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Page 1 of \* 28

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
Form 19b-4

File No. \* SR 2024 - \* 016

Amendment No. (req. for Amendments \*)

Filing by Financial Industry Regulatory Authority

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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Rule

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) \*

Section 806(e)(2) \*

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934  
Section 3C(b)(2) \*

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

### Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

Proposed Rule Change to Make Technical and Other Non-Substantive Changes within FINRA Rules

### Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name \* Robert Last Name \* McNamee

Title \* Vice President and Associate General Counsel

E-mail \* Robert.McNamee@finra.org

Telephone \* (202) 728-8012 Fax

### Signature

Pursuant to the requirements of the Securities Exchange of 1934, Financial Industry Regulatory Authority has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 10/04/2024

(Title \*)

By Robert McNamee

Vice President and Associate General Counsel

(Name \*)

<b>Robert McNamee</b>	Digitally signed by Robert McNamee Date: 2024.10.04 10:19:25 -04'00'
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NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

**Form 19b-4 Information \***

Add Remove View

FINRA-2024-016 19b-4.docx

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

FINRA-2024-016 Exhibit 1.docx

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2- Notices, Written Comments, Transcripts, Other Communications**

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

**Exhibit 3 - Form, Report, or Questionnaire**

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

FINRA-2024-016 Exhibit 5.docx

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

**Partial Amendment**

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

**1. Text of the Proposed Rule Change**

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”),<sup>1</sup> the Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to make technical and other non-substantive changes within FINRA rules.

The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

**2. Procedures of the Self-Regulatory Organization**

The Chief Legal Officer of FINRA authorized the filing of the proposed rule change with the SEC pursuant to delegated authority. No other action by FINRA is necessary for the filing of the proposed rule change.

FINRA has filed the proposed rule change for immediate effectiveness and has requested that the SEC waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing, so FINRA can implement the proposed rule change immediately.

**3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

(a) Purpose

On March 6, 2024, the SEC adopted amendments to Rule 600 of Regulation NMS to add new defined terms to and modify certain existing defined terms in Rule 600 that

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

are used in Rule 605 of Regulation NMS.<sup>2</sup> The amendments to Rule 600 of Regulation NMS became effective on June 14, 2024.<sup>3</sup> As a result of the SEC amendments to Regulation NMS, certain cross references in FINRA rules have become outdated and inaccurate. In order to ensure clarity and avoid future inaccuracy in the event of further amendment to Regulation NMS, the proposed rule change would delete numeric cross references in the following FINRA rules: 5320 (Prohibition Against Trading Ahead of Customer Orders), 6110 (Trading Otherwise than on an Exchange), 6120 (Trading Halts), 6121 (Trading Halts Due to Extraordinary Market Volatility), 6140 (Other Trading Practices), 6182 (Trade Reporting of Short Sales), 6183 (Exemption from Trade Reporting Obligation for Certain Alternative Trading Systems), 6310A (General), 6320A (Definitions), 6310B (General), 6320B (Definitions), 6420 (Definitions), 6810 (Definitions), 7110 (Definitions) and 7230A (Trade Report Input).<sup>4</sup> The proposed rule change would also update FINRA Rule 9217 (Violations Appropriate for Disposition Under Plan Pursuant to SEA Rule 19d-1(c)(2)) to remove specific paragraph references and instead refer generally to Rule 605 of Regulation NMS.<sup>5</sup> In addition, the proposed

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<sup>2</sup> See Securities Exchange Act Release No. 99679 (March 6, 2024), 89 FR 26428 (April 15, 2024) (SEC File No. S7-29-22, Disclosure of Order Execution Information).

<sup>3</sup> See supra note 2.

<sup>4</sup> The proposed rule change would also make a technical correction to Rule 6810 to delete the reference to the definition of “Option” under Rule 600(b) of Regulation NMS, as this term is not defined in Rule 600(b).

<sup>5</sup> See supra note 2.

rule change would delete references to FINRA Rules 7440 and 7450 in Rule 9217 to reflect the elimination of the Order Audit Trail System rules from the FINRA Manual.<sup>6</sup>

Finally, the proposed rule change would make a technical change to Article IV, Section 3 (Membership – Executive Representative) of the FINRA By-Laws to replace reference to NASD Regulation Web Site with FINRA Web Site to reflect the current name of FINRA.<sup>7</sup>

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness and has requested that the SEC waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing, so FINRA can implement the proposed rule change immediately.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Exchange Act,<sup>8</sup> which requires, among other things, that FINRA rules must 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

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<sup>6</sup> See Securities Exchange Act Release No. 90535 (November 30, 2020), 85 FR 78395 (December 4, 2020) (Notice of Filing and Order Granting Accelerated Approval of File No. SR-FINRA-2020-024) and Securities Exchange Act Release No. 92239 (June 23, 2021), 86 FR 34293 (June 29, 2021) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2021-017).

<sup>7</sup> See Securities Exchange Act Release No. 56146 (July 26, 2007), 72 FR 42190 (August 1, 2007) (Notice of Filing and Order Granting Accelerated Approval of File No. SR-NASD-2007-053). The proposed rule change would also make a similar technical change to Rule 9217 to delete an outdated reference to NASD rules.

<sup>8</sup> 15 U.S.C. 78o-3(b)(6).

the public interest. FINRA believes the proposed rule change will provide greater clarity to members and the public regarding FINRA's rules.

**4. Self-Regulatory Organization's Statement on Burden on Competition**

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change brings clarity and consistency to FINRA rules without adding any burden on firms.

**5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others**

Written comments were neither solicited nor received.

**6. Extension of Time Period for Commission Action**

Not applicable.

**7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)**

The proposed rule change is effective upon filing pursuant to Section 19(b)(3) of the Act<sup>9</sup> and paragraph (f)(6) of Rule 19b-4 thereunder,<sup>10</sup> in that the proposed rule change does not significantly affect the protection of investors or the public interest; does not impose any significant burden on competition; and does not become operative for 30 days after filing or such shorter time as the Commission may designate.

FINRA requests that the Commission waive the requirement that the rule change, by its terms, not become operative for 30 days after the date of the filing as set forth in

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<sup>9</sup> 15 U.S.C. 78s(b)(3).

<sup>10</sup> 17 CFR 240.19b-4(f)(6).

Rule 19b-4(f)(6)(iii),<sup>11</sup> so FINRA can implement the proposed rule change immediately to make the proposed technical, non-substantive changes to FINRA rules. FINRA believes this is appropriate in the interest of regulatory clarity.

In accordance with Rule 19b-4(f)(6),<sup>12</sup> FINRA submitted written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing, or such shorter time as the Commission may designate, as specified in Rule 19b-4(f)(6)(iii) under the Act.<sup>13</sup>

**8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**

Not applicable.

**9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**

Not applicable.

**10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act**

Not applicable.

**11. Exhibits**

Exhibit 1. Completed notice of proposed rule change for publication in the Federal Register.

Exhibit 5. Text of the proposed rule change.

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<sup>11</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> 17 CFR 240.19b-4(f)(6)(iii).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-FINRA-2024-016)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Make Technical and Other Non-Substantive Changes within FINRA Rules

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on , the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,<sup>3</sup> which renders the proposal effective upon receipt of this filing by the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

FINRA is proposing to make technical and other non-substantive changes within FINRA rules.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 17 CFR 240.19b-4(f)(6).



The text of the proposed rule change is available on FINRA's website at <http://www.finra.org>, at the principal office of FINRA and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FINRA 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. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On March 6, 2024, the SEC adopted amendments to Rule 600 of Regulation NMS to add new defined terms to and modify certain existing defined terms in Rule 600 that are used in Rule 605 of Regulation NMS.<sup>4</sup> The amendments to Rule 600 of Regulation NMS became effective on June 14, 2024.<sup>5</sup> As a result of the SEC amendments to Regulation NMS, certain cross references in FINRA rules have become outdated and inaccurate. In order to ensure clarity and avoid future inaccuracy in the event of further amendment to Regulation NMS, the proposed rule change would delete numeric cross references in the following FINRA rules: 5320 (Prohibition Against Trading Ahead of

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<sup>4</sup> See Securities Exchange Act Release No. 99679 (March 6, 2024), 89 FR 26428 (April 15, 2024) (SEC File No. S7-29-22, Disclosure of Order Execution Information).

<sup>5</sup> See supra note 4.

Customer Orders), 6110 (Trading Otherwise than on an Exchange), 6120 (Trading Halts), 6121 (Trading Halts Due to Extraordinary Market Volatility), 6140 (Other Trading Practices), 6182 (Trade Reporting of Short Sales), 6183 (Exemption from Trade Reporting Obligation for Certain Alternative Trading Systems), 6310A (General), 6320A (Definitions), 6310B (General), 6320B (Definitions), 6420 (Definitions), 6810 (Definitions), 7110 (Definitions) and 7230A (Trade Report Input).<sup>6</sup> The proposed rule change would also update FINRA Rule 9217 (Violations Appropriate for Disposition Under Plan Pursuant to SEA Rule 19d-1(c)(2)) to remove specific paragraph references and instead refer generally to Rule 605 of Regulation NMS.<sup>7</sup> In addition, the proposed rule change would delete references to FINRA Rules 7440 and 7450 in Rule 9217 to reflect the elimination of the Order Audit Trail System rules from the FINRA Manual.<sup>8</sup>

Finally, the proposed rule change would make a technical change to Article IV, Section 3 (Membership – Executive Representative) of the FINRA By-Laws to replace reference to NASD Regulation Web Site with FINRA Web Site to reflect the current name of FINRA.<sup>9</sup>

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<sup>6</sup> The proposed rule change would also make a technical correction to Rule 6810 to delete the reference to the definition of “Option” under Rule 600(b) of Regulation NMS, as this term is not defined in Rule 600(b).

<sup>7</sup> See supra note 4.

<sup>8</sup> See Securities Exchange Act Release No. 90535 (November 30, 2020), 85 FR 78395 (December 4, 2020) (Notice of Filing and Order Granting Accelerated Approval of File No. SR-FINRA-2020-024) and Securities Exchange Act Release No. 92239 (June 23, 2021), 86 FR 34293 (June 29, 2021) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2021-017).

<sup>9</sup> See Securities Exchange Act Release No. 56146 (July 26, 2007), 72 FR 42190 (August 1, 2007) (Notice of Filing and Order Granting Accelerated Approval of File No. SR-NASD-2007-053). The proposed rule change would also make a

FINRA has filed the proposed rule change for immediate effectiveness and has requested that the SEC waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing, so FINRA can implement the proposed rule change immediately.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Exchange Act,<sup>10</sup> which requires, among other things, that FINRA rules must 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. FINRA believes the proposed rule change will provide greater clarity to members and the public regarding FINRA's rules.

B. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change brings clarity and consistency to FINRA rules without adding any burden on firms.

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

Written comments were neither solicited nor received.

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similar technical change to Rule 9217 to delete an outdated reference to NASD rules.

<sup>10</sup> 15 U.S.C. 78q-3(b)(6).

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>11</sup> and Rule 19b-4(f)(6) thereunder.<sup>12</sup>

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 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

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<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-FINRA-2024-016 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-2024-016. This file number should be included on the subject line if e-mail 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 such 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-2024-016 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

Jill M. Peterson  
Assistant Secretary

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<sup>13</sup> 17 CFR 200.30-3(a)(12).

**Exhibit 5**

Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

\* \* \* \* \*

**By-Laws of the Corporation**

\* \* \* \* \*

**ARTICLE IV MEMBERSHIP**

\* \* \* \* \*

**Executive Representative**

**Sec. 3.** Each member shall appoint and certify to the Secretary of the Corporation one “executive representative” who shall represent, vote, and act for the member in all the affairs of the Corporation, except that other executives of a member may also hold office in the Corporation, serve on the Board or committees appointed under Article IX, Section 1 or otherwise take part in the affairs of the Corporation. A member may change its executive representative upon giving notice thereof via electronic process or such other process as the Corporation may prescribe to the Secretary, or may, when necessary, appoint, by notice via electronic process to the Secretary, a substitute for its executive representative. An executive representative of a member or a substitute shall be a member of senior management and registered principal of the member. Not later than January 1, 1999, each executive representative shall maintain an Internet electronic mail account for communication with the Corporation and shall update firm contact information via the [NASD Regulation]FINRA Web Site or such other means as prescribed by the Corporation.

\* \* \* \* \*

**FINRA Rules**

\* \* \* \* \*

**5300. HANDLING OF CUSTOMER ORDERS**

\* \* \* \* \*

**5320. Prohibition Against Trading Ahead of Customer Orders**

(a) through (b) No Change.

**• • • Supplementary Material: -----**

**.01** through **.03** No Change.

**.04 ISO Exception.** A member shall be exempt from the obligation to execute a customer order in a manner consistent with this Rule with regard to trading for its own account that is the result of an intermarket sweep order routed in compliance with Rule 600(b)[(30)(ii)] of SEC Regulation NMS (“ISO”) where the customer order is received after the member routed the ISO. Where a member routes an ISO to facilitate a customer order and that customer has consented to not receiving the better prices obtained by the ISO, the member also shall be exempt with respect to any trading for its own account that is the result of the ISO with respect to the consenting customer’s order.

**.05** through **.08** No Change.

\* \* \* \* \*

**6000. QUOTATION, ORDER, AND TRANSACTION REPORTING FACILITIES**

\* \* \* \* \*

**6110. Trading Otherwise than on an Exchange**

(a) Members are required to report transactions in NMS stocks, as defined in Rule 600(b)[(47)] of SEC Regulation NMS, effected otherwise than on or through a national securities exchange to FINRA. For purposes of the Rule 6100 Series, “otherwise



than on an exchange” means a trade effected by a FINRA member otherwise than on or through a national securities exchange. The determination of what constitutes a trade “on or through” a particular national securities exchange shall be determined by that exchange in accordance with all applicable statutes, rules and regulations, and with any necessary SEC approval.

(b) through (c) No Change.

#### **6120. Trading Halts**

##### **(a) Authority to Initiate Halts In Trading Otherwise Than on an Exchange in NMS Stocks and Facility Closures**

FINRA, pursuant to the procedures set forth in paragraph (b):

(1) shall halt trading otherwise than on an exchange in any NMS stock, as defined in Rule 600(b)[(55)] of SEC Regulation NMS, whenever a Primary Listing Market declares a Regulatory Halt in the security.

(2) through (3) No Change.

(b) through (c) No Change.

#### **6121. Trading Halts Due to Extraordinary Market Volatility**

Pursuant to the procedures set forth in Rule 6120(b), FINRA shall halt all trading otherwise than on an exchange in any NMS stock, as defined in Rule 600(b)[(55)] of SEC Regulation NMS, if other major securities markets initiate market-wide trading halts in response to their rules or extraordinary market conditions or if otherwise directed by the SEC. Members must halt quoting and trading otherwise than on an exchange in any NMS stock as of the time the market-wide trading halt is publicly disseminated.

**••• Supplementary Material: -----**

**.01 through .02** No Change.

\* \* \* \* \*

**6140. Other Trading Practices**

(a) No member shall execute or cause to be executed or participate in an account for which there are executed purchases of any NMS stock as defined in Rule 600(b) [(47)] of SEC Regulation NMS (“designated security”) at successively higher prices, or sales of any such security at successively lower prices, for the purpose of creating or inducing a false, misleading or artificial appearance of activity in such security or for the purpose of unduly or improperly influencing the market price for such security or for the purpose of establishing a price which does not reflect the true state of the market in such security.

(b) through (g) No Change.

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**6182. Trade Reporting of Short Sales**

Pursuant to applicable trade reporting rules, members must indicate on trade reports submitted to FINRA whether a transaction is a short sale or a short sale exempt transaction (“short sale reporting requirements”). The short sale reporting requirements apply to transactions in all NMS stocks, as defined in Rule 600(b) [(47)] of SEC Regulation NMS. Thus, all short sale transactions in these securities reported to FINRA must carry a “short sale” indicator (or a “short sale exempt” indicator if it is a short sale transaction in a “covered security” that may be marked “short exempt” pursuant to SEC Regulation SHO).

**6183. Exemption from Trade Reporting Obligation for Certain Alternative Trading Systems**

(a) through (b) No Change.

(c) Definitions

For purposes of this Rule, the term:

(1) “NMS stock” has the same meaning as that term is defined in Rule 600(b)[(47)] of SEC Regulation NMS; and

(2) No Change.

••• **Supplementary Material:** -----

.01 through .02 No Change.

\* \* \* \* \*

**6310A. General**

Members may use the FINRA/Nasdaq Trade Reporting Facility to report transactions executed otherwise than on an exchange in all NMS stocks as defined in Rule 600(b)[(47)] of SEC Regulation NMS (“designated securities”). Members that use the FINRA/Nasdaq Trade Reporting Facility must comply with the Rule 6300A and 7200A Series, as well as all other applicable rules. The Rule 6300A and 7200A Series shall apply only to members using the FINRA/Nasdaq Trade Reporting Facility.

**6320A. Definitions**

(a) For purposes of the Rule 6300A Series, unless the context requires otherwise:

(1) No Change.

(2) “Designated securities” means all NMS stocks as defined in Rule 600(b)[(47)] of SEC Regulation NMS.

(3) through (13) No Change.

\* \* \* \* \*

**6310B. General**

Members may use the FINRA/NYSE Trade Reporting Facility to report transactions executed otherwise than on an exchange in all NMS stocks as defined in Rule 600(b)[(47)] of SEC Regulation NMS (“designated securities”). Members that use the FINRA/NYSE Trade Reporting Facility must comply with the Rule 6300B and 7200B Series, as well as all other applicable rules. The Rule 6300B and 7200B Series shall apply only to members using the FINRA/NYSE Trade Reporting Facility.

**6320B. Definitions**

(a) For purposes of the Rule 6300B Series, unless the context requires otherwise:

(1) No Change.

(2) “Designated securities” means all NMS stocks as defined in Rule 600(b)[(47)] of SEC Regulation NMS.

(3) through (13) No Change.

\* \* \* \* \*

**6420. Definitions**

(a) through (e) No Change.

(f) “OTC Equity Security” means any equity security that is not an “NMS stock” as that term is defined in Rule 600(b)[(47)] of SEC Regulation NMS; provided, however, that the term “OTC Equity Security” shall not include any Restricted Equity Security.

(g) through (o) No Change.

\* \* \* \* \*

**6810. Definitions**

For purposes of the Rule 6800 Series:

(a) through (x) No Change.

(y) “Listed Option” [or “Option” have]has the meaning set forth in Rule 600(b)[(35)] of SEC Regulation NMS.

(z) through (pp) No Change.

(qq) “Trading Day” shall have the meaning as is determined by the Operating Committee. For the avoidance of doubt, the Operating Committee may establish different Trading Days for NMS Stocks (as defined in Rule 600(b)[(47)] of SEC Regulation NMS), Listed Options, OTC Equity Securities, and any other securities that are included as Eligible Securities from time to time.

(rr) No Change.

\* \* \* \* \*

#### **7100. ALTERNATIVE DISPLAY FACILITY**

\* \* \* \* \*

#### **7110. Definitions**

(a) The term “ADF-eligible security” means an NMS stock as defined in Rule 600(b)[(47)] of SEC Regulation NMS.

(b) through (i) No Change.

\* \* \* \* \*

#### **7230A. Trade Report Input**

(a) through (g) No Change.

#### **(h) Inclusion of Transaction Fees in Clearing Reports Submitted to the FINRA/Nasdaq Trade Reporting Facility**

FINRA members may agree in advance to transfer a transaction fee charged by one member to another member on a transaction in NMS stocks, as defined in Rule 600(b)[(47)] of SEC Regulation NMS, effected otherwise than on an exchange through

the submission of a clearing report to the FINRA/Nasdaq Trade Reporting Facility. Such report, inclusive of the transaction fee, will be submitted to the National Securities Clearing Corporation for processing. To facilitate the transfer of the transaction fee, the report submitted to the FINRA/Nasdaq Trade Reporting Facility shall provide, in addition to all other information required to be submitted by any other rule, a total per share or contract price amount, inclusive of the transaction fee. Prior to submitting any such report, both members and their respective clearing firms, as applicable, must have executed an agreement, as specified by FINRA, permitting the facilitation of the transfer of the transaction fee through the FINRA/Nasdaq Trade Reporting Facility, as well as any other applicable agreement, such as a give up agreement pursuant to Rule 6380A(h), and submitted the executed agreement(s) to the FINRA/Nasdaq Trade Reporting Facility. Such agreement(s) are considered member records for purposes of Rule 4511 and must be made and preserved by both members in conformity with applicable FINRA rules. Nothing in this paragraph shall relieve a member from its obligations under FINRA rules and the federal securities laws, including but not limited to, Rule 2232 and SEA Rule 10b-10.

**Example:**

SELL 100 shares to another member at 10 plus a transaction fee of .01 per share;  
REPORT 100 shares at 10 (the per share price exclusive of the transaction fee) to the FINRA/Nasdaq Trade Reporting Facility for publication and also report 10.01 (the per share price inclusive of the transaction fee) for purposes of clearance and settlement through the National Securities Clearing Corporation.

(i) No Change.

••• **Supplementary Material:** -----

.01 No Change.

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**9200. DISCIPLINARY PROCEEDINGS**

\* \* \* \* \*

**9217. Violations Appropriate for Disposition Under Plan Pursuant to SEA Rule**

**19d-1(c)(2)**

Any member of FINRA that is also a member of the New York Stock Exchange LLC (“NYSE”) (“Dual Member”) (including any persons affiliated with such member) may be subject to a fine under Rule 9216(b) with respect to any rule or By-Law provision listed in this Rule that applies to such member or person. However, any Dual Member that was not also a member of NASD as of July 30, 2007 and that does not engage in any activities that otherwise would require it to be a FINRA member (and its affiliated persons that are not otherwise subject to NASD rules) shall only be subject to a fine under Rule 9216(b) with respect to the following rules or By-Law provisions listed in this Rule: any FINRA By-Law or Schedule to the By-Laws, FINRA rule, SEA rule, or NYSE rule.

Any member of FINRA that is not also a member of the NYSE (and its associated persons that are not otherwise subject to NYSE rules) may be subject to a fine under Rule 9216(b) with respect to any rule or By-Laws provision listed in this Rule, with the exception of the NYSE rules.

- Article IV of the FINRA By-Laws — Failure to timely submit amendments to Form BD.

- Article V of the FINRA By-Laws — Failure to timely submit amendments to Form U4.

- Article V of the FINRA By-Laws — Failure to timely submit amendments to Form U5.

- Schedule A. Sec. 1(b) of the FINRA By-Laws — Failure to make accurate payment of Trading Activity Fee.

- Rule 1210.04 - Failure to timely register.

- Rule 1240 — Failure to comply with the continuing education requirements.

- Rules 2210, 2211, 2212, 2213, 2215, and 2216 — Communications with the public.

- Rule 2220 — Options Communications.

- Rule 2251(a) — Failure to timely forward proxy and other issuer-related materials.

- Rule 2266 — Failure to provide written notification of availability of SIPC information at account opening or annually thereafter.

- Rule 2360(b)(3) and (b)(4) — Failure to comply with options position and exercise limits.

- Rule 2360(b)(5) — Failure to report options positions.

- Rule 2360(b)(23) — Failure to comply with contrary exercise advice procedures.

- Rule 3110 — Failure to maintain adequate written supervisory procedures where the underlying conduct is subject to Rule 9217.



- Rule 3160(a)(1), (3), (4) and (5) — Standards of conduct for conducting broker-dealer services on or off the premises of a financial institution pursuant to a networking arrangement, but excluding the networking agreement requirements.

- Rule 3170 — Failure to timely file reports pursuant to the Taping Rule.

- Rule 3210 — Failure to obtain consent of employer member, or give notification to executing member.

- Rule 4311(b) — Failure to obtain approval of carrying agreement.

- Rule 4360(b) — Failure to maintain adequate fidelity bond coverage.

- Rule 4370(a), (b), (c), (e) and (f) — Requirements to create, maintain and update a written business continuity plan and disclosure of such to customers.

- Rule 4510 Series — Failure to keep and preserve books, accounts, records, memoranda, and correspondence in conformance with all applicable laws, rules, regulations and statements of policy promulgated thereunder, and with FINRA rules.

- Rule 4517 — Failure to report, review or update executive representative designation and contact information.

- Rule 4521(d) — Failure to submit reports of cash and margin account balances.

- Rule 4524 — Failure to timely file or filing of incomplete reports or information.

- Rule 4530 — Failure to timely file reports.

- Rule 4560 — Failure to timely file reports of short positions on Form NS-1.

- Rule 4590 — Failure to synchronize business clocks used for recording date and time as required by applicable FINRA By-laws and rules.

- Rule 5110(a) — Failure to timely file or filing of incomplete documents or information.

- Rule 5121(a) — Failure to prominently disclose conflict of interest.
- Rule 5121(b)(2) — Failure to give timely notification of termination or settlement of public offering, or failure to file net capital computation.
- Rule 5122(b)(2) — Failure to timely file private placement documents.
- Rule 5190 — Failure to give timely notification of participation in offerings.
- Rules 6282, 6380A, 6380B, 6622, 6730, 7130, 7160, 7230A, 7230B, 7260A, 7260B, 7330, and 7360 — Transaction reporting in equity and debt securities.
- Rules 6181 and 6623 — Failure to timely report transactions in NMS, OTC and restricted equity securities.
- Rules 6182 and 6624 — Failure to accurately mark short sale transactions in NMS and OTC equity securities.
- Rule 6250 — Failure to comply with quote and order access requirements for FINRA’s Alternative Display Facility.
- Rule 6760 — Failure to give timely or complete notification concerning offerings of TRACE-Eligible Securities.
- Rule 6800 Series – Failure to comply with the Consolidated Audit Trail Compliance Rule requirements.
- [• Rules 7440 and 7450 — Failure to submit data in accordance with the Order Audit Trail System (“OATS”).]
- Rules 8211 and 8213 — Failure to submit trading data as requested.
- Rule 11870 — Failure to abide by Customer Account Transfer Contracts.
- Failure to provide or update contact information as required by FINRA [or NASD] rules.

- Rule 311T(b)(5) — Failure of a member organization to have individuals responsible and qualified for the positions of Financial Principal, Operations Principal, Compliance Official, Branch Office Manager and Supervisory Analyst.

- Rules 312T(a), (b) and (c), 313T — Reporting rule violations.

- Rule 312T(i) — Failure to obtain approval rule violations.

- Rule 408T(a) — Requirement that written authorization be obtained for discretionary power in a customer's account.

- Rule 416AT — Failure to promptly provide or promptly update required membership profile information through the Electronic Filing Platform (“EFP”), or failure to electronically certify that required membership profile information is complete and accurate.

- SEA Rules 17a-3(a) and 17a-4 — Record retention rule violations.

- SEA Rule 10b-10 — Confirmation of Transactions.

- SEA Rule 17a-5 — Failure to timely file FOCUS reports and annual audit reports.

- SEA Rule 17a-10 — Failure to timely file Schedule I.

- Rule 200(g) of SEC Regulation SHO — Failure to accurately mark sell orders of equity securities.

- Rule 602(b)(5) of SEC Regulation NMS — Failure to properly update published quotations in certain Electronic Communication Networks (“ECNs”).

- Rule 604 of SEC Regulation NMS — Failure to properly display limit orders.

- Rule 605[(a)(1) and (3)] of SEC Regulation NMS — Failure to timely report or provide complete order execution information.

- Rule 606 of SEC Regulation NMS — Failure to timely disclose or provide complete order routing information.
- MSRB Rule A-12(c) and (f) — Failure to timely pay annual fee and failure to designate and update electronic mail contact information for communications with MSRB.
- MSRB Rules G-2 and G-3 (b)(ii)(D) and (c)(ii)(D) — Failure to timely register.
- MSRB Rule G-3(i) — Failure to comply with the continuing education requirements.
- MSRB Rule G-6 — Failure to maintain adequate fidelity bond coverage.
- MSRB Rules G-8 and G-9 — Record retention rule violations.
- MSRB Rule G-10(a) — Failure to deliver investor brochure to customers promptly.
- MSRB Rule G-12 — Failure to abide by uniform practice rules.
- MSRB Rule G-14 — Failure to submit reports.
- MSRB Rule G-21 — Advertising.
- MSRB Rule G-27(c) — Failure to maintain adequate written supervisory procedures where the underlying conduct is subject to Rule 9217.
- MSRB Rule G-32 — Failure to timely submit reports.
- MSRB Rule G-37 — Failure to timely submit reports for political contributions.

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