

Rule G-14: Reports of Sales or Purchases

(a) - (b) No change.

Rule G-14 RTRS Procedures

(a) General Procedures.

(i) No change.

(ii) Transactions effected with a Time of Trade during the hours of the RTRS Business Day shall be reported as soon as practicable but no later than 15 [one] minutes after the Time of Trade to an RTRS Portal except in the following situations:

(A) - (B) No change.

[(C) Intra-Trade Day Reporting Exceptions.

(1) A dealer with “limited trading activity” as defined in paragraph (d)(xi) of Rule G-14 RTRS Procedures must report its trades within the time period specified in Supplementary Material .01 of this rule.

(2) A dealer reporting a “trade with a manual component” as defined in paragraph (d)(xii) of Rule G-14 RTRS Procedures must report the trade within the time periods specified in Supplementary Material .02 of this rule.]

(iii) - (vi) No change.

(b) Reporting Requirements for Specific Types of Transactions.

(i) - (iii) No change.

(iv) *Transactions with Special Conditions*. Reports of transactions affected by the special conditions described in the RTRS Users Manual in Section 4.3.2 of the Specifications for Real-Time Reporting of Municipal Securities Transactions shall be reported with the “special condition indicators” described, and in the manner specified, therein and as follows:

(A) No change.

(B) *Mandatory Special Condition Indicators*. All other special condition indicators are mandatory regardless of whether the Submitter seeks to obtain an available extended reporting deadline, including:

(1) - (3) No change.

[(4) a “trade with a manual component” indicator for transactions identified in paragraph (a)(ii)(C)(2) of Rule G-14 RTRS Procedures;]

(4) [(5)] a “traded flat” indicator for securities traded on terms that do not include accrued interest as described in the RTRS Users Manual in Section 4.3.2 of the Specifications for Real-Time Reporting of Municipal Securities Transactions;

(5) [(6)] an “alternative trading system transaction” indicator for transactions defined in paragraph (d)(ix) of Rule G-14 RTRS Procedures; and

(6) [(7)] a “non-transaction-based compensation arrangement” indicator for transactions defined in paragraph (d)(x) of Rule G-14 RTRS Procedures.

(c) No change.

(d) Definitions.

(i) - (x) No change.

[(xi) A dealer with “limited trading activity” is a dealer that, during at least one of the prior two consecutive calendar years, reported to an RTRS Portal fewer than 2,500 purchase or sale transactions with customers or other dealers, excluding transactions exempted under Rule G-14(b)(v) and transactions specified in Rule G-14 RTRS Procedures paragraph (a)(ii)(A)–(B).

(xii) A “trade with a manual component” means for the purposes of this rule a transaction that is manually executed or where the dealer must manually enter any of the trade details or information necessary for reporting the trade directly into an RTRS Portal or into a system that facilitates trade reporting to an RTRS Portal.]

Supplementary Material

[.01 Exception from the One-Minute Reporting Requirement for Dealers with Limited Trading Activity. As described below, dealers with “limited trading activity” are excepted from the one-minute reporting requirement of this rule.

(a) A dealer relying on the exception in this Supplementary Material .01 shall confirm on an annual basis that it meets the criteria for a dealer with “limited trading activity” as set forth in paragraph (d)(xi) of Rule G-14 RTRS Procedures. If a dealer no longer meets these criteria as of the beginning of a calendar year, such dealer must comply with the one-minute reporting requirement of Rule G-14 RTRS Procedures paragraph (a)(ii) on and after April 1 of such calendar year.

(b) Except for a transaction qualifying for an exception from the one-minute reporting requirement pursuant to Rule G-14 RTRS Procedures paragraph (a)(ii)(A)–(B), a dealer reporting a transaction in reliance on the exception for dealers with “limited trading activity” in

this Supplementary Material .01 must report the transaction as soon as practicable but no later than 15 minutes after the Time of Trade.

.02 Exception from the One-Minute Reporting Requirement for Manual Trades. As described below, a dealer is excepted from the one-minute reporting requirement of this rule with respect to a “trade with a manual component”.

(a) In no event may a dealer purposely delay the execution of an order, introduce any manual steps following the Time of Trade, or otherwise modify any steps to execute or report the trade by handling a trade manually to delay reporting if such actions are for the purpose of claiming this exception.

(b) Except for a transaction qualifying for another exception from the one-minute reporting requirement pursuant to RTRS Procedures paragraph (a)(ii)(A)–(B) or (a)(ii)(C)(1), a dealer relying on the exception for a “trade with a manual component” in this Supplementary Material .02 must report the transaction as soon as practicable but not later than within the applicable time period set forth below:

(i) 15 Minutes. For a period of one calendar year from the effective date of this Supplementary Material .02, the transaction must be reported no later than 15 minutes after the Time of Trade;

(ii) 10 Minutes. For the second and third calendar years from the effective date of this Supplementary Material .02, the transaction must be reported no later than 10 minutes after the Time of Trade; or

(iii) 5 Minutes. Following the conclusion of the third calendar year from the effective date of this Supplementary Material .02, the transaction must be reported no later than 5 minutes after the Time of Trade.]

.01 [.03] Policies and Procedures f[F]or Complying w[W]ith a[A]s Soon a[A]s Practicable Reporting Requirement.

(a) No change.

(b) Because the trade reporting process for trades with a manual reporting component may not be completed as quickly as, for example, where an automated trade reporting system is used, it is expected that the regulatory authorities that enforce and examine dealers for compliance with the “as soon as practicable” requirement will take into consideration the manual nature of the dealer's trade reporting process in determining whether the dealer’s policies and procedures are reasonably designed to report the trade “as soon as practicable” after execution.

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Rule G-12: Uniform Practice

(a) - (e) No change.

(f) Use of Automated Comparison, Clearance, and Settlement Systems

(i) Notwithstanding the provisions of sections (c) and (d) of this rule, an Inter-Dealer Transaction Eligible for Comparison by a Clearing Agency Registered with the Commission (registered clearing agency) shall be compared through a registered clearing agency. Each party to such a transaction shall submit or cause to be submitted to a registered clearing agency all information and instructions required from the party by the registered clearing agency for automated comparison of the transaction to occur. Each transaction effected during the RTRS Business Day shall be submitted for comparison as soon as practicable but no later than 15 [one] minutes after the Time of Trade, unless the transaction is subject to an exception specified in the Rule G-14 RTRS Procedures paragraph (a)(ii), in which case it shall be submitted for comparison in the time frame described in the Rule G-14 RTRS Procedures paragraph (a)(ii). Transactions effected outside the hours of an RTRS Business Day shall be submitted no later than 15 minutes after the beginning of the next RTRS Business Day. In the event that a transaction submitted to a registered clearing agency for comparison in accordance with the requirements of this paragraph (i) shall fail to compare, the party submitting such transaction shall, as soon as possible, use the procedures provided by the registered clearing agency in connection with such transaction until such time as the transaction is compared or final notification of a failure to compare the transaction is received from the contra-party. A broker, dealer or municipal securities dealer (“dealer”) that effects inter-dealer transactions eligible for comparison by a clearing agency registered with the Commission shall ensure that submissions made against it in the comparison system are monitored for the purpose of ensuring that correct trade information alleged against it is acknowledged promptly and that erroneous information alleged concerning its side of a trade (or its side of a purported trade) is corrected promptly through the procedures of the registered securities clearing agency or the MSRB.

(ii) - (iv) No change.

(g) - (j) No change.