

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-85420; File No. SR-FINRA-2019-003)

March 26, 2019

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Approving Proposed Rule Change to Allow the Publication or Distribution of Aggregated Transaction Information and Statistics on Certain Non-Disseminated TRACE-Eligible Securities

I. Introduction

On January 29, 2019, 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 amend FINRA Rule 6750 to allow the publication or distribution of aggregated transaction information and statistics on certain non-disseminated TRACE-Eligible Securities at no charge. The proposed rule change was published for comment in the Federal Register on February 13, 2019.³ The Commission received no comment letters on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposal

FINRA Rule 6750(a) provides that FINRA will publicly disseminate information on all transactions in TRACE-Eligible Securities⁴ immediately upon receipt of a transaction report unless an exception applies. FINRA Rule 6750(c) sets out those exceptions.⁵ In addition,

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 85073 (February 7, 2019), 84 FR 3842 (February 13, 2019) (“Notice”).

⁴ See FINRA Rule 6710(a) (defining “TRACE-Eligible Security”).

⁵ See FINRA Rule 6750(c). FINRA currently will not disseminate information for non-member affiliate transactions, certain transfers of proprietary interests, List or Fixed

FINRA offers a number of real-time and historic TRACE data products on disseminated transactions for a fee,⁶ and also publishes and distributes aggregated transaction information and statistics on disseminated transactions at no charge.⁷

FINRA has proposed to add Supplementary Material .01 to FINRA Rule 6750 to provide that, notwithstanding FINRA Rule 6750(c), FINRA may, in its discretion, publish or distribute aggregated transaction information and statistics on certain non-disseminated TRACE-Eligible Securities at no charge—unless FINRA submits a rule filing to the Commission imposing a fee for such data. FINRA stated in the Notice that it will not identify individual market participants or transactions or publish aggregated transaction information and statistics by individual securities. In addition, the proposed rule change will not apply to U.S. Treasury Securities. FINRA has stated that the proposed rule change will become effective the date of Commission approval.⁸

III. Discussion and Commission Findings

After careful consideration, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association.⁹ In particular, the Commission finds that the proposed rule change is consistent with Section 15A(b)(6) of the Act,¹⁰ which requires, among other things,

Offering Price or Takedown Transactions, and transactions in U.S. Treasury Securities and certain Securitized Products.

⁶ See FINRA Rule 7730.

⁷ See Notice, 84 FR at 3842.

⁸ See id. at 3843.

⁹ In approving this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁰ 15 U.S.C. 78o-3(b)(6).

that FINRA rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. The Commission believes that the proposal will promote some degree of public transparency, at no cost, for certain classes of TRACE-Eligible Securities for which individual transactions are not publicly disseminated. Moreover, the Commission believes that the proposal is reasonably designed to preserve the confidentiality of counterparty identities, consistent with the protection of investors and the public interest.

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,¹¹ that the proposed rule change (SR-FINRA-2019-003) is approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Eduardo A. Aleman
Deputy Secretary

¹¹ 15 U.S.C. 78s(b)(2).

¹² 17 CFR 200.30-3(a)(12).