OMB APPROVAL
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Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2018 - * 030
Amendment No. (req. for Amendments *)

Filing by Financial Industry Regulatory Authority

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
☑	☐	☐	☑	☐	☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule
- ☐ 19b-4(f)(1)
- ☐ 19b-4(f)(2)
- ☐ 19b-4(f)(3)
- ☐ 19b-4(f)(4)
- ☐ 19b-4(f)(5)
- ☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐

Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

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

Proposed Rule Change to Amend FINRA Rule 7730 (Trade Reporting and Compliance Engine (TRACE)) to Remove Computer-to-Computer Interface (“CTCI”) as a Technological Option for TRACE Reporting

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 * Racquel Last Name * Russell

Title * Associate General Counsel

E-mail * racquel.russell@finra.org

Telephone * (202) 728-8363 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.

Date 08/15/2018

By Alan Lawhead

(Name *)

(Title *)

Vice President and Director - Appellate Group

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.

Alan Lawhead, Alan.Lawhead@finra.org

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add Remove View	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),[1] Financial Industry Regulatory Authority, Inc. ("FINRA") is filing with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change to amend FINRA Rule 7730 to modify the technological connectivity options available to members for reporting transactions to TRACE.

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

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

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

If the Commission approves the proposed rule change, the effective date of the proposed rule change will be February 3, 2020.

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

(a) Purpose

FINRA is proposing to amend Rule 7730 (Trade Reporting and Compliance Engine (TRACE)) to remove Computer-to-Computer Interface ("CTCI") as a technological means of connectivity for use in reporting transactions to TRACE.

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1 15 U.S.C. 78s(b)(1).

Technology and connectivity options have evolved since the inception of the TRACE system (at which time CTCI, rather than Financial Information eXchange ("FIX"), was made available for TRACE reporting purposes).[2] FINRA has determined that it is now appropriate to remove CTCI—a Nasdaq proprietary protocol—as a means of connectivity. Accordingly, firms would be required to report transactions to TRACE using one of the remaining currently available options: (i) web browser access; (ii) FIX line access; or (iii) indirectly via third-party intermediaries (e.g., service bureaus).[3]

FINRA notes that FIX—an industry standard protocol—is an immediately available and viable alternative to CTCI that already is widely used by members. Since adding FIX as a protocol for transaction reporting to TRACE in 2011 for Securitized Products (and for corporates and Agency Debt Securities in 2012), approximately two thirds of firms with direct connections, and half of the service bureaus, have opted to migrate from CTCI to FIX. In fact, the majority of members that report trades to TRACE currently connect via FIX,[4] and FINRA believes that an increasing amount of firms and

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2 See Securities Exchange Act Release No. 42201 (December 3, 1999), 64 FR 69305 (December 10, 1999) (Notice of Filing of File No. SR-NASD-99-65).

3 See Rule 7730.

4 Currently, 61 members have direct FIX connections for TRACE reporting, 32 have direct CTCI connections, and 709 members have web browser access (the 709 firms with web browser access also may have CTCI or FIX access for connecting to TRACE). The top five members that connect through CTCI for reporting transactions to TRACE represent 63% of all TRACE reports submitted directly using a CTCI connection. In addition, five service bureaus report to TRACE through CTCI connections and five report through FIX connections. The five service bureaus that use CTCI report transactions to TRACE on behalf of 191 members in aggregate, with over 95% of these transaction reports received from one service bureau. For all TRACE-eligible securities, approximately 33% of all transaction reports are received via CTCI, which consists of 23% submitted by

service bureaus will continue to migrate to FIX.[5] FINRA also believes that removing CTCI as a means of connectivity will reduce operational overhead and risk for FINRA.

Accordingly, FINRA is proposing to amend Rule 7730 to remove CTCI as a means of connectivity for members to report transactions to TRACE.[6] FINRA intends to provide ample time, until February 3, 2020, to allow firms that still use CTCI as a means of connectivity to migrate, and will permit members to migrate at any point throughout the implementation period. During that timeframe, FINRA also will engage in extensive outreach with the industry to assist in migration awareness and efforts.[7]

As noted in Item 2 of this filing, if the Commission approves the proposed rule change, the effective date of the proposed rule change will be February 3, 2020.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,[8] which requires, among other things, that FINRA rules

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members with direct CTCI connections and 10% by service bureaus connected via CTCI.

5 For example, members may report trades to the recently approved second FINRA/Nasdaq Trade Reporting Facility via FIX but firms will not have the option to report trades via CTCI. See Securities Exchange Act Release No. 83082 (April 20, 2018), 83 FR 18379 (April 26, 2018) (Notice of Filing of File No. SR-FINRA-2018-013).

6 FINRA will be eliminating CTCI as a means of connectivity for reporting to all FINRA trade reporting facilities.

7 In addition to general outreach (industry-wide calls and a Technical Notice), FINRA will contact each individual firm that directly reports to TRACE via CTCI by email and telephone to provide information and assistance in connection with the migration.

8 15 U.S.C. 78o-3(b)(6).

must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest.

FINRA is proposing to amend Rule 7730 to remove CTCI as a means of connectivity for members to report transactions to TRACE. FINRA does not believe the proposed rule change will have a significant impact, as a majority of members already use FIX as a means of connectivity to report trades to TRACE, and FINRA believes that an increasing amount of members and service providers are migrating to exclusive use of FIX. FIX is an industry standard protocol that is an immediately available and viable alternative for the minority of members who directly use CTCI as a means of connectivity to report transactions to TRACE.

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

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Economic Impact Assessment

FINRA has undertaken an economic impact assessment, as set forth below, to further analyze the regulatory need for the proposed rule change, the economic baseline, the economic impact, and the alternatives considered.

Regulatory Need

Rule 7730 provides that members may report transactions to TRACE via CTCI protocol. Due to technological advances, FINRA is proposing to discontinue supporting

CTCI as means of connectivity for members to report transactions. Therefore, FINRA is proposing to amend Rule 7730 to reflect this change.

Economic Baseline

The baseline for the proposed amendment is current Rule 7730, which allows members to report to TRACE via (1) CTCI, (2) FIX, (3) web browser, or (4) indirectly via a third party intermediary. Presently, 32 members directly report transactions to TRACE via CTCI and 61 members directly report transactions to TRACE via FIX. In addition, five service bureaus report transactions to TRACE via FIX (on behalf of 25 members), and five service bureaus report transactions to TRACE via CTCI (on behalf of 191 members).[9] Firms reporting via either CTCI or FIX are charged $25/month to do so. Firms that report via a web browser are charged $20/month per user ID. For all TRACE-eligible securities, approximately 33% of all transaction reports are received via CTCI, which consists of 23% submitted by members with direct CTCI connections and 10% by service bureaus connected via CTCI.

Economic Impact

The proposal would apply equally to all members who report transactions to TRACE. However, there is no impact to firms that currently report via FIX or a web browser. Only firms reporting via CTCI would incur additional costs as a result of the proposed rule change.

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9 See supra note 4.

There are 223 members that use CTCI (either directly or indirectly) for TRACE reporting purposes.[10] However, the majority of these members (191) are indirectly impacted—i.e., those who report through a service bureau—since most of the work to migrate to the FIX protocol will be performed by the service bureaus. Although the service bureaus may choose to pass some or all of the cost of reprogramming on to the member firms, the costs would be spread across these firms.

The 32 members reporting directly via their own CTCI connection would incur costs associated with reporting via a new method. These members would face a tradeoff between greater upfront costs and on-going efficiencies. The development of a compliant FIX submission protocol would require up-front investment, but could provide cost-saving efficiency over time.[11] A firm that chooses not to replace CTCI with FIX, but instead chooses to submit their trades via web browser access, will require a more limited initial investment, but relatively more on-going cost. Presumably, firms will choose a new reporting method that minimizes their overall costs or maximizes their efficiency. Anecdotally, FINRA understands that some firms are contemplating discontinuing use of CTCI and migrating to FIX. For these firms, however, the proposal may result in them incurring certain costs sooner than planned.

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[10] At the time of this filing, 309 members report to TRACE via CTCI or FIX (either directly or indirectly).

[11] The programming costs that these firms incur would vary due to a number of factors, including existing expertise.

For FINRA, each protocol type requires maintenance and support, and maintaining two protocols increases operational risk.[12] There is inherent risk associated with supporting any information technology system, including risk of an operational failure. Since CTCI currently is used to collect transaction information, an operational event could negatively impact any market stakeholder that uses disseminated transaction information. Thus, a benefit of this proposal would be to eliminate risk associated with supporting CTCI. Since an operational event could harm the integrity of the market (by resulting in information asymmetry), this benefit should accrue to all market stakeholders. Thus, it is FINRA's view that the benefits of the amendment outweigh any associated cost.

Alternatives Considered

FINRA considered maintaining the status quo and continuing to support CTCI. However, given the decreased reliance on the protocol and that the owner of the protocol does not intend to support it for its new facility,[13] FINRA determined that it is now appropriate to retire the protocol for the purpose of reporting transactions to FINRA facilities.

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.

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12 FINRA also should realize cost savings as a result of the proposal, since it no longer would need to maintain a CTCI protocol.

13 See supra note 5.

6. Extension of Time Period for Commission Action

FINRA does not consent at this time to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.[14]

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)

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

11. Exhibits

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

Exhibit 5. Text of the proposed rule change

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[14] 15 U.S.C. 78s(b)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-FINRA-2018-030)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change to Amend FINRA Rule 7730 (Trade Reporting and Compliance Engine (TRACE)) to Remove Computer-to-Computer Interface ("CTCI") as a Technological Option for TRACE Reporting

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. 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 modify the technological connectivity options available to members for reporting transactions to TRACE.

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.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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

In its filing with the Commission, FINRA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

FINRA is proposing to amend Rule 7730 (Trade Reporting and Compliance Engine (TRACE)) to remove Computer-to-Computer Interface ("CTCI") as a technological means of connectivity for use in reporting transactions to TRACE.

Technology and connectivity options have evolved since the inception of the TRACE system (at which time CTCI, rather than Financial Information eXchange ("FIX"), was made available for TRACE reporting purposes).[3] FINRA has determined that it is now appropriate to remove CTCI—a Nasdaq proprietary protocol—as a means of connectivity. Accordingly, firms would be required to report transactions to TRACE using one of the remaining currently available options: (i) web browser access; (ii) FIX line access; or (iii) indirectly via third-party intermediaries (e.g., service bureaus).[4]

FINRA notes that FIX—an industry standard protocol—is an immediately available and viable alternative to CTCI that already is widely used by members. Since

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[3] See Securities Exchange Act Release No. 42201 (December 3, 1999), 64 FR 69305 (December 10, 1999) (Notice of Filing of File No. SR-NASD-99-65).

[4] See Rule 7730.

adding FIX as a protocol for transaction reporting to TRACE in 2011 for Securitized Products (and for corporates and Agency Debt Securities in 2012), approximately two thirds of firms with direct connections, and half of the service bureaus, have opted to migrate from CTCI to FIX. In fact, the majority of members that report trades to TRACE currently connect via FIX,[5] and FINRA believes that an increasing amount of firms and service bureaus will continue to migrate to FIX.[6] FINRA also believes that removing CTCI as a means of connectivity will reduce operational overhead and risk for FINRA.

Accordingly, FINRA is proposing to amend Rule 7730 to remove CTCI as a means of connectivity for members to report transactions to TRACE.[7] FINRA intends to provide ample time, until February 3, 2020, to allow firms that still use CTCI as a means of connectivity to migrate, and will permit members to migrate at any point throughout

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5 Currently, 61 members have direct FIX connections for TRACE reporting, 32 have direct CTCI connections, and 709 members have web browser access (the 709 firms with web browser access also may have CTCI or FIX access for connecting to TRACE). The top five members that connect through CTCI for reporting transactions to TRACE represent 63% of all TRACE reports submitted directly using a CTCI connection. In addition, five service bureaus report to TRACE through CTCI connections and five report through FIX connections. The five service bureaus that use CTCI report transactions to TRACE on behalf of 191 members in aggregate, with over 95% of these transaction reports received from one service bureau. For all TRACE-eligible securities, approximately 33% of all transaction reports are received via CTCI, which consists of 23% submitted by members with direct CTCI connections and 10% by service bureaus connected via CTCI.

6 For example, members may report trades to the recently approved second FINRA/Nasdaq Trade Reporting Facility via FIX but firms will not have the option to report trades via CTCI. See Securities Exchange Act Release No. 83082 (April 20, 2018), 83 FR 18379 (April 26, 2018) (Notice of Filing of File No. SR-FINRA-2018-013).

7 FINRA will be eliminating CTCI as a means of connectivity for reporting to all FINRA trade reporting facilities.

the implementation period. During that timeframe, FINRA also will engage in extensive outreach with the industry to assist in migration awareness and efforts.[8]

If the Commission approves the proposed rule change, the effective date of the proposed rule change will be February 3, 2020.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,[9] which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest.

FINRA is proposing to amend Rule 7730 to remove CTCI as a means of connectivity for members to report transactions to TRACE. FINRA does not believe the proposed rule change will have a significant impact, as a majority of members already use FIX as a means of connectivity to report trades to TRACE, and FINRA believes that an increasing amount of members and service providers are migrating to exclusive use of FIX. FIX is an industry standard protocol that is an immediately available and viable alternative for the minority of members who directly use CTCI as a means of connectivity to report transactions to TRACE.

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8 In addition to general outreach (industry-wide calls and a Technical Notice), FINRA will contact each individual firm that directly reports to TRACE via CTCI by email and telephone to provide information and assistance in connection with the migration.

9 15 U.S.C. 78o-3(b)(6).

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

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Economic Impact Assessment

FINRA has undertaken an economic impact assessment, as set forth below, to further analyze the regulatory need for the proposed rule change, the economic baseline, the economic impact, and the alternatives considered.

Regulatory Need

Rule 7730 provides that members may report transactions to TRACE via CTCI protocol. Due to technological advances, FINRA is proposing to discontinue supporting CTCI as means of connectivity for members to report transactions. Therefore, FINRA is proposing to amend Rule 7730 to reflect this change.

Economic Baseline

The baseline for the proposed amendment is current Rule 7730, which allows members to report to TRACE via (1) CTCI, (2) FIX, (3) web browser, or (4) indirectly via a third party intermediary. Presently, 32 members directly report transactions to TRACE via CTCI and 61 members directly report transactions to TRACE via FIX. In addition, five service bureaus report transactions to TRACE via FIX (on behalf of 25 members), and five service bureaus report transactions to TRACE via CTCI (on behalf of 191 members).[10] Firms reporting via either CTCI or FIX are charged $25/month to do so. Firms that report via a web browser are charged $20/month per user ID. For all

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[10] See supra note 5.

TRACE-eligible securities, approximately 33% of all transaction reports are received via CTCI, which consists of 23% submitted by members with direct CTCI connections and 10% by service bureaus connected via CTCI.

Economic Impact

The proposal would apply equally to all members who report transactions to TRACE. However, there is no impact to firms that currently report via FIX or a web browser. Only firms reporting via CTCI would incur additional costs as a result of the proposed rule change.

There are 223 members that use CTCI (either directly or indirectly) for TRACE reporting purposes.[11] However, the majority of these members (191) are indirectly impacted—i.e., those who report through a service bureau—since most of the work to migrate to the FIX protocol will be performed by the service bureaus. Although the service bureaus may choose to pass some or all of the cost of reprogramming on to the member firms, the costs would be spread across these firms.

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[11] At the time of this filing, 309 members report to TRACE via CTCI or FIX (either directly or indirectly).

[12] The programming costs that these firms incur would vary due to a number of factors, including existing expertise.

initial investment, but relatively more on-going cost. Presumably, firms will choose a new reporting method that minimizes their overall costs or maximizes their efficiency. Anecdotally, FINRA understands that some firms are contemplating discontinuing use of CTCI and migrating to FIX. For these firms, however, the proposal may result in them incurring certain costs sooner than planned.

For FINRA, each protocol type requires maintenance and support, and maintaining two protocols increases operational risk.[13] There is inherent risk associated with supporting any information technology system, including risk of an operational failure. Since CTCI currently is used to collect transaction information, an operational event could negatively impact any market stakeholder that uses disseminated transaction information. Thus, a benefit of this proposal would be to eliminate risk associated with supporting CTCI. Since an operational event could harm the integrity of the market (by resulting in information asymmetry), this benefit should accrue to all market stakeholders. Thus, it is FINRA's view that the benefits of the amendment outweigh any associated cost.

Alternatives Considered

FINRA considered maintaining the status quo and continuing to support CTCI. However, given the decreased reliance on the protocol and that the owner of the protocol does not intend to support it for its new facility,[14] FINRA determined that it is now appropriate to retire the protocol for the purpose of reporting transactions to FINRA facilities.

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13 FINRA also should realize cost savings as a result of the proposal, since it no longer would need to maintain a CTCI protocol.

14 See supra note 6.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

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-2018-030 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Robert W. Errett, Deputy Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2018-030. 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2018-030 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.[15]

Robert W. Errett
Deputy Secretary

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[15] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

* * * * *

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
* * * * *	* * * * *	* * * * *
[CTCI/]FIX/Third Party — $25/month/per firm	Cancel/Correct — $1.50/trade	Market Data: Vendor Real-Time Data Feed — $1,500/month per Data Set of Real-Time TRACE transaction data for receipt of continuous Real-Time TRACE transaction data, except for qualifying Tax-Exempt Organizations, or $250/month per Data Set of Snapshot Real-Time TRACE transaction data

		for daily receipt of such Data Set(s).
* * * * *	* * * * *	* * * * *

(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) No Change.

(2) [CTCI or] FIX Access

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

(3) No Change.

(b) through (h) No Change.

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

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