

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-94891; File No. SR-FINRA-2022-011)

May 11, 2022

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change to Expand TRACE Reporting Requirements to Trades in U.S. Dollar-Denominated Foreign Sovereign Debt Securities

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 May 6, 2022, the 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 and II 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 the Substance of the Proposed Rule Change

FINRA is proposing to expand reporting requirements for the Trade Reporting and Compliance Engine (TRACE) to collect information on trades in foreign sovereign debt securities that are United States (U.S.) dollar-denominated.

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.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 submitting this proposed rule change to amend certain rules in the Rule 6700 Series (Trade Reporting and Compliance Engine (TRACE)) to require members to report to TRACE transactions in U.S. dollar-denominated foreign sovereign debt securities. Under the proposal, trades in U.S. dollar-denominated foreign sovereign debt securities would be subject to same-day reporting and would not be disseminated publicly.

Background

Currently, almost all U.S. dollar-denominated debt securities traded in the U.S. are TRACE-Eligible Securities³ and therefore are subject to TRACE reporting requirements. This includes the U.S. dollar-denominated debt of foreign private issuers. However, trades in the U.S. dollar-denominated debt of foreign sovereign issuers are not subject currently to TRACE reporting.

The proposed rule change would enhance FINRA's regulatory audit trail and provide FINRA with important transaction information on a growing segment of the market. As

³ Rule 6710 (Definitions) generally defines a “TRACE-Eligible Security” as a debt security that is U.S. dollar-denominated and is: (1) issued by a U.S. or foreign private issuer, and, if a “restricted security” as defined in Securities Act Rule 144(a)(3), sold pursuant to Securities Act Rule 144A; (2) issued or guaranteed by an “Agency,” as defined in Rule 6710(k) or a “Government-Sponsored Enterprise,” as defined in Rule 6710(n); or (3) a “U.S. Treasury Security,” as defined in Rule 6710(p). The term “TRACE-Eligible Security” does not include a debt security that is issued by a foreign sovereign or a “Money Market Instrument,” as defined in Rule 6710(o).

discussed further below, the U.S. dollar-denominated foreign sovereign debt market is a large market segment. FINRA believes the proposed rule change would advance FINRA's oversight of the fixed income markets without imposing significant burdens and costs on members, as FINRA understands that U.S. dollar-denominated foreign sovereign debt securities generally trade at firms that already have TRACE reporting workflows in place.

Proposed Amendments

FINRA is proposing changes to the TRACE reporting rules to require that members report to TRACE transactions in U.S. dollar-denominated foreign sovereign debt securities for regulatory purposes. First, FINRA is proposing to amend paragraph (a) of Rule 6710 (Definitions)⁴ to include the term “Foreign Sovereign Debt Security” in the definition of TRACE-Eligible Security. FINRA also would define “Foreign Sovereign Debt Security”⁵ in paragraph (kk) of Rule 6710 as a debt security issued or guaranteed by the government of a foreign country, any political subdivision of a foreign country (e.g., state, provincial, or municipal governments), or a supranational entity.⁶

⁴ The text of Rule 6710 incorporates the changes adopted in SR-FINRA-2019-008, which is yet to be implemented.

⁵ FINRA notes that its proposed definition of “Foreign Sovereign Debt Security” relies on existing FINRA and SEC guidance. Specifically, FINRA published guidance in 2004 to clarify the distinction between foreign private and foreign sovereign issuers. As noted in that guidance, the term “foreign private issuer” means a foreign issuer that is not eligible to use the SEC’s Schedule B for registering a debt offering in the United States. See Notice to Members 04-90 (December 2004).

⁶ “Supranational entity” would include multi-national organizations such as the International Bank for Reconstruction & Development (World Bank), the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the International Finance Corporation, and the European Investment Bank.

With this proposal, FINRA would expand TRACE reporting requirements to include U.S. dollar-denominated debt of Schedule B-eligible issuers⁷—i.e., U.S. dollar-denominated debt of foreign sovereign issuers that are not foreign private issuers. Accordingly, members no longer would be required to distinguish between foreign sovereign debt and foreign private issuer debt for purposes of TRACE reporting. In addition, we note that members’ reporting obligations for transactions with a foreign component would continue to follow existing guidance.⁸ FINRA also is proposing to amend Rule 6730 (Transaction Reporting) to adopt a same-day reporting requirement for trades in U.S. dollar-denominated foreign sovereign debt. Under the proposed amendments, reportable transactions in foreign sovereign debt executed on a business day at or after 12:00:00 a.m. Eastern Time (ET) through 5:00:00 p.m. ET must be reported the same day during TRACE System Hours.⁹ Transactions executed on a business day after 5:00:00 p.m. ET 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. Transactions executed on a business day at or after 6:30:00 p.m. ET through 11:59:59 p.m. ET—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—must be reported the next

⁷ Schedule B is used to register debt for issuance in the United States by foreign governments or political subdivisions of foreign governments, and in some cases supranational organizations, issuers of government-guaranteed securities, and certain other issuers closely aligned and identified with a sovereign. See 15 U.S.C. 77aa.

⁸ See e.g., TRACE Frequently Asked Questions #3.1.65 (providing that a member is not required to report a debt security to TRACE that is sold pursuant to Regulation S in an off-shore transaction; however, if a debt security originally sold in a Regulation S transaction is subsequently purchased or sold as part of a U.S. transaction, the transactions following the Regulation S transaction must be reported to TRACE).

⁹ See Rule 6710(t). “TRACE System Hours” means the hours the TRACE system is open, which are 8:00:00 a.m. Eastern Time through 6:29:59 p.m. Eastern Time on a business day, unless otherwise announced by FINRA.

business day (T+1) during TRACE System Hours, designated “as/of,” and include the date of execution.

FINRA believes the same-day reporting requirement as opposed to a shorter reporting timeframe is appropriate because trades in U.S. dollar-denominated foreign sovereign debt securities would be reported for regulatory purposes only. To reflect this, FINRA is further proposing to amend Rule 6750 (Dissemination of Transaction Information) to specify that FINRA will not disseminate information on transactions in foreign sovereign debt securities at this time.¹⁰

FINRA notes that, under the proposal, members would be required to report specific items of transaction information in line with existing requirements for TRACE-Eligible Securities.¹¹ Among other things, trade reports would be required to include: the CUSIP or CINS number, or FINRA-assigned TRACE symbol,¹² an identifier for the contra-party (either MPID, “A” for non-member affiliate, or “C” for customer); the side of the reporting party (buy or sell);

¹⁰ FINRA notes that, if the proposed rule change is adopted, FINRA will take a measured approach to potential dissemination, as it has taken historically with other TRACE-Eligible Securities and would first analyze the regulatory data to determine the appropriate contours of a potential dissemination framework.

¹¹ See Rule 6730(c).

¹² FINRA understands that some foreign sovereign debt securities may not have a CUSIP or CINS number but may have been assigned another type of identifier (e.g., an ISIN). To facilitate trade reporting of U.S. dollar-denominated foreign sovereign debt, where a CUSIP or CINS is not available, FINRA intends to permit members to report using a FINRA-assigned symbol that corresponds to the security’s other identifier(s) (e.g., the FINRA-assigned symbol would be associated with the ISIN on the Security Master List). FINRA notes that Rule 6730(a)(7) will continue to apply. Therefore, members remain obligated to make a good faith determination as to whether they have engaged in a reportable transaction in a TRACE-Eligible Security and, if the TRACE-Eligible Security is not entered in the TRACE system, the member must promptly notify and provide FINRA Operations the information required under Rule 6760(b) prior to reporting the transaction.

the quantity of the transaction i.e., face value amount of the transaction); the price of the transaction expressed as a percentage of face/par value; the time of execution; the date of execution (for “as/of” trades); the settlement date; any commission charged if the member is acting as agent; and any applicable trade modifiers.

FINRA also notes that, if U.S. dollar-denominated foreign sovereign debt securities become subject to TRACE reporting requirements, they would become subject to applicable transaction reporting fees. Specifically, U.S. dollar-denominated foreign sovereign debt securities would be subject to trade reporting fees pursuant to paragraph (b)(1) of Rule 7730 (Trade Reporting and Compliance Engine (TRACE)).¹³ Similarly, U.S. dollar-denominated foreign sovereign debt securities would become subject to FINRA’s Trading Activity Fee at the rate applicable to bonds, as set out in Section 1 of Schedule A to the FINRA By-Laws.

If the Commission approves the filing, FINRA will announce the effective date of the proposed rule change in a Regulatory Notice. The effective date will be no later than 365 days following publication of the Regulatory Notice announcing Commission approval.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹⁴ 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, Section 15A(b)(5)

¹³ See FINRA Rule 7730(b)(1). Rule 7730(b)(1) states that, except for certain securitized products, 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.”

¹⁴ 15 U.S.C. 78o-3(b)(6).

of the Act,¹⁵ 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, and Section 15A(b)(9) of the Act,¹⁶ which requires that FINRA rules not impose any burden on competition that is not necessary or appropriate.

The proposed rule change is designed to provide FINRA with important transaction information on a growing segment of the debt market, consistent with Section 15A(b)(6). The proposal would do so by requiring members to report transactions in U.S. dollar-denominated foreign sovereign debt securities for regulatory purposes. Issuance activity in U.S. dollar-denominated foreign sovereign debt securities has accelerated in recent years, and FINRA believes that enhancing the audit trail with information on this growing market segment will support better informed surveillance and regulation.

Pursuant to the proposal, members would become subject to trade reporting fees under Rule 7730 and FINRA's Trading Activity Fee in connection with transactions in U.S. dollar-denominated foreign sovereign debt. The proposal would apply these fees, at established rates, equally to members reporting transactions in U.S. dollar-denominated sovereign debt securities. The proposed transaction reporting fees are consistent with FINRA's existing framework under Rule 7730 and FINRA's Trading Activity fee for similar types of transactions required to be reported to TRACE. Specifically, as noted above, transactions in U.S. dollar-denominated foreign sovereign debt securities would be charged a trade reporting fee as set forth in Rule 7730(b)(1), and U.S. dollar-denominated foreign sovereign debt securities would become subject

¹⁵ 15 U.S.C. 78o-3(b)(5).

¹⁶ 15 U.S.C. 78o-3(b)(9).

to the Trading Activity Fee at the rate applicable to bonds set out in Section 1 of Schedule A to the FINRA By-Laws. Thus, FINRA believes that the proposed rule change is consistent with Section 15A(b)(5).

In addition, FINRA believes that U.S. dollar-denominated foreign sovereign debt securities generally trade at firms that already have TRACE reporting workflows in place. Accordingly, FINRA believes that the proposed rule change also is consistent with Section 15A(b)(9), because it would allow FINRA to advance its regulatory goal of obtaining important transaction information on these securities through incremental measures that FINRA does not believe would impose significant burdens and costs on members.

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 analyze the potential economic impacts, including anticipated costs, benefits, and distributional and competitive effects, relative to the current baseline, and the alternatives FINRA considered in assessing how to best meet its regulatory objectives.

Regulatory Objective

FINRA is proposing that members be required to report transactions in U.S. dollar-denominated foreign sovereign debt securities to TRACE on a same-day basis, so that FINRA may better supervise the market. These foreign sovereign debt security transactions would not be disseminated publicly.

Economic Baseline

Members are not currently required to report transactions in U.S. dollar-denominated foreign sovereign debt securities to TRACE. Therefore, there is no current TRACE data or reasonably complete alternative source with which to estimate the amount of trading volume that will become subject to reporting under the proposal. This analysis is therefore informed by available data on the issuance and amount outstanding of U.S. dollar-denominated foreign sovereign debt obtained from other sources.¹⁷

As of December 31, 2021, the total amount outstanding of marketable U.S. dollar-denominated foreign sovereign debt was approximately \$2.0 trillion across 2,400 securities issued by 163 foreign sovereign governments. This compares to approximately \$22.6 trillion, \$1.4 trillion, and \$10.1 trillion, respectively, in marketable U.S. Treasury Securities, Agency Debt Securities, and U.S. corporate debt.¹⁸

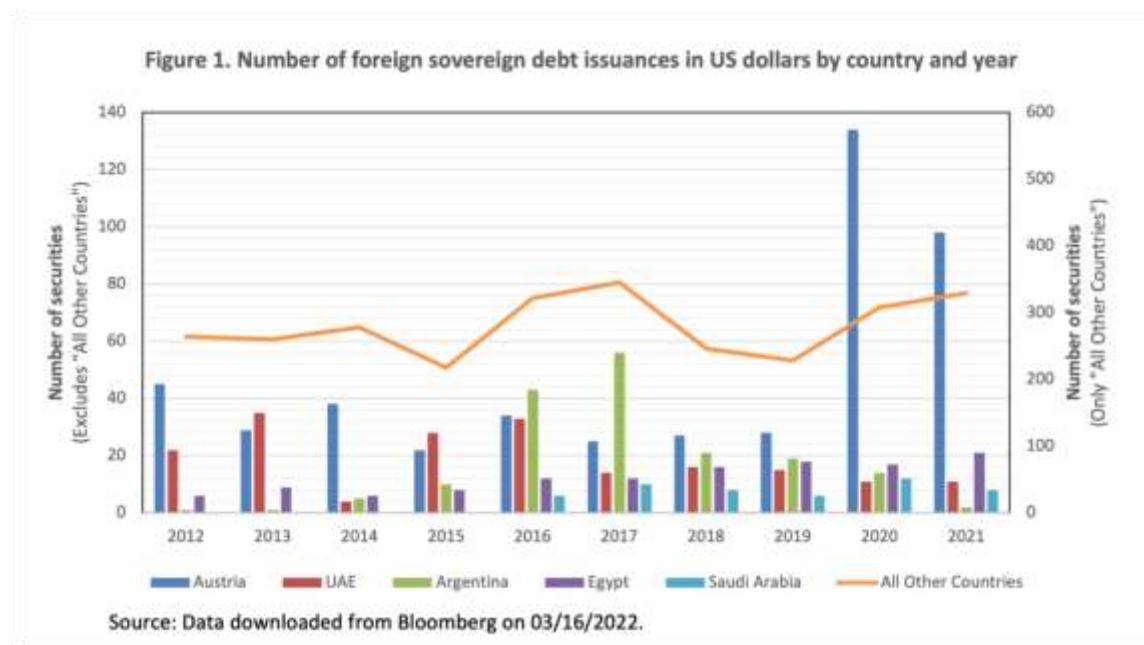
In 2021, U.S. and foreign sovereign governments issued in aggregate approximately \$6.1 trillion of marketable U.S. dollar-denominated debt. Foreign sovereign governments issued \$259 billion of it, representing approximately 4.3% of the total amount, and the U.S. Government (U.S. Treasury Securities and Agency Debt Securities) issued the remaining amount, \$5.83 trillion.¹⁹ By comparison, foreign and domestic private issuers issued a total of \$1.96 trillion in U.S. dollar-denominated corporate debt in 2021.

¹⁷ Data regarding U.S. dollar-denominated foreign sovereign and supranational debt was retrieved from Bloomberg on 3/16/2022 covering the period from January 1, 2012 through December 31, 2021.

¹⁸ These estimates are derived from data sourced from Bloomberg. The \$10.1 trillion in U.S. corporate debt does not include debt securities defined as “Money Market Instruments” in Rule 6710(o); these money market instruments are debt securities that, at issuance, have a maturity of one calendar year or less.

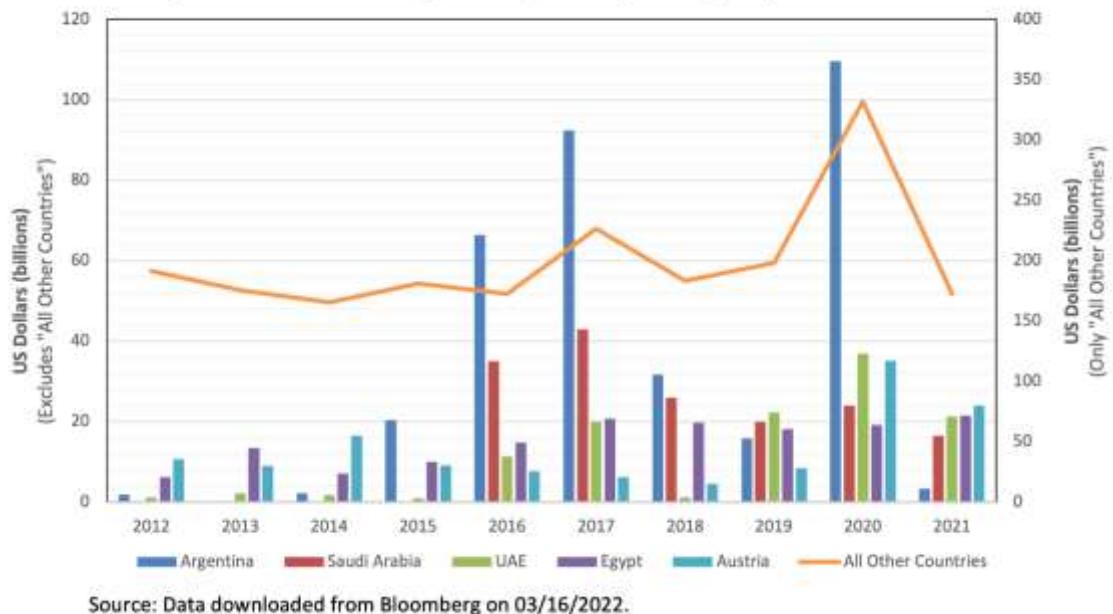
¹⁹ The estimates for U.S. Government (U.S. Treasury Securities and Agency Debt) issuance amounts are derived from data sourced from Securities Industry and Financial Markets

The number of U.S. dollar-denominated foreign sovereign debt issuances has increased from 337 unique securities in 2012 to 470 in 2021. As shown in Figure 1, the top five non-U.S. government issuers of marketable U.S. dollar-denominated debt from January 1, 2017 through December 31, 2021 (measured by par value issued) are: Argentina, Saudi Arabia, the UAE, Egypt, and Austria. Austria has increased its issuance of sovereign U.S. dollar-denominated debt by more than six times between 2015 and 2020, as measured by the number of unique securities (increasing from 22 to 134). Figure 2 illustrates the change in the issued amount of U.S. dollar-denominated foreign sovereign debt from 2012 to 2021.



Association (SIFMA). All other estimates and figures in the Economic Impact Assessment are derived from data sourced from Bloomberg.

Figure 2. Par value of foreign sovereign debt by country and year of issuance

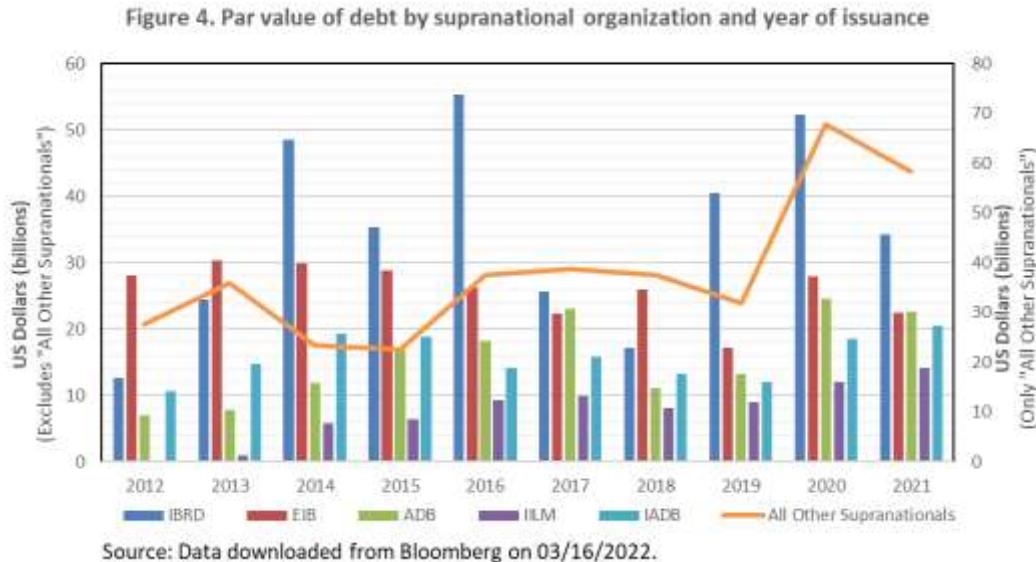
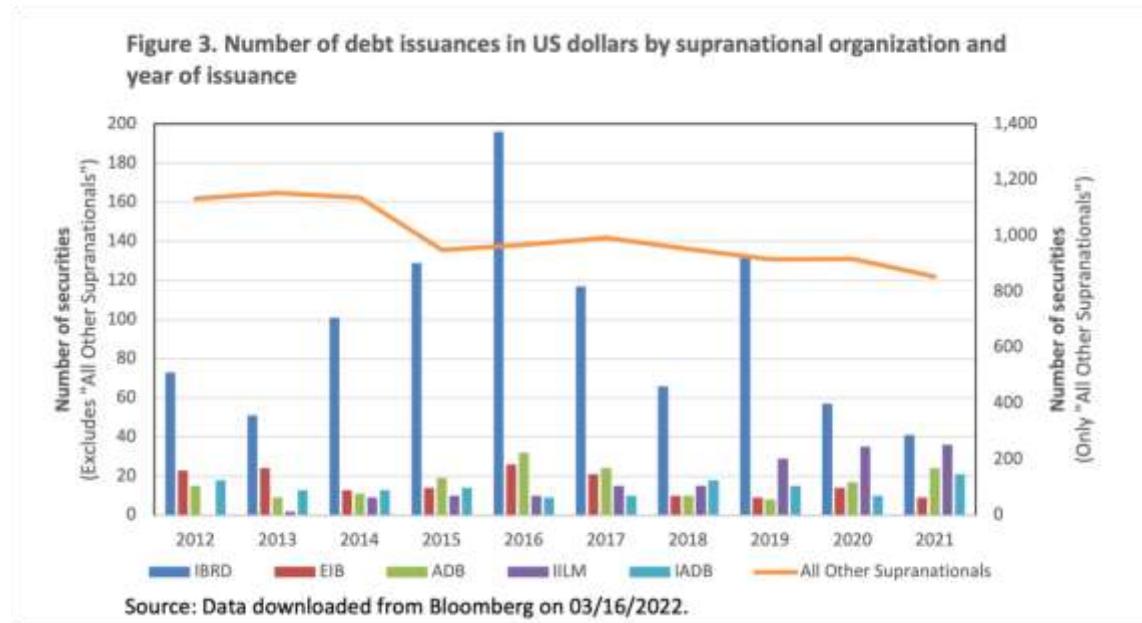


Source: Data downloaded from Bloomberg on 03/16/2022.

At the end of 2021, the total amount outstanding of marketable U.S. dollar-denominated supranational debt was approximately \$733 billion across approximately 3,414 securities issued by 44 supranational organizations. The top five largest supranational issuers of marketable U.S. dollar-denominated debt from January 1, 2017 to December 31, 2021 (measured by par value issued) is about 57.0% of the total amount outstanding. These five entities are: International Bank for Reconstruction and Development (“IBRD”), European Investment Bank (“EIB”), Asian Development Bank (“ADB”), Inter-American Development Bank (“IADB”), and International Islamic Liquidity Management (“IILM”).

Figure 3 shows that the number of supranational U.S. dollar-denominated debt issuances increased from 1,065 unique securities in 2011 to 1,346 in 2021. In 2021, out of a total of 21 supranational organizations, IBRD issued the largest number of U.S. dollar-denominated supranational debt offerings (41 securities). Figure 4 illustrates the increase in the number of U.S. dollar-denominated debt issuances by supranational organizations; specifically, issuances increased from \$85.9 billion in 2012 to \$172.4 billion in 2021. From January 1, 2017 through

December 31, 2021, \$114.02 billion was issued by the top five largest supranational issuers of U.S. dollar-denominated debt (measured by par value issued).



Based on discussions with broker-dealers that are active in multiple foreign sovereign debt markets, FINRA understands that market participants do not generally treat debt issued by a foreign sovereign in U.S. dollars as fungible with debt issued by the same foreign sovereign in local or other currencies; therefore, FINRA does not believe that members would seek to

substitute U.S. dollar-denominated foreign sovereign debt securities with securities issued by the foreign sovereign in a foreign currency.

Economic Impact

Requiring members to report transactions in U.S. dollar-denominated foreign sovereign debt securities to TRACE would benefit regulatory oversight of the fixed income markets by providing FINRA with important data regarding member activity in this space. In particular, the receipt of the transaction price, par value traded, and other transaction information in TRACE would create a better-informed surveillance program to help detect fraud, manipulation, unfair pricing, and other potential misconduct. Academic studies have found a positive empirical relationship between the strength of market regulation and market quality in multiple jurisdictions, including the United States.²⁰

Potential concerns related to the dissemination of this transaction information are not relevant to this rule change because FINRA is not proposing that U.S. dollar-denominated foreign sovereign debt securities be disseminated at this time.²¹ Members engaged in (or that anticipate entering) this business may face some additional development costs to report these transactions to TRACE, but such costs are expected to be relatively modest because, if the members already have systems in place to report other types of TRACE-Eligible Securities, they may be able to leverage those systems in connection with the proposed reporting requirement. Members will incur costs from the fees associated with the TRACE reporting required by the

²⁰ See e.g., Douglas Cumming et al., Exchange Trading Rules and Stock Market Liquidity, 99 J. Fin. Econ. 651 (2011) (discussing the impact of trading rules on liquidity in the equity markets); Howell E. Jackson & Mark J. Roe, Public and Private Enforcement of Securities Laws: Resource-Based Evidence, 93 J. Fin. Econ. 207 (2009) (discussing the correlation between public enforcement of securities laws and several market indicators, including trading volume and capital formation).

²¹ See supra note 10.

proposal. FINRA is not able to estimate the anticipated aggregate amount that would be collected from members from these fees because there is no current TRACE data (or reasonably complete alternative source) with which to estimate the trading volume that will become subject to reporting under this proposal.

As discussed above, FINRA understands that market participants do not generally treat debt issued by a foreign sovereign in U.S. dollars as fungible with debt issued by the same foreign sovereign in local or other currencies; therefore, FINRA does not believe that firms would be likely to avoid the proposed reporting requirements by shifting trading to foreign sovereign debt denominated in another currency.

FINRA estimates that the benefit from improved surveillance of member trading activity in U.S. dollar-denominated foreign sovereign debt securities outweighs the costs to members associated with complying with the proposed reporting requirement.

Alternatives Considered

No alternatives were considered.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The proposed rule change was published for comment in Regulatory Notice 19-25 (July 2019). Four comments were received in response to the Regulatory Notice.²² A copy of the Regulatory Notice and copies of the comment letters received in response to the Regulatory Notice are available on FINRA’s website at <http://www.finra.org>. Three commenters were generally supportive of the expansion of TRACE to cover U.S. dollar-denominated foreign sovereign debt²³ and one commenter neither supported nor opposed the proposal,²⁴ as discussed below.

SIFMA and FIF requested clarification on the scope of the proposal, including regarding the definition of “political subdivision.” As discussed above, a political subdivision is, for example, a state, provincial or municipal government. FINRA notes that, as a practical matter, the proposal would remove the current need for members to distinguish between U.S. dollar-denominated foreign sovereign debt and U.S. dollar-denominated foreign private issuer debt, because transactions in both categories of debt would be subject to reporting under the proposal (so long as the security otherwise meets the definition of “TRACE-Eligible Security”). In addition, as discussed above, the proposal would expand TRACE reporting to include U.S.

²² See Letter from Gerard O'Reilly, Co-CEO and Chief Investment Officer, Dimensional Fund Advisors LP, to Marcia E. Asquith, Office of the Corporate Secretary, FINRA, dated September 23, 2019 (“Dimensional”); Letter from Peter Warms, Bloomberg L.P., to Marcia E. Asquith, Office of the Corporate Secretary, FINRA, dated September 24, 2019 (“Bloomberg”); Letter from Christopher Bok, Director, Financial Information Forum, to Marcia E. Asquith, Office of the Corporate Secretary, FINRA, dated September 24, 2019 (“FIF”); and Letter from Christopher B. Killian, Managing Director, Securitization and Corporate Credit, SIFMA to Marcia E. Asquith, Office of the Corporate Secretary, FINRA, dated September 24, 2019 (“SIFMA”).

²³ See Bloomberg, Dimensional, and FIF.

²⁴ See SIFMA.

dollar-denominated debt of Schedule B-eligible issuers—i.e., U.S. dollar-denominated debt of foreign sovereign issuers that are not foreign private issuers.²⁵ In addition, the proposal would not alter FINRA’s approach to the regulatory reporting framework, including for reporting trades in foreign private issuer debt, or reporting trades in debt issued pursuant to SEC Regulation S.²⁶

SIFMA, FIF and Bloomberg noted that CUSIPs may not be available for all U.S. dollar-denominated foreign sovereign debt securities at the time they become TRACE-Eligible Securities and they suggested that FINRA permit members to report using alternative identifiers.²⁷ As noted above, FINRA intends to provide a FINRA-assigned symbol that corresponds to one or more non-CUSIP identifiers (e.g., ISIN).

Dimensional advocated for a 15-minute reporting requirement and for public dissemination of transaction information on U.S. dollar-denominated foreign sovereign debt securities.²⁸ In contrast, SIFMA noted potential issues regarding public dissemination, including risks to liquidity and an incomplete data set, and believed that a same-day reporting requirement was appropriate because the proposal impacted new securities and operational processes. FINRA continues to believe that same-day reporting is appropriate at this time because these transactions will not initially be publicly disseminated. FINRA intends to take a similar measured approach to potential dissemination that it has taken historically with other TRACE-Eligible Securities and, therefore, would first analyze the regulatory data to determine the appropriate contours of a potential dissemination framework.

²⁵ See supra notes 5 and 7.

²⁶ See supra note 8.

²⁷ See SIFMA, FIF, and Bloomberg.

²⁸ See Dimensional.

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 up to 90 days of such date (i) as the Commission may designate 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 email to rule-comments@sec.gov. Please include File Number SR-FINRA-2022-011 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-FINRA-2022-011. This file number should be included on the subject line if email 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 10:00 a.m. and 3:00 p.m. Copies of the 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-2022-011 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.²⁹

J. Matthew DeLesDernier
Assistant Secretary

²⁹ 17 CFR 200.30-3(a)(12).