

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102781; File No. SR-FINRA-2025-002]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change to Adopt FINRA Rule 6152 (Disclosure of Order Execution Information for NMS Stocks)

April 7, 2025.

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 April 2, 2025, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“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 adopt FINRA Rule 6152 (Disclosure of Order Execution Information for NMS Stocks) to require members to submit their order execution reports for NMS stocks to FINRA for publication on the FINRA website.

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.

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

Background

Rule 605 of Regulation NMS³ (“SEC Rule 605”) requires specified entities to publish monthly reports of statistical information concerning their order executions in NMS stocks.⁴ The execution quality reports required under SEC Rule 605 (“Rule 605 Reports”) are intended to “provide awareness about how broker-dealers responded to trade-offs between price and other factors, such as speed or reliability, and establish a baseline level of disclosure in order to facilitate cross-market comparisons of execution quality”⁵ and, together with order routing disclosures required to be published by broker-dealers under Rule 606 of Regulation NMS

³ 17 CFR 242.605.

⁴ Generally, “NMS securities” include listed stocks and options, and “NMS stocks” means any NMS security other than an option. See 17 CFR 242.600(b).

⁵ See Rule 605 Amendments Release, infra note 10, 89 FR 26428, 26429.

(“SEC Rule 606”),⁶ provide an opportunity for “investors to evaluate what happens to their orders after investors submit their orders to a broker-dealer for execution.”⁷

On March 6, 2024, the Commission adopted amendments to SEC Rule 605 that, among other things, expand the scope of reporting entities subject to SEC Rule 605 to include, in addition to market centers,⁸ broker-dealers that introduce or carry 100,000 or more customer accounts (referred to as “larger broker-dealers”⁹).¹⁰ The amendments to SEC Rule 605 also require broker-dealers operating single dealer platforms (“SDPs”) to prepare a separate report for activity specific to those platforms;¹¹ expand the scope of covered orders subject to SEC Rule 605 disclosures; modify the categorization and content of order information required to be reported under SEC Rule 605; and require reporting entities to produce a new summary report of execution quality.¹² These amendments to Rule 605 reflect the Commission’s endeavors to “ensure that investors are provided with timely and accurate information needed to make informed investment decisions,” reflecting the Commission’s “ongoing commitment to enhance transparency for investors” by “[f]acilitating the ability of the public to compare and evaluate

⁶ 17 CFR 242.606.

⁷ See Rule 605 Amendments Release, *infra* note 10, 89 FR 26428, 26512.

⁸ Under Regulation NMS, a “market center” means any exchange market maker, OTC market maker, alternative trading system, national securities exchange, or national securities association. See 17 CFR 242.600(b)(55). FINRA believes that, other than national securities exchanges, all market centers are FINRA members. FINRA itself does not operate a market.

⁹ FINRA believes that all larger broker-dealers subject to SEC Rule 605 are FINRA members.

¹⁰ See Securities Exchange Act Release No. 99679 (March 6, 2024), 89 FR 26428, 26429 (April 15, 2024) (Disclosure of Order Execution Information; Final Rule) (“Rule 605 Amendments Release”).

¹¹ FINRA believes that all broker-dealers operating SDPs subject to separate reporting under SEC Rule 605 are FINRA members.

¹² See *generally* Rule 605 Amendments Release, *supra* note 10. The amendments to SEC Rule 605 also necessitate updates to the Plan Establishing Procedures Under Rule 605 of Regulation NMS (“Rule 605 NMS Plan”) to incorporate references to larger broker-dealers and to account for the summary reports and new data fields required under the amendments. See Rule 605 Amendments Release, *supra* note 10, 89 FR 26428, 26492.

execution quality among different market centers, brokers, and dealers[.]”¹³ The amendments to SEC Rule 605 became effective on June 14, 2024 and the compliance date is December 14, 2025.¹⁴

Reporting entities must make their Rule 605 Reports available to the public in a uniform, readily accessible, and usable electronic format,¹⁵ in accordance with the procedures established under the Rule 605 NMS Plan,¹⁶ within one month after the end of the month addressed in the report.¹⁷ The Rule 605 NMS Plan further requires each market center to make arrangements with a single self-regulatory organization (“SRO”) to act as its “Designated Participant,” and to provide its Designated Participant with a hyperlink to the website where the market center’s Rule 605 Reports can be downloaded.¹⁸ Each SRO participant in the Rule 605 NMS Plan, in turn, maintains a website that includes a list of links where the Rule 605 Reports can be obtained for all market centers for which the SRO participant functions as a Designated Participant.¹⁹ FINRA acts as the Designated Participant under the Rule 605 NMS Plan for all non-exchange market

¹³ See Rule 605 Amendments Release, *supra* note 10, 89 FR 26428, 26435.

¹⁴ See Rule 605 Amendments Release, *supra* note 10, 89 FR 26428, 26496.

¹⁵ See 17 CFR 242.605(a)(3). All citations to SEC Rule 605 in this proposed rule change are to the currently effective version of the rule, which reflects the amendments adopted in the Rule 605 Amendments Release.

¹⁶ See Securities Exchange Act Release No. 44177 (April 12, 2001), 66 FR 19814 (April 17, 2001) (Joint Industry Plan; Order Approving Plan Establishing Procedures Under Rule 11Ac1-5 by the American Stock Exchange, Boston Stock Exchange, Chicago Stock Exchange, Cincinnati Stock Exchange, National Association of Securities Dealers, New York Stock Exchange, Pacific Exchange, and Philadelphia Stock Exchange) (“Rule 605 NMS Plan Release”). Among other things, the Rule 605 NMS Plan specifies the electronic file formats and other technical information for publication of Rule 605 Reports. The national securities exchanges and FINRA are participants in the Rule 605 NMS Plan.

¹⁷ See 17 CFR 242.605(a)(6). Rule 605 Reports must be 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. See also 17 CFR 242.605(a)(5).

¹⁸ See Rule 605 NMS Plan Release, *supra* note 16, 66 FR 19814, 19815 (defining “Designated Participant”) and 19816 (requiring each market center to arrange with a single Participant to act as the market center’s Designated Participant). As noted above, the amendments to SEC Rule 605 will require updates to the Rule 605 NMS Plan to, among other things, incorporate references to larger broker-dealers, in addition to market centers.

¹⁹ See Rule 605 NMS Plan Release, *supra* note 16, 66 FR 19814, 19815.

centers and includes on the FINRA website links to such market centers' Rule 605 Reports.²⁰ However, users seeking to analyze and compare Rule 605 Reports must still navigate to the separate websites that house each individual market center's Rule 605 Reports.

Proposed Rule Change

To make Rule 605 Reports more accessible for regulators, investors, and others seeking to analyze and compare the data, FINRA is proposing to require that members provide their Rule 605 Reports to FINRA for central publication on the FINRA website. Specifically, new Rule 6152, entitled "Disclosure of Order Execution Information for NMS Stocks," would require each member that is required to publish reports pursuant to SEC Rule 605 to provide the reports to FINRA, in the manner prescribed by FINRA, within the same time and in the same formats that such reports are required to be made publicly available pursuant to SEC Rule 605 (i.e., within one month after the end of the month addressed in the report).²¹

FINRA would publish the Rule 605 Reports it receives in a centralized location on the FINRA website, free of charge and with no restrictions on use of the data.²² FINRA believes

²⁰ FINRA's market centers website can be accessed here: <https://www.finra.org/filing-reporting/regulation-nms/market-centers>. See also supra note 8.

²¹ FINRA would specify details regarding the manner of submission of the reports to FINRA in a Regulatory Notice or similar publication. Members would be permitted to use a third-party vendor to assist with transmission to FINRA. However, the member would remain responsible for submission of the reports in all respects, including the timeliness of the submissions to FINRA. Accordingly, a member would be required to submit a restated or corrected report to FINRA promptly in the event the member publishes a restated or corrected report pursuant to SEC Rule 605.

As stated above, FINRA will announce the effective date of the proposed rule change in a Regulatory Notice. FINRA expects that the effective date of the proposed rule change will be no earlier than the compliance date established by the Commission for the Rule 605 amendments (currently set for December 14, 2025) and no later than 12 months following publication of the Regulatory Notice announcing Commission approval of the proposed rule change.

²² As it currently does for SEC Rule 606 reports under FINRA Rule 6151, FINRA anticipates that Rule 605 Reports submitted to FINRA pursuant to proposed FINRA Rule 6152 would be posted to the FINRA website as soon as practicable following acceptance of the file submission, in most cases on the same day as submission. FINRA would maintain the Rule 605 Report on its website for at least three years from the initial date of posting.

that, similar to the recently approved FINRA Rule 6151 that requires members to submit their SEC Rule 606 order routing disclosures to FINRA for centralized publication,²³ the proposed rule change would enhance public access to Rule 605 Reports by centralizing the data files in a single location for download.²⁴

If the Commission approves the proposed rule change, FINRA will announce the effective date of the proposed rule change in a Regulatory Notice.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act, 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, to remove impediments to and perfect the mechanism of a free and open market and national market system, and, in general, to protect investors and the public interest, and not designed to permit unfair discrimination between customers, issuers, brokers or dealers.²⁵

FINRA believes that the proposed requirement for members to send their Rule 605 Reports to FINRA for centralized publication on the FINRA website will make this important

²³ See Securities Exchange Act Release No. 98047 (August 2, 2023), 88 FR 53560 (August 8, 2023) (Order Approving File No. SR-FINRA-2022-031); see also Regulatory Notice 24-05 (February 2024) (announcing June 30, 2024 as the effective date of SR-FINRA-2022-031).

²⁴ As discussed above, the Commission has adopted amendments to SEC Rule 605 that, among other things, expand the scope of reporting entities under SEC Rule 605 and require the publication of new summary reports, in addition to modifying the content of the currently required detailed reports. See supra note 12 and accompanying text. FINRA notes that, under the proposed rule change, new Rule 6152 would automatically incorporate these amendments to SEC Rule 605 since, on an ongoing basis, members would be required to submit to FINRA the same reports that they are required to publish under SEC Rule 605 in the same format as is required under SEC Rule 605. Thus, for example, since, under the amendments, reporting entities are required to publish additional summary reports in PDF and CSV format, members would also be required under Rule 6152 to submit such summary reports to FINRA for centralized publication. Similarly, larger-broker dealers newly subject to SEC Rule 605 would be required to submit any required Rule 605 Reports to FINRA under Rule 6152, and broker-dealer operators of SDPs would be required to submit their separate Rule 605 Reports for such SDPs to FINRA.

²⁵ 15 U.S.C. 78q-3(b)(6).

order execution quality information more readily 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. Further, FINRA believes the proposed rule change is not unfairly discriminatory as it would apply uniformly to all similarly situated FINRA members that are already subject to the disclosure requirements under SEC Rule 605.²⁶

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 of the proposed rule change, including potential costs, benefits, and distributional and competitive effects, relative to the current baseline.

Regulatory Need

FINRA believes that requiring members to provide their Rule 605 Reports to FINRA for centralized publication on the FINRA website would promote transparency and enhance accessibility of the Rule 605 Reports by better enabling market participants to locate and download the Rule 605 Reports from a single, central location. Investors and other relevant stakeholders seeking to analyze and compare Rule 605 Reports from different reporting entities

²⁶ The proposed rule change applies only to FINRA members that are reporting entities required to publish execution quality reports under SEC Rule 605. FINRA believes that, other than national securities exchanges, all reporting entities that are required, or will be required, to publish Rule 605 Reports are FINRA members. See *supra* notes 9 and 11. FINRA believes that the additional cost burden imposed on FINRA members submitting Rule 605 Reports to FINRA is likely to be minimal relative to other factors influencing competition between FINRA members and non-FINRA members (*i.e.*, national securities exchanges), which are not subject to the proposed requirement to submit Rule 605 Reports to FINRA. Consequently, any competitive effects arising from the proposed rule should be limited.

must first visit the website of a reporting entity, a third-party vendor that is contracted to host a link to the market center's Rule 605 Report, or FINRA's website, which provides URL links to reports for those member firms that have selected FINRA as their Designated Participant. After navigating to such websites, public users can download the Rule 605 Report data files. The proposed rule change would allow public users to more readily locate, download, and aggregate the reports at a central location.

Economic Baseline

FINRA estimates that 74 FINRA member firms currently operate 86 "market centers," as that term is defined in Rule 600(b)(55) of Regulation NMS. Some of these members operate more than one market center each. Firms are required to provide a Designated Participant, such as FINRA, with URL links to their required Rule 605 Reports and, currently, 64 members provide their URL links to FINRA (corresponding to 76 market centers).²⁷ Public users can access and download the Rule 605 Reports by visiting each market center's, and following implementation of the Rule 605 Amendments Release, other reporting entities' website (or through third-party websites that collect and maintain the URL links to Rule 605 Reports). Users can also visit FINRA's website and, for reporting entities that use FINRA as their Designated Participant, navigate from there to each individual reporting entities' website (or to the third-party website designated by the reporting entity) to access and download the data files. In the Rule 605 Amendments Release, the SEC estimated that 85 larger broker-dealers, along with 10

²⁷ FINRA's Market Centers website can be accessed here: <https://www.finra.org/filing-reporting/regulation-nms/market-centers>. Because Rule 605 applies only to "covered orders" in NMS stocks, Rule 605 reports would not be available for a market center that did not execute any covered orders within the three-year publication period required by Rule 605. FINRA understands that 10 of the 86 total market centers currently operated by FINRA member firms have not executed any covered orders within the prior three years. For these 10 market centers, which are operated by 10 different FINRA member firms, FINRA does not currently maintain a URL link for the market centers' reports on FINRA's public website.

SDPs operated by broker-dealers, will be required to start publishing Rule 605 Reports as a result of the recent amendments to SEC Rule 605.²⁸ These broker-dealers, to the extent they select FINRA as their Designated Participant, will therefore be required to send the links to their Rule 605 Reports to FINRA under amended SEC Rule 605 and the Rule 605 NMS Plan, once it is amended to conform to the Rule 605 Amendments Release.²⁹

Economic Impacts

Anticipated Benefits

FINRA believes that centralized access through FINRA's website to members' Rule 605 Reports will make it more efficient for users (whether retail and institutional investors, academic researchers, the press, regulators, other market participants, or other interested parties) to access and collect the Rule 605 Reports and therefore more easily analyze and compare execution quality statistics across market centers and, following implementation of the Rule 605 Amendments Release, larger broker-dealers. To the extent that centralization enables more efficient use of Rule 605 Reports, it could encourage comparison of the data in the reports, including firms' analysis of their execution quality as compared to competitors, in furtherance of the goals of SEC Rule 605.³⁰

²⁸ See Rule 605 Amendments Release, 89 FR 26428, 26579.

²⁹ In the Rule 605 Amendments Release, the SEC stated that the Rule 605 NMS Plan will need to be updated to (1) incorporate references to broker-dealers subject to SEC Rule 605; (2) account for summary reports that will be required under SEC Rule 605(a)(2); and (3) incorporate the new data fields that will be required under SEC Rule 605(a)(1) for the detailed report. See Rule 605 Amendments Release, 89 FR 26428, 26496. Absent other changes, broker-dealers newly subject to SEC Rule 605 will be required to send links to their Rule 605 Reports to their Designated Participant as market centers do today.

³⁰ See supra note 7 and accompanying text. To the extent the centralized website does not include Rule 605 Reports for non-member reporting entities subject to SEC Rule 605, such as national securities exchanges, these benefits may be limited.

Anticipated Costs

Members may incur initial fixed costs, such as programming, to create a system to send the Rule 605 Report to FINRA each month. Furthermore, members that use third-party vendors to create the Rule 605 Reports would need to arrange for reports to be submitted directly to FINRA. In addition, once the system to provide the Rule 605 Reports to FINRA is built, there would be variable costs for maintaining the system and ongoing compliance costs.

For members that currently send, or will send the links to their Rule 605 Reports to FINRA pursuant to the Rule 605 NMS Plan, these costs may be lower than building an entirely new system, depending on the degree to which any technology or processes can be leveraged.³¹ Furthermore, members required to send their SEC Rule 606 reports to FINRA for centralized publication effective in June 2024 will have systems in place to send such reports to FINRA. FINRA generally expects the manner of submission of Rule 605 Reports will likely be similar to the manner specified for the submission of SEC Rule 606 reports,³² consistent with FINRA's intention to specify a manner of submission that attempts to mitigate the costs of sending the reports to FINRA relative to the benefits of more easily comparable and accessible data.³³ Accordingly, to the extent those member firms could leverage the systems or processes used to submit their SEC Rule 606 reports to also send their Rule 605 Reports to FINRA, the initial fixed costs and variable costs may be relatively lower for those member firms.

Alternatives Considered

No other alternatives were considered.

³¹ See supra note 20.

³² See Regulatory Notice 24-05 (February 2024).

³³ See supra note 21.

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 23-10 (May 2023). Three comments were received in response to the Regulatory Notice.³⁴ A copy of the Regulatory Notice is available on FINRA’s website at <http://www.finra.org>. Copies of the comment letters received in response to the Regulatory Notice are also available on FINRA’s website. The comments are summarized below.

Virtu, Larry Tabb, and Healthy Markets all supported the centralization of Rule 605 Reports, with Virtu noting that centralized publication would make this information more accessible and useful to investors and market participants, streamlining the process for analyzing execution quality across market centers.³⁵ However, Virtu and Healthy Markets noted that national securities exchanges would not be required to share their Rule 605 Reports under the proposed rule change, with Virtu stating that the centralized repository would be incomplete and less useful for investors as a result and Healthy Markets similarly stating that the benefits of centralizing Rule 605 Reports will be lost if the database does not include national securities exchanges.³⁶ Both Virtu and Healthy Markets therefore recommended that the centralized repository include all Rule 605 Reports, including those of exchanges.³⁷

³⁴ See Comment submission from Larry Tabb, dated May 31, 2023 (“Larry Tabb Comment”); letter from Tyler Gellasch, President & CEO, Healthy Markets Association, to Jennifer Piorko Mitchell, Office of the Corporate Secretary, FINRA, dated July 19, 2023 (“Healthy Markets Letter”); and letter from Thomas M. Merritt, Deputy General Counsel, Virtu Financial Inc., to Jennifer Piorko Mitchell, Office of the Corporate Secretary, FINRA, dated July 31, 2023 (“Virtu Letter”).

³⁵ See Virtu Letter at 1, 3; Larry Tab Comment; Healthy Markets Letter at 2.

³⁶ See Virtu Letter at 3; Healthy Markets Letter at 2-3.

³⁷ See Virtu Letter at 3; Healthy Markets Letter at 3.

As Virtu noted,³⁸ the national securities exchanges are not FINRA members, and therefore would not be required to provide their Rule 605 Reports to FINRA under the proposed rule change. FINRA believes that centralizing access to the Rule 605 Reports for all other market centers (and, once the Rule 605 Amendments Release becomes effective, larger broker-dealers and covered SDPs operated by broker-dealers) would still provide significant benefits to investors, academics, and others seeking to analyze and compare the data, even if users must continue to navigate to exchange websites to access their Rule 605 Reports.³⁹ However, FINRA notes that it intends to explore ways to further enhance its Rule 605 Report centralization effort going forward.

Some commenters raised issues relating to the content of Rule 605 Reports, which is outside the scope of FINRA's proposal and authority.⁴⁰ FINRA, therefore, is not responding to those comments as they are not germane to a consideration of the instant proposed rule change.

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

³⁸ See Virtu Letter at 3.

³⁹ FINRA notes that there are currently 76 non-exchange market centers, operated by 64 members, providing links to FINRA as their Designated Participant under the Rule 605 NMS Plan. Additionally, in the Rule 605 Amendments Release, the SEC estimated that 85 larger broker-dealers, along with 10 SDPs operated by broker-dealers, will be required to start publishing Rule 605 Reports as a result of the recent amendments to SEC Rule 605. See Rule 605 Amendments Release, supra note 10, 89 FR 26428, 26579. By comparison, there are currently 16 exchange market centers, operated by three exchange groups and four independent exchanges.

⁴⁰ See, e.g., Virtu Letter at 1-2; Larry Tabb Comment; Healthy Markets Letter at 3.

(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-2025-002 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-2025-002. 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. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR-FINRA-2025-002 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴¹

Sherry R. Haywood,

Assistant Secretary.

⁴¹ 17 CFR 200.30-3(a)(12).