

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-59805; File No. SR-FINRA-2009-027)

April 21, 2009

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Make Non-Substantive, Technical Changes to FINRA Trade Reporting Rules Upon Implementation of SR-FINRA-2008-011

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 April 16, 2009, Financial Industry Regulatory Authority, Inc. (“FINRA”) (f/k/a National Association of Securities Dealers, Inc. (“NASD”)) 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 Section 19(b)(3)(A) of the Act³ and paragraph (f)(6) thereunder,⁴ 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 (1) replace references to “MMID” or “OEID” in Rules 6282, 7130, 7230A, 7230B and 7330 that will be obsolete upon the implementation of proposed rule change SR-FINRA-2008-011; and (2) update rule cross-references in Rules 6380B and 7230B,

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)(6).

as amended pursuant to SR-FINRA-2008-011.⁵

The text of the proposed rule change is available on FINRA's Web site 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 November 5, 2008, the SEC approved amendments to FINRA trade reporting rules applicable to over-the-counter ("OTC") equity transactions⁶ to (1) replace the current market maker-based trade reporting structure with an "executing party" structure; and (2) require members with the trade reporting obligation under FINRA rules that are acting in a riskless

⁵ See Securities Exchange Act Release No. 58903 (November 5, 2008), 73 FR 67905 (November 17, 2008) (order approving SR-FINRA-2008-011); and Securities Exchange Act Release No. 58903A (November 13, 2008), 73 FR 69700 (November 19, 2008) (correction to order approving SR-FINRA-2008-011). SR-FINRA-2008-011 will be implemented on August 3, 2009. See FINRA Regulatory Notice 09-08 (January 2009).

⁶ OTC equity transactions include transactions in NMS stocks effected otherwise than on an exchange, which are reported through the Alternative Display Facility ("ADF") or a Trade Reporting Facility ("TRF"), and transactions in OTC Equity Securities, as defined in Rule 6420, which are reported through the OTC Reporting Facility ("ORF"). The ADF, TRFs and ORF are collectively referred to herein as the "FINRA Facilities."

principal or agency capacity on behalf of one or more other member firms to submit non-tape report(s) to FINRA, as necessary, to identify such other member firm(s) as a party to the trade.

This proposed rule change would make technical, non-substantive changes to certain FINRA rules upon the implementation of SR-FINRA-2008-011. Specifically, FINRA is proposing to delete the references to “MMID” and “OEID” in Rules 6282(c) and (d), 7130(b), 7230A(d), 7230B(d) and 7330(d). When the market maker-based trade reporting structure is replaced with the executing party structure, references to “MMID” (which corresponds to the “market maker” side) and “OEID” (which corresponds to the “order entry” side) will be obsolete, and they will be deleted from the revised system technical specifications for the FINRA Facilities. As such, FINRA is proposing to amend the rules to refer to the Reporting Member (denoted as the “Executing Party” or “EPID”) and the Non-Reporting Member or Party, as applicable (denoted as the “Contra Party” or “CPID”).

In this regard, FINRA also is proposing to amend Rule 6282 to (1) replace references in paragraphs (c) and (d) to “Non-Reporting Member” with “Non-Reporting Member (or other contra party),” where applicable, to clarify that the contra party to a trade may not always be a FINRA member, and (2) replace references in paragraph (c) to “Reporting FINRA Member” with “Reporting Member” to maintain consistency in the terminology used in the rule.⁷

In addition, on December 22, 2008, FINRA filed proposed rule change SR-FINRA-2008-066 to reflect the closing of the FINRA/NSX TRF. As part of that proposed rule change, FINRA proposed to renumber the rules relating to the FINRA/NYSE TRF, and Rules 6380C and 7230C

⁷ FINRA also is proposing technical amendments to correct the cross-references in paragraphs (c) and (d) of Rule 6282 that incorrectly refer to numbered subparagraphs of (e) and (f), respectively; these cross-references should refer to numbered subparagraphs of (c) and (d), respectively.

became Rules 6380B and 7230B, respectively.⁸ In this filing, FINRA is proposing to update the cross-references in Rules 6380B(d)(4) and 7230B(c), as amended pursuant to SR-FINRA-2008-011, to reflect the renumbering of the pertinent rules.

FINRA has filed the proposed rule change for immediate effectiveness. The proposed rule change will be operative on August 3, 2009, the date on which SR-FINRA-2008-011 will be implemented.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁹ 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 trade reporting 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.

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.

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

⁸ See Securities Exchange Act Release No. 59175 (December 30, 2008), 74 FR 840 (January 8, 2009) (notice of filing and immediate effectiveness of SR-FINRA-2008-066). SR-FINRA-2008-066 was filed for immediate effectiveness with an operative date of January 1, 2009.

⁹ 15 U.S.C. 78q-3(b)(6).

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 Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate 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.

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 e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2009-027 on the subject line.

Paper Comments:

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

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

All submissions should refer to File Number SR-FINRA-2009-027. 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 Web site (<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 inspection and copying 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. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2009-027 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.¹²

Florence E. Harmon
Deputy Secretary

¹² 17 CFR 200.30-3(a)(12).