

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

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6000. QUOTATION AND TRANSACTION REPORTING FACILITIES

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6700. TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)

6710. Definitions

The terms used in this Rule 6700 Series shall have the same meaning as those defined in the FINRA By-Laws and rules unless otherwise specified. For the purposes of this Rule 6700 Series, the following terms have the following meaning:

(a) through (bb) No Change.

(cc) "Asset-Backed Security" means a type of Securitized Product where the Asset-Backed Security is collateralized by any type of financial asset, such as a consumer or student loan, a lease, or a secured or unsecured receivable, and excludes: (i) a Securitized Product that is backed by residential or commercial mortgage loans, mortgage-backed securities, or other financial assets derivative of mortgage-backed securities; (ii) an SBA-Backed ABS as defined in paragraph (bb) traded To Be Announced ("TBA") as defined in paragraph (u) or in a Specified Pool Transaction as defined in paragraph (x); and (iii) a collateralized debt[, loan and bond] obligation[s] ("CDO").

(dd) through (ee) No Change.

(ff) "Collateralized Debt Obligation" ("CDO") means a type of Securitized Product backed by fixed-income assets (such as bonds, receivables on loans, or other debt) or derivatives of these fixed-income assets, structured in multiple classes or tranches with each class or tranche entitled to receive distributions of principal and/or interest in accordance with the requirements

adopted for the specific class or tranche. A CDO includes, but is not limited to, a collateralized loan obligation (“CLO”) and a collateralized bond obligation (“CBO”).

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6730. Transaction Reporting

(a) When and How Transactions are Reported

Each member that is a Party to a Transaction in a TRACE-Eligible Security must report the transaction. A member must report a transaction in a TRACE-Eligible Security as soon as practicable, but no later than within 15 minutes of the Time of Execution, except as otherwise specifically provided below. Transactions not reported within the specified timeframe will be designated as "late." A member must transmit the report to TRACE during TRACE System Hours.

(1) Through (2) No Change.

(3) Reporting Requirements — Securitized Products

Transactions in Securitized Products must be reported as provided in this paragraph (a)(3).

(A) [General Reporting Requirements] Collateralized Debt Obligations and Commercial Mortgage-Backed Securities

Except as provided in paragraphs (a)(3)(B), (a)(3)(C), (a)(3)(D), (a)(3)(E), (a)(3)(F) and (a)(3)(G), transactions in [Securitized Products] collateralized debt obligations (“CDOs”) and commercial mortgage-backed securities (“CMBSs”) executed on:

(i) a business day at or after 12:00:00 a.m. Eastern Time through 5:00:00 p.m. Eastern Time must be reported the same day during TRACE System Hours;

(ii) a business day after 5:00:00 p.m. Eastern Time but before the TRACE system closes must be reported no later than the next business day (T + 1) during TRACE System Hours, and, if reported on T + 1, designated “as/of” and include the date of execution; or

(iii) a business day at or after 6:30:00 p.m. Eastern Time through 11:59:59 p.m. Eastern Time, or a Saturday, a Sunday, a federal or religious holiday or other day on which the TRACE system is not open at any time during that day (determined using Eastern Time) must be reported the next business day (T + 1) during TRACE System Hours, designated “as/of” and include the date of execution.

(B) Asset-Backed Securities

Except for transactions in Asset-Backed Securities that meet the definition of List or Fixed Offering Price Transaction or a Takedown Transaction, which shall be reported as provided in paragraph (a)(2), transactions in Securitized Products that are Asset-Backed Securities shall be reported as provided in paragraph (a)(1)(A) through paragraph (a)(1)(D). [as follows:

(i) During the transitional phase for reducing reporting timeframes for Asset-Backed Securities ("ABS Transitional Phase"), which shall expire at 11:59:59 p.m. Eastern Time December 4, 2015, such transactions must be reported as follows:

a. Transactions executed on a business day at or after 12:00:00 a.m. Eastern Time through 7:59:59 a.m. Eastern Time must be reported the same day no later than 45 minutes after the TRACE system opens.

b. Transactions executed on a business day at or after 8:00:00 a.m. Eastern Time through 6:29:59 p.m. Eastern Time (standard TRACE System Hours) must be reported within 45 minutes of the Time of Execution, except as provided in paragraph (a)(3)(B)(i)c. below.

c. Transactions executed on a business day less than 45 minutes before 6:30:00 p.m. Eastern Time must be reported no later than 45 minutes after the TRACE system opens the next business day (T + 1), and if reported on T + 1, designated "as/of" and include the date of execution.

d. Transactions executed on a business day at or after 6:30:00 p.m. Eastern Time through 11:59:59 p.m. Eastern Time or on a Saturday, a Sunday, a federal or religious holiday or other day on which the TRACE system is not open at any time during that day (determined using Eastern Time) must be reported the next business day (T + 1), no later than 45 minutes after the TRACE system opens, designated "as/of" and include the date of execution.

(ii) After the ABS Transitional Phase expires, Asset-Backed Securities transactions must be reported as provided in paragraph (a)(1)(A) through paragraph (a)(1)(D).]

(C) Collateralized Mortgage Obligation Transactions Before Issuance

Transactions in Securitized Products that are Collateralized Mortgage Obligations ("CMOs") that are executed before the issuance of the security must be reported [the earlier of:

- (i) the business day that the security is assigned a CUSIP, a similar numeric identifier or a FINRA symbol during TRACE System Hours (unless such identifier is assigned after 1:00:00 p.m. Eastern Time, and in such case, such transactions must be reported no later than the next business day during TRACE System Hours), or
- (ii) the date of issuance of the security during TRACE System Hours] no later than the first settlement date of the security.

[In either case, i]If the transaction is reported other than on the date of execution, the transaction report must be designated "as/of" and include the date of execution.

(D) through (G) No Change.

(H) Collateralized Mortgage Obligation Transactions On or After Issuance

Transactions in CMOs executed at or after issuance must be reported as provided in this paragraph (a)(3)(H).

(i) Transactions executed on a business day at or after 12:00:00 a.m. Eastern Time through 7:59:59 a.m. Eastern Time must be reported the same day no later than 60 minutes after the TRACE system opens.

(ii) Transactions executed on a business day at or after 8:00:00 a.m. Eastern Time through 6:29:59 p.m. Eastern Time (standard TRACE System Hours) must be reported within 60 minutes of the Time of Execution, except as provided in paragraph (a)(3)(H)(iii) below.

(iii) Transactions executed on a business day less than 60 minutes before 6:30:00 p.m. Eastern Time must be reported no later than 60 minutes after the TRACE system opens the next business day (T + 1), and if reported on T + 1, designated "as/of" and include the date of execution.

(iv) Transactions executed on a business day at or after 6:30:00 p.m. Eastern Time through 11:59:59 p.m. Eastern Time or on a Saturday, a Sunday, a federal or religious holiday or other day on which the TRACE system is not open at any time during that day (determined using Eastern Time) must be reported the next business day (T + 1), no later than 60 minutes after the TRACE system opens, designated "as/of" and include the date of execution.

(4) through (6) No Change.

(b) through (f) No Change.

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6750. Dissemination of Transaction Information

(a) Dissemination Upon Receipt

FINRA will disseminate information on all transactions in TRACE-Eligible Securities, including transactions effected pursuant to Securities Act Rule 144A, immediately upon receipt of the transaction report, except as provided in (b) and (c) below.

(b) [Transaction Information Not Disseminated] Periodic Dissemination

FINRA will disseminate aggregated information on certain transactions in collateralized mortgage obligations (“CMOs”), including transactions in CMOs effected pursuant to Securities Act Rule 144A, where the transaction value is \$1 million or more (calculated based upon original principal balance), and where there have been five or more transactions of \$1 million or more in the security in the period reported by at least two different market participant identifiers (“MPIDs”), on a weekly and monthly basis.

(c) Transaction Information Not Disseminated

FINRA will not disseminate information on a transaction in a TRACE-Eligible Security that is:

(1) through (3) No Change.

(4) a Securitized Product[, except:] that is: a CMBS; a CDO; or a CMO if the CMO transaction value is \$1 million or more (calculated based upon original principal balance) and the transaction does not qualify for periodic dissemination under paragraph (b) above, except as may be otherwise provided in Rule 7730.

[(A) an Agency Pass-Through Mortgage-Backed Security;]

[(B) an SBA-Backed ABS; and]

[(C) an Asset-Backed Security.]

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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

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7730. Trade Reporting and Compliance Engine (TRACE)

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(a) through (b) No Change.

(c) Market Data Fees

Real-Time TRACE transaction data disseminated by FINRA comprises the following databases (“Data Set(s)”): corporate bonds (“Corporate Bond Data Set”), Agency Debt Securities (“Agency Data Set”), Securitized Products (“SP Data Set”), and transactions in TRACE-Eligible Securities effected pursuant to Securities Act Rule 144A (“Rule 144A transactions”) (“Rule 144A Data Set”). The “SP Data Set” includes TRACE transaction data for CMOs that is disseminated upon receipt, pursuant to Rule 6750(a), and in periodic aggregated reports pursuant to Rule 6750(b). 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) through (2) No Change.

(d) through (e) No Change.

(f) Definitions

(1) through (3) No Change.

(4) “Historic TRACE Data” as used in Rule 7730 means historic transaction-level data with elements to be determined from time to time by FINRA in its discretion and as stated in a Regulatory Notice or other equivalent publication. Historic TRACE Data will be delayed a minimum of 18 months and will not include MPID information. Historic TRACE Data includes the following Data Sets:

(A) through (B) No Change.

(C) Historic SP Data Set – includes all historic transactions in Securitized Products as defined in Rule 6710(m) reported to TRACE, if transactions in th[e]at type of Securitized Product[s] are subject to [real-time] dissemination under Rule 6750, but excludes historic Rule 144A transactions in Securitized Products; and

(D) Historic Rule 144A Data Set – includes all historic Rule 144A transactions reported to TRACE, except transactions involving a type of TRACE-Eligible Security that is not subject to [real-time] dissemination under Rule 6750.

(g) No Change.