

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-68768; File No. SR-FINRA-2012-052)

January 30, 2013

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change to Require Members to Report to TRACE the “Factor” in Limited Instances Involving Asset-Backed Security Transactions

On November 29, 2012, 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 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to require FINRA members to report to the Trade Reporting and Compliance Engine (“TRACE”) the Factor used to determine the size (volume) of each transaction in an Asset-Backed Security “(ABS)” (except ABS traded To Be Announced (“TBA”)), in the limited instances when members effect such transactions as agent and charge a commission.³ The proposed rule change was published for comment in the Federal Register on December 18, 2012.⁴ The Commission received one comment on the proposal and a response to the comment from FINRA.⁵

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The terms “Asset-Backed Security,” “To Be Announced,” and “Factor” are defined in FINRA Rules 6710(m), (u), and (w), respectively.

⁴ See Securities Exchange Act Release No. 68414 (December 12, 2012), 77 FR 74896 (“Notice”).

⁵ See comment from Mark Sokolow, Attorney at Law, dated December 18, 2012 (“Sokolow Comment”); see also response letter from Kathryn Moore, Assistant General Counsel, FINRA, to Elizabeth M. Murphy, Secretary, Commission, dated January 11, 2013 (“FINRA Letter”).

Section 19(b)(2) of the Act⁶ provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day for this filing is February 1, 2013. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change, the comment received, and the response to the comment submitted by FINRA. Therefore, the Commission is extending this 45-day time period.

⁶ 15 U.S.C. 78s(b)(2).

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,⁷ designates March 18, 2013, as the date by which the Commission should either approve or disapprove or institute proceedings to determine whether to disapprove the proposed rule change.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Kevin M. O'Neill
Deputy Secretary

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(31).