



## **Rule 605 and Rule 606 Reporting**

Clear Street supports the development and implementation of rules and regulatory initiatives that produce more liquid and transparent markets. On November 17, 2000, the Securities and Exchange Commission ("SEC") adopted two rules (Rule 605 and Rule 606) to improve public disclosure of execution and routing practices. On November 2, 2018, the SEC adopted significant revisions to Rule 606.

### **Overview**

Rules 605 and 606 were adopted to standardize and improve public disclosure of execution and routing practices. Pursuant to the SEC's execution quality disclosure rule (Rule 605), monthly performance statistics can be obtained directly from the Clear Street website. When applicable, client specific Rule 605 Execution Statistics will be made available by accessing our web-based client portal using a password-protected login.

### **Rule 605**

Rule 605 requires "market centers" that trade National Market System securities to make available standardized, monthly reports containing statistical information about "covered order" executions. Rule 605 is intended to promote visibility and competition in order execution quality, particularly with respect to execution price and speed. The rule requires, among other things, that the reports be prepared in an electronic format available for downloading from an Internet website that is free and readily accessible to the public.

The disclosures required by Rule 605 do not encompass all of the factors that may be important to clients in evaluating the order routing practices of a broker-dealer. In addition, any particular market center's statistics will encompass varying types of orders routed by different broker-dealers on behalf of customers with a wide range of objectives. Based upon the SEC's requirements, the statistics contained in Clear Street's Rule 605 report only capture a minority of the Firm's order flow. Accordingly, the statistical information required by Rule 605 alone does not create a reliable basis to address whether any particular broker-dealer obtained the most favorable terms under the circumstances for customer orders.

Clear Street currently handles only not held orders and, as a result, is not required to publish monthly reports under SEC Rule 605.

### **Rule 606**

Rule 606 requires all brokerage firms to make publicly available quarterly reports, broken down by calendar month, containing certain required statistical information regarding the routing of held, non-directed customer orders in Regulation NMS stocks, as well as both held and not held, non-directed customer orders in listed options with a market value of less than \$50,000. Clear Street is publishing such quarterly reports in accordance with Rule 606(a), and will keep the report publicly available for a period of three (3) years.

The reports contain a section for Regulation NMS stocks that were included in the S&P 500 Index as of the first day of the quarter, a section for other Non-S&P 500 stocks, and a section for listed options. For each section, the report identifies the venues to which Clear Street routed the relevant orders and, for each venue, the required statistical information broken down by order type (i.e., market order, marketable limit order, non-marketable limit order and other orders). Each section of the report also contains information regarding the material aspects of Clear Street's relationship, if any, with each venue.

The purpose of this report is to provide the public with information on how broker-dealers route orders, enable the evaluation of order routing practices, and foster competition among market participants.

Rule 606 also requires Clear Street to notify its customers of their ability to receive, free of charge, information concerning the routing of the customer's orders for execution. In accordance with SEC Rule 606(b), upon request from a customer, Clear Street will provide a report on its handling of the customer's orders in NMS securities that were submitted to Clear Street for execution for the prior six months. Specifically, you may request the identity of the venue to which the identified orders were routed, whether the orders were directed or non-directed and the time of any resulting transactions.

While Clear Street has carefully prepared the information presented in these reports, the data has not been audited and may contain errors.

[SEC Rule 606 Reports Q3 2023 and later](#)

[SEC Rule 606 Reports Q4 2020 - Q2 2023](#)

## **Additional information**

[SEC responses to frequently asked questions concerning Rule 605](#)

[SEC release adopting Rule 605 and original Rule 606](#)

<https://www.sec.gov/rules/final/34-43590.htm>

[SEC responses to frequently asked questions concerning Rule 606](#)

[SEC release adopting revisions to Rule 606](#)

## **Questions about these reports should be addressed to:**

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