

EXHIBIT 5

Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

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6000. QUOTATION AND TRANSACTION REPORTING FACILITIES

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6700. TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)

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6730. Transaction Reporting

(a) through (b) No Change.

(c) Transaction Information To Be Reported

Each TRACE trade report shall contain the following information:

(1) through (11) No Change.

(12) Date of settlement; [and]

(13) If the member is reporting a transaction that occurred on an ATS pursuant to Rule 6732, the ATS's separate MPID obtained in compliance with Rule 6720(c); and

(14) Such trade modifiers as required by either the TRACE rules or the TRACE users guide.

(d) through (f) No Change.

••• Supplementary Material: -----

.01 through .03 No Change.

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6732. Exemption from Trade Reporting Obligation for Certain Transactions on an Alternative Trading System

(a) Pursuant to the Rule 9600 Series, the staff for good cause shown after taking into consideration all relevant factors, may exempt, upon application and subject to specified terms and conditions, a member alternative trading system (“ATS”) from the trade reporting obligation under Rule 6730, if such exemption is consistent with the protection of investors and the public interest. The staff will grant an exemption to permit an ATS and members engaging in trades on such ATS to report trades as described below, where all of the following criteria are satisfied:

(1) The trade is between FINRA members;

(2) The trade does not pass through any ATS account, and the ATS does not exchange TRACE-Eligible Securities or funds on behalf of the subscribers, take either side of the trade for clearing or settlement purposes, including, but not limited to, at DTC or otherwise, or in any other way insert itself into the trade;

(3) The ATS agrees to provide to FINRA on a monthly basis, or such other basis as prescribed by FINRA, data relating to each exempted trade occurring on the ATS's system pursuant to this Rule 6732, and the ATS acknowledges that failure to report such data to FINRA, in addition to constituting a violation of FINRA rules, will result in revocation of any exemption granted pursuant to this Rule;

(4) The ATS remits to FINRA a transaction reporting fee based on the fee schedule set forth in Rule 7730(b)(1) for each exempted sell transaction occurring on the ATS; and

(5) The ATS has entered into a written agreement with each member that is a “Party to a Transaction” with respect to any trade for which the ATS is exempted under this Rule specifying that such trade must be reported by such party pursuant to Rule 6730(c)(13), identifying the trade as having occurred on the ATS using the ATS’s separate MPID obtained in compliance with Rule 6720(c).

(b) Where the above criteria are satisfied, an exempted trade occurring on the ATS must be reported by a member (other than the ATS) that meets the definition of “Party to a Transaction” identifying a contra-party other than the ATS with respect to each side of the trade.

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9000. CODE OF PROCEDURE

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9600. PROCEDURES FOR EXEMPTIONS

9610. Application

(a) Where to File

A member seeking exemptive relief as permitted under NASD Rules 1021, 1050, 1070, 2340, or 3150, or Rules 2114, 2210, 2241, 2242, 2310, 2359, 2360, 3170, 4210, 4311, 4320, 4360, 5110, 5121, 5122, 5123, 5130, 5131, 6183, 6625, 6731, 6732, 7470, 8211, 8213, 11870, or 11900, or Municipal Securities Rulemaking Board Rule G-37 shall file a written application with the appropriate department or staff of FINRA.

(b) through (c) No Change.

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