

Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2021-076 and should be submitted on or before February 9, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2022-00871 Filed 1-18-22; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: To be published.

PREVIOUSLY ANNOUNCED TIME AND DATE OF THE MEETING: Thursday, January 20, 2022 at 2 p.m.

CHANGES IN THE MEETING: The Closed Meeting scheduled for Thursday, January 20, 2022 at 2 p.m. has been changed to Thursday, January 20, 2022 at 2:15 p.m.

CONTACT PERSON FOR MORE INFORMATION: For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

Authority: 5 U.S.C. 552b.

Dated: January 13, 2022.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2022-01000 Filed 1-14-22; 11:15 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-93966; File No. SR-FINRA-2021-029]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Approving Proposed Rule Change To Amend FINRA Rule 6732 and Expand the Scope of Exemptions That FINRA May Grant ATSS From the TRACE Reporting Requirements

January 12, 2022.

I. Introduction

On November 15, 2021, 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 6732 (Exemption from Trade Reporting Obligation for Certain Transactions on an Alternative Trading System) to expand the scope of exemptions from the transaction reporting obligations of FINRA Rule 6730 (Transaction Reporting) that FINRA may grant to a member alternative trading system (“ATS”). The proposed rule change was published for comment in the **Federal Register** on November 30, 2021.³ The Commission received no comments on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposal

FINRA Rule 6730(a) requires each FINRA member that is a Party to a Transaction in a TRACE-Eligible Security ⁴ to report the transaction to the Trade Reporting and Compliance Engine (“TRACE”). FINRA Rule 6710(e) defines “Party to a Transaction” as an introducing broker-dealer (if any), an executing broker-dealer, or a customer. An alternative trading system (“ATS”) is a Party to a Transaction occurring through its system and has a TRACE transaction reporting obligation, unless an exception or exemption applies.⁵

FINRA Rule 6732 provides FINRA with the authority to exempt a member ATS from TRACE reporting obligations under FINRA Rule 6730. FINRA has stated that it adopted Rule 6732 in

response to concerns raised by members regarding operational difficulties arising from the reporting of certain transactions on an ATS, particularly when the ATS does not have a role in the clearance and settlement for trades on its system.⁶ If FINRA grants an ATS an exemption under Rule 6732, a member subscriber of the ATS, when engaging in a trade on the ATS covered by the Rule 6732 exemption, must report against its counterparty (rather than the ATS), which mitigates these operational difficulties and facilitates clearance and settlement.⁷

Currently, under Rule 6732, FINRA may grant an ATS an exemption if the following criteria are satisfied: (1) A trade is between two FINRA members; (2) the trade does not pass through any ATS account, and the ATS seeking the exemption does not exchange TRACE-Eligible Securities or funds on behalf of the subscribers or take either side of the trade for clearing or settlement purposes, or in any other way insert itself into the trade; (3) the ATS seeking the exemption agrees to provide data relating to each exempted trade to FINRA on either a monthly basis or as otherwise proscribed by FINRA, and acknowledges that failure to meet this requirement would result in its exemption being revoked; (4) the ATS seeking the exemption pays the applicable reporting fee to FINRA; and (5) the ATS seeking the exemption has entered into a written agreement with each member that is a Party to a Transaction to ensure that each exempted trade is properly reported.⁸ Where these 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 counterparty other than the ATS with respect to each side of the trade.⁹

FINRA is now proposing to amend Rule 6732 to expand the scope of transactions that may be exempted under Rule 6732 to include trades that involve only one FINRA member (other than the ATS). Specifically, FINRA proposes to delete the current language in subparagraph (a)(1) of Rule 6732 that requires an exempted transaction to be between two FINRA members, and

⁶ See Notice, 86 FR at 67997. FINRA explained that members’ back-end systems are often programmed to clear against the counterparty identified on TRACE trade reports, and when the ATS is not involved in clearance and settlement, member subscribers often prefer to TRACE-report against the party with which they clear and settle the trade (*i.e.*, another subscriber, rather than the ATS). See *id.*

⁷ See *id.*

⁸ See FINRA Rule 6732(a).

⁹ See FINRA Rule 6732(b).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 93651 (November 23, 2021), 86 FR 67996 (November 30, 2021) (“Notice”).

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

⁵ See *Regulatory Notice* 14-53 (November 2014).

¹⁷ 17 CFR 200.30-3(a)(12).