

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-97039; File No. SR-FINRA-2022-031)

March 3, 2023

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Instituting Proceedings to Determine Whether to Approve or Disapprove Proposed Rule Change to Adopt FINRA Rules 6151 (Disclosure of Order Routing Information for NMS Securities) and 6470 (Disclosure of Order Routing Information for OTC Equity Securities)

On November 16, 2022, 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 (“Exchange Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to require members to (i) publish order routing reports for orders in OTC Equity Securities, and (ii) submit their order routing reports for both OTC Equity Securities and NMS Securities to FINRA for publication on the FINRA website. The proposed rule change was published for comment in the Federal Register on December 6, 2022.<sup>3</sup> On January 18, 2023, the Commission extended the time period within which to approve, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change to March 6, 2023.<sup>4</sup> The Commission received four comment letters on the proposed rule change, one of which was received after the Extension.<sup>5</sup> Under Section

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 96415 (November 30, 2022), 87 FR 74672 (“Notice”).

<sup>4</sup> See Securities Exchange Act Release No. 96699, 88 FR 4260 (January 24, 2023) (“Extension”).

<sup>5</sup> All comments received by the Commission on the proposed rule change are available at: <https://www.sec.gov/comments/sr-finra-2022-031/srfinra2022031.htm>.

19(b)(3)(C) of the Exchange Act,<sup>6</sup> the Commission is hereby instituting proceedings to determine whether to approve or disapprove File Number SR-FINRA-2022-031.

I. Summary of the Proposed Rule Change and Comments Received

In 2018, the Commission amended SEC Rule 606(a) of Regulation NMS,<sup>7</sup> to enhance required disclosures from broker-dealers about their order routing practices for NMS Securities,<sup>8</sup> including enhanced disclosures for non-directed orders in NMS stocks that are submitted on a “held” basis in order to better allow “customers—and retail investors in particular—that submit orders to their broker-dealers [to] be better able to assess the quality of order handling services provided by their broker-dealers” and to allow customers to determine “whether their broker-dealers are effectively managing potential conflicts of interest.”<sup>9</sup>

As described in more detail in the Notice, FINRA proposes to adopt FINRA Rule 6470 (Disclosure of Order Routing Information for NMS Securities), which imposes disclosure requirements for unlisted stocks that are generally aligned with the requirements of SEC Rule 606(a) disclosures, but with modifications to account for differences between the over-the-counter (“OTC”) markets and the market for NMS Securities. In addition, to improve the accessibility of these new disclosures, as well as SEC Rule 606(a) reports, FINRA proposes to adopt FINRA Rule 6151 (Disclosure of Order Routing Information for OTC Equity Securities)

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<sup>6</sup> 15 U.S.C. 78s(b)(3)(C).

<sup>7</sup> 17 CFR 242.606(a).

<sup>8</sup> “NMS Securities” include any security or class of securities for which transaction reports are collected, processed, and made available to an effective transaction reporting plan, or an effective national market system plan for reporting transactions in listed options. See 17 CFR 242.600(b).

<sup>9</sup> See Securities Exchange Act Release No. 84528, 58423 (November 2, 2018), 83 FR 58338 (November 19, 2018). A broker-dealer must attempt to execute a “held” order immediately, while a “not held” order instead provides a broker-dealer with price and time discretion. Id. at 58344. See also Notice, supra note 3, at 74672 n.5.

to require members to submit their order routing reports for NMS Securities to FINRA for centralized publication on the FINRA website.

Proposed FINRA Rule 6470, entitled “Disclosure of Order Routing Information for OTC Equity Securities,” would require the publication of order routing disclosures for OTC Equity Securities.<sup>10</sup> Specifically, FINRA Rule 6470(a) would require every member to make publicly available for each calendar quarter a report on its routing of non-directed orders in OTC Equity Securities that are submitted on a held basis during that quarter, broken down by calendar month, and keep such report posted on an internet website that is free and readily accessible to the public for a period of three years from the initial date of posting on the internet website (“OTC Equity Security reports”).<sup>11</sup> These reports would be required to be separated into three sections: (i) domestic OTC Equity Securities; (ii) American Depository Receipts (“ADRs”) and foreign ordinaries that are OTC Equity Securities; and (iii) Canadian-listed securities trading in the United States as OTC Equity Securities.<sup>12</sup> In addition, FINRA Rule 6470(a) would specify that

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<sup>10</sup> See Notice, *supra* note 3, at 74672 n.8. FINRA Rule 6420(f) defines an “OTC Equity Security” as any equity security that is not an NMS stock, other than a Restricted Equity Security. FINRA Rule 6420(k) defines a “Restricted Equity Security” as any equity security that meets the definition of “restricted security” as contained in Securities Act Rule 144(a)(3).

<sup>11</sup> Proposed FINRA Rule 6470 would apply to “every member,” but FINRA notes that the focus of the proposed disclosures is held orders from customers in OTC Equity Securities, and some members may not engage in any activities involving held orders from customers in OTC Equity Securities. See Notice, *supra* note 3, at 74673 n.9. If a member does not accept any orders in OTC Equity Securities from customers during a given calendar quarter (whether held or not held), such member would not be required to publish a report under Rule 6470 for that quarter. *Id.* Similarly, a member that accepted only not held orders in OTC Equity Securities from customers—but no held orders in OTC Equity Securities from customers—during a given calendar quarter would not be required to publish a report for that quarter. *Id.* Further, FINRA states that if a member accepted orders in OTC Equity Securities (whether held, not held, or both) only from other broker-dealers, but not from customers, during a given calendar quarter, such member would not be required to publish a report for that quarter. *Id.*

<sup>12</sup> FINRA states that to provide for consistency across member reports, FINRA will publish

the new OTC Equity Security reports must be made available using the most recent versions of the XML schema and associated PDF renderer as published on the FINRA website,<sup>13</sup> and FINRA Rule 6470(d) would require the reports to be made publicly available within one month after the end of the quarter addressed in the report.<sup>14</sup>

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a list of the OTC Equity Security symbols that fall under each category, and members would be required to publish reports in a manner consistent with such list. See Notice, supra note 3, at 74673. FINRA states that it will provide information in the Regulatory Notice announcing the effective date regarding where members may access the list of OTC Equity Security symbols that FINRA will maintain on its website. Id. at 74674 n.11. FINRA also notes that these categories differ from the NMS Securities required to be reported for SEC Rule 606(a) reports, which it believes is not relevant to the OTC market. Id.

<sup>13</sup> FINRA states that it will publish the technical specifications for the XML schema and associated PDF renderer on its website for member use in generating the new reports. See Notice, supra note 3, at 74673 n.12. FINRA expects that, subject to the differences between the SEC Rule 606(a) reports and the OTC Equity Security reports, the XML schema and associated PDF renderer published by FINRA would be substantially similar to those published by the SEC for the SEC Rule 606(a) reports. Id. FINRA believes this requirement would ensure that reports are generated and published in standardized machine-readable and human-readable forms, which would benefit investors by permitting the public to more easily analyze and compare the OTC Equity Security reports across members, as well as to more easily perform combined analysis of both SEC Rule 606(a) and OTC Equity Security reports. Id. at 74763.

<sup>14</sup> FINRA states that it understands that some introducing firms route all of their orders in OTC Equity Securities to one or more clearing firms for further routing to other venues for execution. See Notice, supra note 3 at 74673 n.10. FINRA states that the Commission has provided guidance that, where an introducing firm routes all of its covered orders to one or more clearing firms for further routing and execution and the clearing firm in fact makes the routing decision, the introducing firm generally may comply with the order routing disclosure requirements by: (i) disclosing its relationship with the clearing firm(s) on its website that includes any payment for order flow received by the introducing firm, and (ii) adopting the clearing firm's disclosures by reference, provided that the introducing firm has examined the report and does not have reason to believe it materially misrepresents the order routing practices. Id. FINRA states that it intends to provide parallel guidance with respect to proposed FINRA Rule 6470. Id.

Pursuant to FINRA Rule 6470(a), the new OTC Equity Security reports would be required to include the information specified in paragraphs (a)(1) through (4) of proposed FINRA Rule 6470, specifically:

- the percentage of total orders<sup>15</sup> for the section that were not held orders and held orders, and the percentage of held orders for the section that were non-directed orders;<sup>16</sup>
- the identity of the ten venues to which the largest number of total non-directed held orders for the section were routed for execution<sup>17</sup> and of any venue to which five percent or more of non-directed held orders for the section were routed for execution, and the percentage of total non-directed held orders for the section routed to the venue;<sup>18</sup>

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<sup>15</sup> FINRA states that “total orders” would include all orders from customers for the section, including both directed and non-directed orders from customers. See Notice, supra note 3, at 74673 n.14.

<sup>16</sup> FINRA states that for purposes of the proposed disclosures, a “non-directed order” would mean any order from a customer other than a directed order. See Notice, supra note 3, at 74673-74 n.15. FINRA further states that consistent with the definition of “directed order” under Regulation NMS, a “directed order” would mean an order from a customer that the customer specifically instructed the member to route to a particular venue for execution. See id.; 17 CFR 242.600(b). FINRA notes that, similar to the definition of “customer” under SEC Rule 600(b)(23) of Regulation NMS, a “customer” is defined under FINRA rules to exclude a broker or dealer. See FINRA Rule 0160(b)(4). Orders from other broker-dealers would therefore be excluded from the proposed disclosures. See Notice, supra note 3, at 74673-74 n.15.

<sup>17</sup> FINRA states that, consistent with the SEC’s approach to SEC Rule 606(a), a “venue” would be defined broadly to cover any market center or any other person or entity to which a member routes orders for execution. See Notice, supra note 3, at 74674 n.16. Accordingly, for purposes of proposed FINRA Rule 6470, where an alternative trading system (“ATS”) offers both automatic order execution and order delivery functionality, the ATS should be identified as the venue only when the ATS provides order execution. Conversely, for purposes of proposed FINRA Rule 6470, in cases where the ATS instead provides order delivery, the separate market center to which the orders are delivered—e.g., a market maker or other ATS—should be identified as the venue where the order was routed for execution. Id.

<sup>18</sup> Proposed FINRA Rule 6470(b) would provide that a member is not required to identify execution venues that received less than 5% of non-directed held orders for a section of the member’s OTC Equity Securities report, provided that the member has identified the

- for each identified venue, the net aggregate amount of any payment for order flow received, payment from any profit-sharing relationship received, transaction fees paid, and transaction rebates received, both as a total dollar amount and per order, for all non-directed held orders for the section; and
- a discussion of the material aspects of the member's relationship with each identified venue, including, without limitation, a description of any arrangement for payment for order flow and any profit-sharing relationship and a description of any terms of such arrangements, written or oral, that may influence a member's order routing decision including, among other things: (i) incentives for equaling or exceeding an agreed upon order flow volume threshold, such as additional payments or a higher rate of payment; disincentives for failing to meet an agreed upon minimum order flow threshold, such as lower payments or the requirement to pay a fee; (ii) volume-based tiered payment schedules; and (iii) agreements regarding the minimum amount of order flow that the member would send to a venue.<sup>19</sup>

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top execution venues that in the aggregate received at least 90% of the member's total non-directed held orders for the section. FINRA states that this provision is consistent with exemptive relief that the Commission has provided with respect to SEC Rule 606(a) reports. See Notice, supra note 3, at 74674 n.17.

<sup>19</sup> FINRA states that the types of arrangements referenced above are not an exhaustive list of terms of payment for order flow arrangements or profit-sharing relationships that may influence a broker-dealer's order routing decision that would be required to be disclosed. See Notice, supra note 3, at 74674 n.18. For example, if a broker-dealer receives a discount on executions in other securities or some other advantage in directing order flow in a specific security to a venue, or if a broker-dealer receives equity rights in a venue in exchange for directing order flow there, then all terms of those arrangements would also be required to be disclosed. Id. Similarly, if a broker-dealer receives variable payments or discounts based on order types and the number of orders sent to a venue, such arrangements would be required to be disclosed. Id. However, FINRA notes that these are only examples, and a member would be required to disclose any other material aspects of its relationship with each identified venue regardless of whether a particular example is listed in the proposed rule text or otherwise discussed in this proposed rule

To make both the existing SEC Rule 606(a) reports and the new OTC Equity Security reports more accessible for regulators, investors and others seeking to analyze and compare the data, FINRA is proposing to require that members provide the reports to FINRA for central publication on the FINRA website. Proposed FINRA Rule 6151 would require every member that is required to publish a report pursuant to SEC Rule 606(a) of Regulation NMS to provide the report to FINRA, in a manner prescribed by FINRA, within the same time and in the same formats that such report is required to be made publicly available pursuant to SEC Rule 606(a). In combination with proposed FINRA Rule 6470(d), which would require members to provide the report required by paragraph (a) of FINRA Rule 6470 within one month after the end of the quarter addressed in the report in such a manner as may be prescribed by FINRA, FINRA would be able to publish both SEC Rule 606(a) and OTC Equity Security reports on its public website, free of charge and without usage restrictions.<sup>20</sup>

FINRA states that it undertook an “economic impact assessment” to analyze the potential economic impacts of the proposed rule change, including potential costs, benefits, and

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change. Id.

<sup>20</sup> See Notice, supra note 3, at 74674-75. FINRA states that the SEC has provided guidance that introducing firms may comply with SEC Rule 606(a) by incorporating their clearing firm(s) reports in specified circumstances, and FINRA intends to provide similar guidance with respect to the OTC Equity Security reports required under proposed FINRA Rule 6470. Id. at 74675 n.25. To facilitate centralized access to the reports, such introducing firms must provide FINRA with a list of their clearing firm(s) and the hyperlink to the webpage where they disclose their clearing firm relationship(s) and adopt the clearing firm(s)’s reports by reference. Id. Each introducing firm relying on this guidance would be required to provide this information to FINRA upon implementation of the proposed rule change and to update FINRA if the information previously provided changes. Id. This information will enable FINRA to provide investors with relevant information for all firms, including introducing firms incorporating clearing firm reports by reference, on FINRA’s website. Id.

distributional and competitive effects, relative to the current baseline.<sup>21</sup> In this analysis, FINRA analyzed the number of firms quoting, executing trades and routing orders in OTC Equity Securities over specific time periods, as well as the number of symbols traded per firm and average dollar volume of trading per symbol and per firm. In addition, FINRA published the proposed rule change in Regulatory Notice 21-35 (October 2021) and received five comments in response.<sup>22</sup> FINRA provided these comments, as well as a summary of these comments and its responses in its filing with the Commission.<sup>23</sup>

FINRA argues in support of its proposal that the proposed requirement for members to publish order routing disclosures for OTC Equity Securities, similar to what is available under SEC rules for NMS Securities, would provide valuable information for investors and other market participants, academics, regulators and others regarding order routing practices in the OTC market, thereby enhancing the protection of investors and the public interest.<sup>24</sup> In particular, FINRA believes that these new disclosures will enable investors to better assess the quality of their broker-dealers' order handling services for these securities, provide more information on the financial incentives that may affect their broker-dealers' routing decisions, and allow clearing firm(s)'s reports by reference.<sup>25</sup> FINRA states that this information will enable FINRA to provide investors with relevant information for all firms which would allow investors to better evaluate whether their broker-dealers are effectively managing potential

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<sup>21</sup> See Notice, supra note 3, at 74675-78.

<sup>22</sup> Comments received by FINRA are available on FINRA's website at <https://www.finra.org/rules-guidance/notices/21-35#comments>.

<sup>23</sup> See Notice, supra note 3, at 74678-80.

<sup>24</sup> See Notice, supra n. 3 at 74675.

<sup>25</sup> See id.



conflicts of interest.<sup>26</sup> FINRA also argues that the proposed requirements for members to send their disclosure reports for both NMS Securities and OTC Equity Securities to FINRA for centralized publication on the FINRA website will make this important information more accessible for regulators, investors, academics and others seeking to analyze and compare the data, particularly across firms, and would facilitate the ability of FINRA and the SEC to review the data for regulatory purposes.<sup>27</sup>

The Commission received two comment letters that were broadly supportive of the proposed rule change and greater transparency on routing of orders in generally.<sup>28</sup> One commenter submitted two letters and was supportive of some aspects of the rule proposal,<sup>29</sup> but expressed concerns about and opposed other aspects of the proposal.<sup>30</sup>

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<sup>26</sup> See id.

<sup>27</sup> See id.

<sup>28</sup> See letters to Vanessa Countryman, Secretary, Commission, from G.P., dated November 30, 2022 (“GP Letter”); Daniel Lambden, dated December 5, 2022 (“Lambden Letter”).

<sup>29</sup> FIF is supportive of some aspects of the rule proposal, including: FINRA’s proposal to maintain the same quarterly reporting timeframe for OTC Equity Security reports as applies for SEC Rule 606(a) reporting; FINRA’s chosen OTC equity security reporting categories; FINRA’s assertion that it will publish and maintain a file of which symbols are included in each OTC equity category and make this file accessible to all industry members without charge (FIF further recommends that the symbol file be made available to industry members prior to the first day of each quarter, because requiring industry members to process daily updates to a reportable symbol list would significantly increase the reporting burden for firms); FINRA’s approach of not requiring the OTC Equity Security reports to be broken out by order type; FINRA’s proposal to require reporting of payments per executed order rather than per share; FINRA’s decision to limit the OTC Equity Security reports to non-directed held orders; and proposed FINRA Rule 6470(b) which would provide a limited exception to venue reporting requirements in proposed FINRA Rule 6470(a)(2). See FIF Letter at 7-9.

<sup>30</sup> See FIF Letter and letter to Vanessa Countryman, Secretary, Commission, from Howard Meyerson, Managing Director, Financial Information Forum, dated December 20, 2022 (“FIF Letter”) and dated February 3, 2023 (“FIF Letter II”).

That commenter states that the proposed FINRA rule, like SEC Rule 606(a), applies when a reporting firm receives and routes a customer order to a second firm, and the second firm (“routing firm”) can route the order to various execution venues but itself cannot execute the order (“routing firm scenario”). The commenter also states that this requires the reporting firm to report the net fees paid or received between the routing firm and the venue in the SEC Rule 606(a) tables or FINRA’s OTC Equity Security Routing Public Report as applicable, and material aspects disclosures.<sup>31</sup> The commenter notes that the proposed FINRA rule, like SEC Rule 606(a), does not require the reporting of the net fees paid or received between the reporting broker-dealer and the routing broker in the OTC Equity Security Routing Public Report tables.<sup>32</sup> The commenter argues that this approach obscures relevant information from retail customers, because, to understand the financial inducements faced by a reporting firm, the relevant information is the payments between the reporting firm and the routing firm.<sup>33</sup> The commenter also argues that this results in reported data that is not comparable across broker-dealers.<sup>34</sup> The commenter also states that this approach requires firms to report on financial arrangements to which they might not be a party, that the rules do not impose any obligation on the routing firm to provide this data to the reporting firm, and a reporting firm cannot effectively validate the data relating to routing firm scenarios.<sup>35</sup> The commenter further states that the rule filing does not explicitly discuss the costs for such reporting.<sup>36</sup> The commenter further suggests that if FINRA

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<sup>31</sup> See FIF Letter at 2.

<sup>32</sup> See id.

<sup>33</sup> See id.

<sup>34</sup> See id. at 3-4.

<sup>35</sup> See id. at 5.

<sup>36</sup> See id. at 5.

adopts this reporting, FINRA Rule 6470 should be revised to address the routing scenario.<sup>37</sup> The commenter also states this reporting scenario should not apply for routes to foreign routing firms.

The commenter argues that there are a significant number of OTC stocks that have a limited number of available execution venues or only have one or two market makers, and that there is a potential risk that investors viewing the report for these stocks would see a high percentage of order flow being routed to one or two venues without appropriate context of the limited choices available to the reporting firm, and that some firms with lower trading volume in OTC equities could have routing relationships with a limited number of market makers.<sup>38</sup> The commenter suggests that FINRA should identify this as a factor for investors to consider when reviewing a broker-dealer's OTC Equity Security report.<sup>39</sup> The commenter also states that FINRA should consider whether certain categories of data that firms are required to report in the OTC Equity Security reports could be obtained by FINRA from the consolidated audit trail ("CAT").<sup>40</sup> The commenter further states that the rule filing does not provide clear guidance on reporting scenarios relating to trading on OTC Link ATS and raises several hypothetical situations where it believes OTC Link ATS should be reported as the execution venue, as opposed to where the execution actually took place.<sup>41</sup>

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<sup>37</sup> See id. at 6.

<sup>38</sup> See id.

<sup>39</sup> See id.

<sup>40</sup> FIF Letter at 6. The CAT is operated pursuant a national market system plan approved by the Commission pursuant to Section 11A of the Exchange Act and the rules and regulations thereunder. See Securities Exchange Act Release No. 79318 (Nov. 15, 2016), 81 FR 84696 (Nov. 23, 2016).

<sup>41</sup> FIF Letter at 6 and FIF Letter II at 2-4.

The commenter also raises concerns about implementation of the proposal and argues that a longer implementation period is appropriate to ensure that industry members will have sufficient time to properly implement the planned reporting changes.<sup>42</sup> The commenter states that it supports centralized publication of SEC Rule 606(a) reports and the OTC routing reports, but argues that if FINRA will publish these reports that firms should no longer be required to separately publish these reports on their own websites, and instead firms should be required to provide a link from its public website to the applicable section of the FINRA website.<sup>43</sup>

## II. Proceedings to Determine Whether to Approve or Disapprove SR-FINRA-2022-031 and Grounds for Disapproval Under Consideration

The Commission hereby institutes proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act<sup>44</sup> to determine whether the proposed rule change should be approved or disapproved. Institution of proceedings is appropriate at this time in view of the legal and policy issues raised by the proposal. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, the Commission seeks and encourages interested persons to provide additional comment on the proposed rule change to inform the Commission's analysis of whether to approve or disapprove the proposed rule change.

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<sup>42</sup> FIF also states that the Commission has not provided market participants an adequate period of time to comment on the rule proposal. FIF Letter at 9-10. FIF requests that any implementation timetable should run from the date that FINRA publishes technical specifications, schemas, interpretive FAQs and other applicable documentation. Id. at 9.

<sup>43</sup> FIF Letter at 7. FIF also recommends that FINRA consider creating a database with structured firm routing report data that industry members and other market participants could access through automated queries. Id.

<sup>44</sup> 15 U.S.C. 78s(b)(2)(B).

Pursuant to Section 19(b)(2)(B) of the Exchange Act,<sup>45</sup> the Commission is providing notice of the grounds for possible disapproval under consideration. As described above, FINRA has proposed to require members to publish order routing reports for orders in OTC Equity Securities, and submit their order routing reports for both OTC Equity Securities and NMS Securities to FINRA for publication on the FINRA website. The Commission is instituting proceedings to allow for additional analysis of, and input from commenters with respect to, the consistency of the proposal with the Section 15A(b)(6) of the Exchange Act,<sup>46</sup> 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.

### III. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written view of interested persons concerning whether the proposal is consistent with Section 15A(b)(6) or any other provision of the Exchange Act, or the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated

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<sup>45</sup> 15 U.S.C. 78s(b)(2)(B). Section 19(b)(2)(B) of the Exchange Act also provides that proceedings to determine whether to disapprove a proposed rule change must be concluded within 180 days of the date of publication of notice of the filing of the proposed rule change. See id. The time for conclusion of the proceedings may be extended for up to 60 days if the Commission finds good cause for such extension and publishes its reasons for so finding, or if the self-regulatory organization consents to the longer period. See id.

<sup>46</sup> 15 U.S.C. 78o-3(b)(6).

by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b-4, any request for an opportunity to make an oral presentation.<sup>47</sup>

Interested persons are invited to submit written data, views, and arguments regarding whether the proposal should be approved or disapproved by [insert date 21 days from publication in the Federal Register]. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by [insert date 35 days from publication in the Federal Register].

The Commission asks that commenters address the sufficiency of FINRA's statements in support of the proposal and any other issues raised by the proposed rule change under the Exchange Act. In this regard, the Commission seeks commenters' views regarding the application of the proposed rule in the routing firm scenario.

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](mailto:rule-comments@sec.gov). Please include File Number SR-FINRA-2022-031 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.

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<sup>47</sup> Section 19(b)(2) of the Exchange Act, as amended by the Securities Act Amendments of 1975, Pub. L. 94-29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Act Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

All submissions should refer to File Number SR-FINRA-2022-031. 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 10:00 a.m. and 3:00 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-2022-031 should be submitted on or before [insert date 21 days from publication in the Federal Register]. Rebuttal comments should be submitted by [insert date 35 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>48</sup>

Sherry R. Haywood

Assistant Secretary

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<sup>48</sup> 17 CFR 200.30-3(a)(57).