

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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**BY-LAWS OF THE CORPORATION**

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**Schedule A to the By-Laws of the Corporation**

Assessments and fees pursuant to the provisions of Article VI of the By-Laws of the Corporation shall be determined on the following basis.

**Section 1—Member Regulatory Fees**

(a) No Change.

(b) Each member shall be assessed a Trading Activity Fee for the sale of covered securities.

(1) No Change.

(2) Transactions exempt from the fee. The following shall be exempt from the Trading Activity Fee:

(A) through (I) No Change.

(J) Transactions in security futures held in futures accounts; [and]

(K) Proprietary transactions in TRACE-Eligible Securities by a firm that is a member of both FINRA and a national securities exchange and that are effected in the firm's capacity as an exchange specialist or exchange market maker; and[.]

(L) Transactions in U.S. Treasury Securities, as that term is defined in Rule 6710.

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(3) through (4) No Change.

(c) through (e) No Change.

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## **FINRA RULES**

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### **0100. GENERAL STANDARDS**

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#### **0150. Application of Rules to Exempted Securities Except Municipal Securities**

(a) through (b) No Change.

(c) Unless otherwise indicated within a particular Rule, the following FINRA and NASD rules are applicable to transactions in, and business activities relating to, exempted securities, except municipal securities, conducted by members and associated persons:

FINRA Rules 2010, 2020, 2060, 2111, 2122, 2150, 2210, 2212, 2261, 2268, 2269, 2320(g), 3110, 3220, 3270, 3280, 4120, 4130, 4210, 4311, 4330, 4360, 4510 Series, 4530, 5160, 5210, 5220, 5230, 5310, 5340, 6700 Series, 8110, 8120, 8210, 8310, 8311, 8312, 8320, 8330 and 9552; NASD Rules IM-2210-2, 2340, 2510, 3050 and 3140.

(d) No Change.

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### **6000. QUOTATION AND TRANSACTION REPORTING FACILITIES**

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## **6700. TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)**

### **6710. Definitions**

The terms used in this Rule 6700 Series shall have the same meaning as those defined in the FINRA By-Laws and rules unless otherwise specified. For the purposes of this Rule 6700 Series, the following terms have the following meaning:

(a) “TRACE-Eligible Security” means a debt security that is United States (“U.S.”) dollar-denominated and is: (1) issued by a U.S. or foreign private issuer, and, if a “restricted security” as defined in Securities Act Rule 144(a)(3), sold pursuant to Securities Act Rule 144A; [or is a debt security that is U.S. dollar-denominated and] (2) issued or guaranteed by an Agency as defined in paragraph (k) or a Government-Sponsored Enterprise as defined in paragraph (n); or (3) a U.S. Treasury Security as defined in paragraph (p). “TRACE-Eligible Security” does not include a debt security that is[:] issued by a foreign sovereign[, a U.S. Treasury Security as defined in paragraph (p),] or a Money Market Instrument as defined in paragraph (o).

(b) through (n) No Change.

(o) “Money Market Instrument” means, other than a U.S. Treasury Security, a debt security that at issuance has a maturity of one calendar year or less, or, if a discount note issued by an Agency, as defined in paragraph (k), or a Government-Sponsored Enterprise, as defined in paragraph (n), a maturity of one calendar year and one day or less.

(p) “U.S. Treasury Security” means a security, other than a savings bond, issued by the U.S. Department of the Treasury to fund the operations of the federal government

or to retire such outstanding securities. The term “U.S. Treasury Security” also includes separate principal and interest components of a U.S. Treasury Security that has been separated pursuant to the Separate Trading of Registered Interest and Principal of Securities (STRIPS) program operated by the U.S. Department of Treasury.

(q) through (ee) No Change.

(ff) “Auction” means the bidding process by which the U.S. Department of the Treasury sells marketable securities to the public pursuant to Part 356 of Title 31 of the Code of Federal Regulations.

(gg) “Auction Transaction” means the purchase of a U.S. Treasury Security in an Auction.

(hh) “When-Issued Transaction” means a transaction in a U.S. Treasury Security that is executed before the Auction for the security.

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### **6730. Transaction Reporting**

#### **(a) When and How Transactions are Reported**

Each member that is a Party to a Transaction in a TRACE-Eligible Security must report the transaction. A member must report a transaction in a TRACE-Eligible Security as soon as practicable, but no later than within 15 minutes of the Time of Execution, except as otherwise specifically provided below. Transactions not reported within the specified timeframe will be designated as “late.” A member must transmit the report to TRACE during TRACE System Hours.

(1) through (3) No Change.

**(4) Reporting Requirements — U.S. Treasury Securities**

Transactions in U.S. Treasury Securities must be reported as provided in this paragraph (a)(4).

**(A) General Reporting Requirements**

Transactions in U.S. Treasury Securities executed on:

(i) a business day at or after 12:00:00 a.m. Eastern Time through 5:00:00 p.m. Eastern Time must be reported the same day during TRACE System Hours;

(ii) a business day after 5:00:00 p.m. Eastern Time but before the TRACE system closes must be reported no later than the next business day (T + 1) during TRACE System Hours, and, if reported on T + 1, designated “as/of” and include the date of execution; or

(iii) a business day at or after 6:30:00 p.m. Eastern Time through 11:59:59 p.m. Eastern Time, or a Saturday, a Sunday, a federal or religious holiday or other day on which the TRACE system is not open at any time during that day (determined using Eastern Time) must be reported the next business day (T + 1) during TRACE System Hours, designated “as/of” and include the date of execution.

**([4]5)** Members have an ongoing obligation to report transaction information promptly, accurately, and completely. The member may employ an

agent for the purpose of submitting transaction information. However, the primary responsibility for the timely, accurate, and complete reporting of transaction information remains the non-delegable duty of the member obligated to report the transaction.

**([5]6)** A member may be required to report as soon as practicable to the Market Regulation Department on a paper form, the transaction information required under Rule 6730 if electronic submission into TRACE is not possible. Transactions that can be reported into TRACE, including transactions executed on a Saturday, a Sunday, a federal or religious holiday or other day on which the TRACE system is not open at any time during that day (determined using Eastern Time), and transactions that can be submitted on the trade date or a subsequent date on an “as/of” basis shall not be reported on a paper form.

**([6]7)** If a member that is a Party to a Transaction makes a good faith determination that a transaction involves a TRACE-Eligible Security, the member must report the transaction as provided in this Rule, and if the TRACE-Eligible Security is not entered in the TRACE system, the member must promptly notify and provide FINRA Operations the information required under Rule 6760(b) prior to reporting the transaction.

(b) No Change.

**(c) Transaction Information To Be Reported**

Each TRACE trade report shall contain the following information:

(1) and (2) No Change.

(3) Price of the transaction (or the elements necessary to calculate price, which are contract amount and accrued interest) or, for When-Issued Transactions in U.S. Treasury Securities, the yield as required by paragraph (d)(1) below;

(4) through (14) No Change.

**(d) Procedures for Reporting Price, Capacity, Volume**

**(1) Price**

(A) Except as noted in paragraph (B) for When-Issued Transactions in U.S. Treasury Securities, [F]for principal transactions, report the price, which must include the mark-up or mark-down. (However, if a price field is not available, report the contract amount and, if applicable, the accrued interest.) For agency transactions, report the price, which must exclude the commission. (However, if a price field is not available, report the contract amount and, if applicable, the accrued interest.) Report the total dollar amount of the commission if one is assessed on the transaction. Notwithstanding the foregoing, a member is not required to include a commission, mark-up or mark-down where one is not assessed on a trade-by-trade basis at the time of the transaction or where the amount is not known at the time the trade report is due. A member must use the “No Remuneration” indicator described in paragraph (d)(4)(F) where a trade report does not reflect either a commission, mark-up or mark-down, except for an inter-dealer transaction, a “List or Fixed Offering Price Transaction,” as defined in Rule 6710(q), or a “Takedown Transaction,” as defined in Rule 6710(r).

(B) For When-Issued Transactions in U.S. Treasury Securities conducted on a principal basis, report the yield, which must include the mark-up or mark-down, of the security in lieu of price. For When-Issued Transactions in U.S. Treasury Securities conducted on an agency basis, report the yield, which must exclude the commission, of the security in lieu of price. Report the total dollar amount of the commission.

(2) through (3) No Change.

**(4) Modifiers; Indicators**

Members shall append the applicable trade report modifiers or indicators as specified by FINRA to all transaction reports.

(A) through (F) No Change.

**(G) U.S. Treasury Security Indicators and Modifiers**

(i) If reporting a When-Issued Transaction, select the appropriate indicator.

(ii) Select the modifier:

a. “.B,” if the transaction is part of a series of transactions where at least one of the transactions involves a futures contract;

b. “.S,” if the transaction is part of a series of transactions where at least one of the transactions is executed at a pre-determined fixed price or would otherwise result in the transaction being executed away from the current market.



**(e) Reporting Requirements for Certain Transactions and Transfers of Securities**

The following shall not be reported:

(1) through (6) No Change.

(7) Bona fide repurchase and reverse repurchase transactions involving TRACE-Eligible Securities.

(8) Auction Transactions.

(f) No Change.

**••• Supplementary Material: -----**

.01 through .03 No Change.

**.04 Time of Execution for Transactions in U.S. Treasury Securities.** When reporting transactions in U.S. Treasury Securities executed electronically, members must report the time of execution pursuant to paragraph (c)(8) to the finest increment of time captured in the member's system (e.g., millisecond, microsecond), but at a minimum, in increments of seconds.

**.05 STRIPS Program (Separate Trading of Registered Interest and Principal of Securities).** Members are not required to report transactions undertaken as part of the process of separating and reconstituting securities pursuant to the STRIPS Program operated by the U.S. Department of Treasury under which eligible U.S. Treasury Securities are authorized to be separated into principal and interest components and transferred separately.

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**6750. Dissemination of Transaction Information**

(a) No Change.

**(b) Transaction Information Not Disseminated**

FINRA will not disseminate information on a transaction in a TRACE-Eligible Security that is:

(1) through (2) No Change.

(3) a List or Fixed Offering Price Transaction or a Takedown Transaction;

[or]

(4) a Securitized Product, except:

(A) an Agency Pass-Through Mortgage-Backed Security;

(B) an SBA-Backed ABS; and

(C) an Asset-Backed Security; or[.]

(5) a U.S. Treasury Security.

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**7000. CLEARING, TRANSACTION AND ORDER DATA REQUIREMENTS,  
AND FACILITY CHARGES**

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**7700. CHARGES FOR OTC REPORTING FACILITY, OTC BULLETIN BOARD  
AND TRADE REPORTING AND COMPLIANCE ENGINE SERVICES**

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**7730. Trade Reporting and Compliance Engine (TRACE)**

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(a) No Change.

**(b) Transaction Reporting Fees**

[For e]Each transaction in a TRACE-Eligible Security that is reportable to FINRA pursuant to the Rule 6700 Series[,] is subject to the [following] charges in this paragraph (b), and these charges shall be assessed against each member responsible for reporting the transaction.[:] Transactions in U.S. Treasury Securities that are reportable to FINRA pursuant to the Rule 6700 Series are not subject to transaction reporting fees under this paragraph (b).

(1) through (3) No Change.

(c) through (g) No Change.

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