

become operative immediately upon filing. The Exchange has indicated that there is a continued need to extend the temporary relief because the Exchange does not believe the COVID-19 related health concerns necessitating this relief will meaningfully subside by July 31, 2022.¹⁸ Importantly, extending the temporary relief provided in SR-NASDAQ-2020-076 immediately upon filing and without a 30-day operative delay will allow the Exchange to continue critical adjudicatory and review processes in a reasonable and fair manner and meet its critical investor protection goals, while also following best practices with respect to the health and safety of hearing participants.¹⁹ The Commission also notes that this proposal extends without change the temporary relief previously provided by SR-NASDAQ-2020-076.²⁰ As proposed, the temporary changes would be in place through October 31, 2022 and the amended rules will revert back to their original state at the conclusion of the temporary relief period and, if applicable, any extension thereof.²¹ For these reasons, the Commission believes that waiver of the 30-day operative delay for this proposal is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposal operative upon filing.²²

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 shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and

¹⁸ See *supra* Item II.

¹⁹ See 87 FR 43335, at 43337-38 (noting the same in granting FINRA's request to waive the 30-day operative delay so that SR-FINRA-2022-018 would become operative immediately upon filing).

²⁰ See *supra* note 9.

²¹ See *supra* note 4. As noted above, the Exchange states that if it requires temporary relief from the rule requirements identified in this proposal beyond October 31, 2022, it may submit a separate rule filing to extend the effectiveness of the temporary relief under these rules.

²² For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule change's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-NASDAQ-2022-044 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-NASDAQ-2022-044. 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 10:00 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-NASDAQ-2022-044 and should be submitted on or before September 1, 2022.

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

J. Matthew DeLesDernier,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-95438; File No. SR-FINRA-2022-017]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Approving a Proposed Rule Change To Amend FINRA Rule 6750 Regarding the Publication of Aggregated Transaction Information on U.S. Treasury Securities

August 5, 2022.

I. Introduction

On June 23, 2022, 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 provide that FINRA may publish or distribute aggregated transaction information and statistics on U.S. Treasury Securities on a more frequent basis. The proposed rule change was published for comment in the **Federal Register** on July 1, 2022.³ The Commission received one comment letter on the proposed rule change.⁴ This order approves the proposed rule change.

II. Description of the Proposal

On March 10, 2020 FINRA began posting on its website weekly, aggregate data on the trading volume of U.S. Treasury Securities⁵ reported to the

²³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 95165 (June 27, 2022), 87 FR 39573 (July 1, 2022) ("Notice").

⁴ See Letter from Stephen John Berger, Managing Director, Global Head of Government & Regulatory Policy, Citadel Securities, to Vanessa Countryman, Secretary, Commission (July 21, 2022) ("Citadel Letter"). Comment letters are available at: <https://www.sec.gov/comments/sr-finra-2022-017/srfinra2022017.htm>.

⁵ "U.S. Treasury Security" means a security, other than a savings bond, issued by the U.S. Department of the Treasury ("Treasury Department") to fund the operations of the federal government or to retire such outstanding securities. The term also includes separate principal and interest components of a U.S. Treasury Security that have been separated

Trade Reporting And Compliance Engine (TRACE).⁶ FINRA is proposing to amend paragraph (b) of Supplementary Material .01 to FINRA Rule 6750 to delete the word “weekly” so as to permit more frequent publication of aggregated U.S. Treasury Security transaction information and statistics, such as on a daily basis.⁷

FINRA states that the more frequent aggregated U.S. Treasury Security data would continue to *not* identify individual market participants or transactions, and that FINRA would continue to *not* publish aggregated transaction information and statistics by individual U.S. Treasury Security (except for the category of on-the-run U.S. Treasury Securities because there is only one on-the-run security at a time for each subtype and maturity).⁸ FINRA also states that the aggregate U.S. Treasury Security data would continue to be provided at no charge (unless FINRA first submits an appropriate rule filing establishing a fee for this data).⁹ FINRA states that the proposed rule change will become effective on the date of Commission approval.¹⁰

pursuant to the Separate Trading of Registered Interest and Principal of Securities (STRIPS) program operated by the Treasury Department. See FINRA Rule 6710(p).

⁶ See, e.g., Supplementary Material .01(b) to FINRA Rule 6750; FINRA Press Release, FINRA Launches New Data on Treasury Securities Trading Volume, available at <https://www.finra.org/media-center/newsreleases/2020/finra-launches-new-data-treasury-securities-trading-volume>.

⁷ On July 10, 2017, FINRA members began reporting information on transactions in U.S. Treasury Securities to TRACE. Information reported to TRACE regarding individual transactions in U.S. Treasury Securities is used for regulatory and other official sector purposes and is not published or disseminated. Pursuant to FINRA Rule 6750 (Dissemination of Transaction Information) FINRA may, at its discretion, publish or distribute weekly aggregated transaction information and statistics on U.S. Treasury Securities at no charge (unless FINRA submits a rule filing imposing a fee for such data). FINRA states it has received favorable feedback on the weekly aggregated trading volume data for U.S. Treasury Securities that is currently made available on its website and that, in consultation with the Treasury Department, it now believes it would be appropriate to increase the frequency by which this aggregated data is made available. See Notice, *supra* note 3, 87 FR at 39573.

⁸ See Notice, *supra* note 3, 87 FR at 39573–74. See also Rule 6750.01(b) (providing that aggregated transaction information and statistics on U.S. Treasury Securities will not be published or distributed by individual security (except for aggregated data that includes on-the-run U.S. Treasury Securities that may have had only one on-the-run security during the aggregated period) and will not identify individual market participants or transactions).

⁹ See Notice, *supra* note 3, 87 FR at 39574; Supplementary Material .01(b) to FINRA Rule 6750.

¹⁰ See *id.*

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.¹¹ In particular, the Commission finds that the proposed rule change is consistent with Section 15A(b)(6) of the Act,¹² which requires, among other things, 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 received one comment letter in response to the proposal.¹³ This commenter states that dissemination of more frequent aggregated transaction information will facilitate a better and more timely understanding of overall trading activity in U.S. Treasury securities and will improve the efficiency of the U.S. Treasury market.¹⁴ The commenter further states that FINRA’s proposal is another positive incremental step in enhancing transparency in the U.S. Treasury market.¹⁵

The Commission believes that the proposal will benefit investors and market participants by providing them with timelier insights into activity in the U.S. Treasury Securities markets while maintaining the confidentiality of individual market participants and transactions. The proposal would enable FINRA, in its discretion, to publish or distribute at no charge (unless FINRA submits a rule filing imposing a fee for such data) aggregated transaction information and statistics on TRACE-Eligible Securities¹⁶ that are U.S. Treasury Securities on a more frequent basis than the weekly cadence provided under the current rule. FINRA represents it has received favorable

¹¹ 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).

¹² 15 U.S.C. 78o–3(b)(6).

¹³ See Citadel Letter, *supra* note 4 at 1.

¹⁴ See Citadel Letter, *supra* note 4 at 1.

¹⁵ See Citadel Letter, *supra* note 4 at 1.

¹⁶ “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; (2) issued or guaranteed by an Agency as defined in FINRA Rule 6710(k) or a Government-Sponsored Enterprise as defined in FINRA Rule 6710(n); or (3) a U.S. Treasury Security as defined in FINRA Rule 6710(p). “TRACE-Eligible Security” does not include a debt security that is issued by a foreign sovereign or a Money Market Instrument as defined in FINRA Rule 6710(o). See FINRA Rule 6710(a).

feedback on the weekly aggregated trading volume data for U.S. Treasury Securities that is currently made available on its website and, in that, in consultation with the Treasury Department, FINRA now believes it would be appropriate to increase the frequency within which this aggregated data is made available.¹⁷ The Commission believes that the more frequent availability of such aggregated transaction information on U.S. Treasury Securities would provide greater overall transparency into the market for U.S. Treasury Securities.

The Commission also believes that the proposal is reasonably designed to preserve the confidentiality of individual market participants and transactions, as aggregated transaction information and statistics on U.S. Treasury Securities would not be published or distributed by individual security (except for aggregated data that includes on-the-run U.S. Treasury Securities that may have had only one on-the-run security during the aggregated period), and would not identify individual market participants or transactions.¹⁸ In addition, FINRA represents that the proposed rule change would not impose any additional requirements on firms, because any aggregate statistics that are published or distributed by FINRA pursuant to this rule change would be derived from trade reports already required to be submitted to TRACE.¹⁹

Pursuant to Section 19(b)(5) of the Act,²⁰ the Commission consulted with and considered the views of the Treasury Department in determining to approve the proposed rule change. The Treasury Department indicated its support for the proposal.²¹ Pursuant to Section 19(b)(6) of the Act,²² the

¹⁷ See Notice, *supra* note 3, 87 FR at 39573.

¹⁸ See Notice, *supra* note 3, 87 FR at 39573–74; Supplementary Material .01(b) to FINRA Rule 6750.

¹⁹ See Notice, *supra* note 3, 87 FR at 39574.

²⁰ See 15 U.S.C. 78s(b)(5) (providing that the Commission “shall consult with and consider the views of the Secretary of the Treasury prior to approving a proposed rule filed by a registered securities association that primarily concerns conduct related to transactions in government securities, except where the Commission determines that an emergency exists requiring expeditious or summary action and publishes its reasons therefor”).

²¹ See Email from U.S. Treasury Department staff to Justin Pica, Division of Trading and Markets, Commission (August 4, 2022). See also Quarterly Refunding Statement of U.S. Treasury Department Assistant Secretary for Financial Markets Josh Frost (August 3, 2022) (stating that “Treasury supports [FINRA’s] recent proposed rule change to publish the aggregated U.S. Treasury Security transaction information and statistics on a more frequent basis”) available at <https://home.treasury.gov/news/press-releases/jy0908>.

²² 15 U.S.C. 78s(b)(6).

Commission has considered the sufficiency and appropriateness of existing laws and rules applicable to government securities brokers, government securities dealers, and their associated persons in approving the proposal.

The proposal will benefit investors and market participants by promoting greater transparency into the U.S. Treasury Securities market while also maintaining the confidentiality of individual market participants and transactions.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²³ that the proposed rule change (SR-FINRA-2022-017) is approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

J. Matthew DeLesDernier,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-95437; File No. SR-NSCC-2022-011]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Enhance National Securities Clearing Corporation Automated Customer Account Transfer Service

August 5, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 26, 2022, National Securities Clearing Corporation (“NSCC” or “Corporation”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(4) thereunder.⁴ The Commission is publishing this notice to solicit

comments on the proposed rule change from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of amendments to NSCC’s Rules & Procedures (“Rules”) in order to enhance NSCC’s Automated Customer Account Transfer Service (“ACATS”), as described in greater detail below.⁵

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The proposed rule change consists of modifications to NSCC’s Rules to expand the “receiver delete” functionality in ACATS to additional products.

(i) Background

ACATS is a non-guaranteed service provided by NSCC that enables Members to effect transfers of customer accounts among themselves. ACATS complements Financial Industry Regulatory Authority (“FINRA”) Rule 11870 (“FINRA Rule 11870”) regarding customer account transfers, which requires FINRA members to use automated clearing agency customer account transfer services and to effect customer account transfers within specified time frames.⁶ ACATS automates and standardizes procedures for the transfer of assets in a customer account, allowing Members to efficiently and automatically enter, review, and generate instructions to settle customer account transfers. The

timing and procedures with respect to customer account transfers are intended to be consistent with the timing and processes set forth in FINRA Rule 11870.

Pursuant to NSCC Rule 50, an NSCC Member to whom a customer’s account will be transferred (the “Receiving Member”) initiates the transfer by submitting a transfer initiation request to NSCC, which contains the customer detail information that the NSCC Member who currently has the account (the “Delivering Member”) requires to transfer the account.⁷ The Delivering Member must either reject the customer account transfer request or submit detailed customer account asset data to NSCC. NSCC then provides a report detailing the customer account asset data to the Receiving Member,⁸ who has one Business Day after receipt of the report to review the account and: (i) accept all assets; (ii) reject (or “delete”) one or more assets, to the extent such a rejection is permitted by the Receiving Member’s Designated Examining Authority (“DEA”) (*i.e.*, FINRA),⁹ and allow the transfer of the remaining assets; (iii) request the Delivering Member to make adjustments to the customer account asset list; or (iv) reject the account, to extent such a rejection is permitted by NSCC or the Receiving Member’s DEA.¹⁰ Once a customer account has been accepted by the Receiving Member, ACATS facilitates the settlements associated with the account transfer at the appropriate asset settling location (*e.g.*, through the Continuous Net Settlement system (“CNS”) for CNS-eligible securities, DTC for securities otherwise eligible for DTC settlement services, Fund/SERV for eligible mutual fund products, the Insurance Processing Service (“IPS”) for annuities, or The Options Clearing Corporation for listed options).¹¹

FINRA Rule 11870 acknowledges that some customer assets may not be transferred within the specified time frames to the extent that those assets are not readily transferable (a “nontransferable asset”). For purposes

⁷ See Section 2 of Rule 50, *supra* note 5.

⁸ See Section 7 of Rule 50, *supra* note 5.

⁹ As discussed in further detail below, NSCC Rule 50 currently limits the type of assets that a Receiving Member may delete from the customer account asset data list in ACATS to MF/I&RS Products. NSCC proposes to expand this functionality to other assets that may be deemed “nontransferable assets” under FINRA Rule 11870.

¹⁰ See Section 8 of Rule 50, *supra* note 5.

Pursuant to FINRA Rule 11870(d)(8), a Receiving Member may reject a transfer of account assets in whole if the account is not in compliance with the Receiving Member’s credit policies or minimum asset requirements. See *supra* note 6.

¹¹ See Section 14 of Rule 50, *supra* note 5.

⁵ Terms not defined herein are defined in the Rules, available at http://dtcc.com/~media/Files/Downloads/legal/rules/nsc_rules.pdf.

⁶ See FINRA Rule 11870, available at <https://www.finra.org/rules-guidance/rulebooks/finra-rules/11870>. NSCC also permits Qualified Securities Depositories (*i.e.*, The Depository Trust Company (“DTC”)) to utilize ACATS on behalf of their participants (*e.g.*, DTC member banks) on a voluntary basis. See Section 1 of Rule 50, *id.*

²³ 15 U.S.C. 78s(b)(2).

²⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(4).