA/NYSE TRF).

(3) If a member has a single MPID and that MPID is used solely for SDP transactions and no other transactions, the member must notify FINRA and must comply with the provisions of this paragraph (d).

(4) For purposes of this paragraph (d), “single dealer platform” or “SDP” shall mean an electronic trading platform owned and operated by a member on which the member trades solely for its own account when executing orders routed to the SDP and represents either the buy or sell side of each trade on a proprietary basis.

• • • Supplementary Material: -----

.01 through .02 No Change.

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6600. OTC REPORTING FACILITY**6610. General**

(a) No Change.

(b) Trading Information for OTC Transactions in OTC Equity Securities Executed Outside of Alternative Trading Systems

(1) FINRA will publish on its public web site the Trading Information for each member with the trade reporting obligation under Rule 6622(b) on the following timeframes:

(A) no earlier than four weeks following the end of the Trading Information week, aggregate weekly Trading Information for OTC Equity Securities; and

(B) no earlier than one month following the end of the Trading Information month, aggregate volume totals across all OTC Equity Securities.

(2) Published Trading Information will be presented on FINRA's web site as follows:

(A) Trading Information will be aggregated for all Market Participant Identifiers (MPIDs) used by a single member (excluding, if applicable, any MPIDs used by the member for reporting trades executed in its alternative trading system or single dealer platform).

[(B) Trading Information will be aggregated for members that have executed on average fewer than 200 transactions per day across all OTC Equity Securities during the applicable Trading Information period.]

[(C) Trading Information by security will be aggregated for members that have executed on average fewer than 200 transactions per day in [an OTC Equity Security] the security during the applicable Trading Information period.

(3) For purposes of this paragraph (b), "Trading Information" includes:

(A) the number of shares of an OTC Equity Security executed by the member with the trade reporting obligation under Rule 6622(b) and reported to FINRA;

(B) the number of trades in an OTC Equity Security executed by the member with the trade reporting obligation under Rule 6622(b) and reported to FINRA.

“Trading Information” for purposes of this paragraph (b) shall not include any ATS Trading Information, as that term is defined in paragraph (c)(3).

(c) Trading Information for OTC Transactions in OTC Equity Securities Executed on Alternative Trading Systems

(1) FINRA will publish on its public web site the aggregate weekly ATS Trading Information for each alternative trading system with the trade reporting obligation under Rules 6622(b) no earlier than four weeks following the end of the ATS Trading Information week[.].

(2) For purposes of this paragraph (c), “ATS Trading Information” includes:

(A) the number of shares of an OTC Equity Security executed on an alternative trading system with the trade reporting obligation under Rule 6622(b) and reported to FINRA; and

(B) the number of trades in an OTC Equity Security executed on an alternative trading system with the trade reporting obligation under Rule 6622(b) and reported to FINRA.

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