

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-83722; File No. SR-FINRA-2018-023)

July 26, 2018

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change Relating to ATS Reporting of Transactions to TRACE in U.S. Treasury Securities

On June 5, 2018, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to amend FINRA Rule 6730 to require certain alternative trading systems (“ATs”) that report transactions in U.S. Treasury Securities to the Transaction Reporting and Compliance Engine (“TRACE”) to identify non-FINRA-member subscribers on those transaction reports. The proposed rule change was published for comment in the Federal Register on June 13, 2018.³ The Commission received three comments regarding the proposed rule change.⁴

Section 19(b)(2) of the Act⁵ provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission

¹ 15 U.S.C.78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 83393 (June 7, 2018), 83 FR 27643 (“Notice”).

⁴ See letter to Secretary, Commission, from Stephen John Berger, Managing Director, Government and Regulatory Policy, Citadel, dated July 5, 2018; letter to Robert W. Errett, Deputy Secretary, Commission, from Theodore Bragg, Chief Executive Officer, Execution Access, LLC, dated July 3, 2018; letter to Brent J. Fields, Secretary, Commission, from Tyler Gellash, Executive Director, The Healthy Markets Association, dated July 5, 2018.

⁵ 15 U.S.C. 78s(b)(2).

shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day for this filing is July 28, 2018.

The Commission notes that Section 19(b)(5) of the Act requires the Commission to “consult with and consider the views of the Secretary of the Treasury prior to approving a proposed rule filed by a registered securities association that primarily concerns conduct related to transactions in government securities.”⁶ The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change in order to consider fully the comments received on the proposal and to complete the consultation process required under Section 19(b)(5). Accordingly, pursuant to Section 19(b)(2) of the Act,⁷ the Commission designates September 11, 2018, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-FINRA-2018-023).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Robert W. Errett
Deputy Secretary

⁶ 15 U.S.C. 78s(b)(5).

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(31).