

competitive standing in the financial markets.

The Exchange does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. As previously discussed, the Exchange operates in a highly competitive market. Members have numerous alternative venues that they may participate on and direct their order flow, including 16 other options exchanges and off-exchange venues. Additionally, the Exchange represents a small percentage of the overall market. Based on publicly available information, no single options exchange has more than 13% of the market share.¹⁷ Therefore, no exchange possesses significant pricing power in the execution of option order flow. Indeed, participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹⁸ The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition v. Securities and Exchange Commission*, the D.C. Circuit stated as follows: “[n]o one disputes that competition for order flow is ‘fierce.’ . . . As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’”¹⁹ Accordingly, the Exchange does not believe its proposed fee change imposes any burden on competition that is not necessary or

appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act²⁰ and paragraph (f) of Rule 19b-4²¹ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission’s internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CboeBZX-2024-068 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to file number SR-CboeBZX-2024-068. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements

with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission’s Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeBZX-2024-068 and should be submitted on or before August 21, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²²

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100594; File No. SR-FINRA-2024-004]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Partial Amendment No. 1 to Proposed Rule Change To Amend FINRA Rule 6730 To Reduce the 15-Minute TRACE Reporting Timeframe to One Minute

July 25, 2024.

I. Introduction

On January 11, 2024, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change (SR-FINRA-2024-004) to amend FINRA Rule 6730 to reduce the 15-minute reporting timeframe for transactions reported to FINRA’s Trade

¹⁷ See *supra* note 4.

¹⁸ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

¹⁹ *NetCoalition v. SEC*, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

²⁰ 15 U.S.C. 78s(b)(3)(A).

²¹ 17 CFR 240.19b-4(f).

²² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Reporting and Compliance Engine (“TRACE”) system to one minute, with exceptions for FINRA member firms with de minimis reporting activity and for manual trades. The proposed rule change was published for comment in the **Federal Register** on January 25, 2024.³

On February 29, 2024, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ On April 22, 2024, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act⁶ to determine whether to approve or disapprove the proposed rule change.⁷ On July 18, 2024, the Commission, pursuant to Section 19(b)(2) of the Act,⁸ designated September 20, 2024, as the date by which the Commission shall either approve or disapprove the proposed rule change.⁹ On July 18, 2024, FINRA responded to comments¹⁰ and filed a partial amendment to the proposed rule change in response to certain comments on the proposed rule change (“Partial Amendment No. 1”). Partial Amendment No. 1 is described in Item II below, which has been substantially prepared by FINRA.¹¹ The Commission is publishing this notice to solicit comments on Partial Amendment No. 1 from interested persons.¹²

³ See Securities Exchange Act Release No. 99404 (Jan. 19, 2024), 89 FR 5034 (Jan. 25, 2024) (“Notice”). Comments received on the proposed rule change are available at: <https://www.sec.gov/comments/sr-finra-2024-004/srfinra2024004.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 99640 (Feb. 29, 2024), 89 FR 16042 (Mar. 6, 2024). The Commission designated April 24, 2024, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 100006 (Apr. 22, 2024), 89 FR 32475 (Apr. 26, 2024).

⁸ 15 U.S.C. 78s(b)(2).

⁹ See Securities Exchange Act Release No. 100555 (July 18, 2024), 89 FR 59948 (July 24, 2024) (“Extension”).

¹⁰ See Letter from Racquel L. Russell, Senior Vice President, Director of Capital Markets Policy, Office of General Counsel, FINRA, dated July 18, 2024, available at <https://www.sec.gov/comments/sr-finra-2024-004/srfinra2024004.htm>.

¹¹ The Commission has reformatted FINRA’s presentation of its proposed modifications to, and descriptions of, the proposed rule change.

¹² Partial Amendment No. 1 is also available on FINRA’s website at <https://www.finra.org/sites/default/files/2024-07/SR-FINRA-2024-004-Partial-A-1.pdf>.

II. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Partial Amendment

FINRA is proposing the following amendments to the filing:

1. FINRA Proposes To Amend the Proposed Manual Trades Exception To Provide FINRA Members With an Additional Year To Transition to Five-Minute Reporting for Manual Trades

As discussed in the original filing, the proposed rule change would create an exception from the proposed one-minute reporting requirement for manual trades.¹³ As originally proposed, manual trades would have been subject to reporting as soon as practicable with a five-minute outer-limit reporting timeframe, phased in after two years.¹⁴ Specifically, where a trade qualified for the manual trades exception, a 15-minute outer limit would have applied for the first year following implementation; a 10-minute outer limit would have applied for the second year; and a five-minute outer limit would have applied thereafter.¹⁵ Some commenters raised various concerns regarding the feasibility of five-minute reporting for manual trades, and some commenters recommended that FINRA study and assess (and provide an opportunity for public comment on) the feasibility of five-minute reporting for manual trades prior to its implementation or maintain a 15-minute reporting requirement for manual trades.¹⁶

In response to these comments, FINRA is amending the proposed rule change to extend the phase-in period for five-minute reporting by one year so that FINRA members would have three years to transition to five-minute reporting for manual trades.¹⁷

Accordingly, the proposed rule change, as amended, would provide that a FINRA member relying on the manual trades exception will be required to report the manual trade as soon as practicable and no later than within 15 minutes of the time of execution (for up to one calendar year from the effectiveness of the proposed amendments), within 10 minutes of the time of execution (for up to three calendar years from the effectiveness of the proposed amendments), and within five minutes of the time of execution (three or more calendar years from the effectiveness of the proposed

amendments).¹⁸ Partial Amendment No. 1 will provide FINRA with additional time to assess FINRA members’ trade reporting times in connection with manual trades and request comment on the operation of the manual trades exception—and FINRA will be prepared to make adjustments, as necessary, prior to the effectiveness of the five-minute reporting timeframe.¹⁹

Following are the changes proposed in Partial Amendment No. 1, with the proposed changes in the original filing shown as if adopted. Proposed new language in Partial Amendment No. 1 is italicized; proposed deletions in Partial Amendment No. 1 are in brackets:

6730. Transaction Reporting

(a) through (f) No Change.

• • • Supplementary Material:

.01 through .08 No Change.

.09 Exception for Manual Trades

(a) No Change.

(b) Except as otherwise specifically provided in paragraph (a)(2) of this Rule with respect to List or Fixed Offering Price Transactions and Takedown Transactions, a member relying on the exception for manual trades in this Supplementary Material .09 must report the transaction as soon as practicable but no later than within: 15 minutes of the Time of Execution (this 15-minute outer timeframe is available for up to one calendar year from the effectiveness of this Supplementary Material .09); within 10 minutes of the Time of Execution (this 10-minute outer timeframe is available for up to *three[two]* calendar years from the effectiveness of this Supplementary Material .09); or within 5 minutes of the Time of Execution (this 5-minute outer timeframe is applicable *three[two]* or more calendars years from the effectiveness of this Supplementary Material .09), as further provided in this paragraph.

(1) No Change.

(2) Transactions Executed During TRACE System Hours

Transactions executed on a business day at or after 8:00:00 a.m. Eastern Time through 6:29:59 p.m. Eastern Time (standard TRACE System Hours) must be reported as soon as practicable, but no later than within 15, 10, or 5 minutes of the Time of Execution [after the TRACE system opens] (the 15-, 10-, or 5-minute outer timeframe is available for up to one year, up to *three[two]*

¹³ See Notice, *supra* note 3.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ See Partial Amendment No. 1 at 4.

¹⁷ *Id.*

¹⁸ See proposed Rule 6730.09(b).

¹⁹ See Partial Amendment No. 1 at 5.

years, or *three*[two] or more years, respectively, from the effectiveness of this Supplementary Material .09), except as provided in paragraph (b)(3) of this Supplementary Material .09.

(3) Transactions Executed Less Than 5 Minutes Before TRACE System Closes

Transactions executed on a business day less than 15, 10, or 5 minutes (the 15-, 10-, or 5-minute timeframe is available for up to one year, up to *three*[two] years, or *three*[two] or more years, respectively, from the effectiveness of this Supplementary Material .09) before 6:30:00 p.m. Eastern Time must be reported as soon as practicable after the TRACE system opens the next business day (T + 1), but no later than within 15 minutes after the TRACE system opens the next business day, and if reported on T + 1, designated “as/of” and include the date of execution.

(4) No Change.

2. FINRA Proposes To Make a Correction to the Text of Proposed Rule 6730.09(b)(2)

Additionally, Partial Amendment No. 1 would make a correction to the proposed rule text such that proposed Rule 6730.09(b)(2) would require reporting within the prescribed timeframe from “the Time of Execution” rather than “after the TRACE system opens.”²⁰ As originally proposed, for transactions subject to the manual trades exception that were executed on a business day at or after 8:00:00 a.m. Eastern Time (“ET”) through 6:29:59 p.m. ET (*i.e.*, during TRACE system hours), the rule text erroneously would have required reporting “. . . as soon as practicable, but no later than within 15, 10, or 5 minutes after the TRACE system opens. . . .”²¹ Partial Amendment No. 1 would correct the text of proposed Rule 6730.09(b)(2) so that it requires reporting of these transactions “. . . as soon as practicable, but no later than within 15, 10, or 5 minutes of the Time of Execution. . . .”²²

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended by Partial Amendment No. 1, is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission’s internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-FINRA-2024-004 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-FINRA-2024-004. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission’s Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of FINRA. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to File Number SR-FINRA-2024-004 and should be submitted on or before August 21, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²³

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2024-16801 Filed 7-30-24; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100589; File No. SR-MSRB-2024-01]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of Amendment No. 1 to Proposed Rule Change Consisting of Amendments to MSRB Rule G-14 To Shorten the Timeframe for Reporting Trades in Municipal Securities to the MSRB

July 25, 2024.

I. Introduction

On January 12, 2024, the Municipal Securities Rulemaking Board (“MSRB”) filed with the Securities and Exchange Commission (“SEC” or “Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to (1) amend MSRB Rule G-14 (“Rule G-14”), on reports of sales or purchases, to (i) shorten the amount of time within which brokers, dealers, and municipal securities dealers (collectively, “dealers,” and each individually, a “dealer”) must report most transactions to the MSRB; and (ii) require dealers to report certain transactions with a new trade indicator, and make certain clarifying amendments, and (2) make conforming amendments to MSRB Rule G-12, on uniform practice (“Rule G-12”), and the MSRB’s Real-Time Transaction Reporting System (“RTRS”) Information Facility (“IF-1”) to reflect the shortened reporting timeframe (collectively, the “proposed rule change”).³ The proposed rule change was published for comment in the **Federal Register** on January 26, 2024.⁴

The Commission received comments in response to the proposed rule change.⁵ On April 22, 2024, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act⁶ to determine whether to approve or disapprove the proposed rule change.

On July 18, 2024, the Commission, pursuant to Section 19(b)(2) of the Act,⁷ designated September 20, 2024, as the date by which the Commission shall either approve or disapprove the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Exchange Act Release No. 99402 (Jan. 19, 2024), 89 FR 5384 (Jan. 26, 2024) (“Notice”).

⁴ *Id.* at 5384.

⁵ Comment letters received by the Commission are available on our website at <https://www.sec.gov/comments/sr-msrb-2024-01/srmsrb202401.htm>.

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ 15 U.S.C. 78s(b)(2).

²⁰ See Partial Amendment No. 1 at 5.

²¹ See proposed Rule 6730.09(b)(2).

²² See Partial Amendment No. 1 at 5.

²³ 17 CFR 200.30-3(a)(12).