



October 30, 2007

Ms. Nancy M. Morris  
U.S. Securities and Exchange Commission  
100 F Street  
Washington, DC 20549

**Re: Release No. 34-56585  
Proposed Amendments to Rules 3010(g) to Amend Definition of  
Office of Supervisory Jurisdiction (“OSJ”)**

Dear Ms. Morris:

The Self-Regulation and Supervisory Practices Committee of the Securities Industry and Financial Markets Association (“SIFMA”)<sup>1</sup> is pleased to offer comment in response to the referenced proposed rule change to amend the definition of Office of Supervisory Jurisdiction (“OSJ”) under NASD Rule 3010(g)(1). The rule proposal, which was filed by the Financial Industry Regulatory Authority, Inc. (“FINRA”) as part of its ongoing rules harmonization initiative, would exempt from the definition of OSJ those locations in which broker-dealers solely conduct final approval of research reports. Notably, while NASD had initially contemplated introducing additional classifications for branch office locations as part of the rule change,<sup>2</sup> the amendments as currently filed adopt a more streamlined approach that exempts these type of locations from the definition of OSJ, thereby enabling member firms to deem such locations as “non-sales locations.”

SIFMA fully supports the proposed amendment and commends the FINRA staff for their continued efforts to promote greater consistency among SRO rules governing of the Uniform Branch Office Definition. We especially support FINRA’s decision to

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<sup>1</sup> The Securities Industry and Financial Markets Association brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members' interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

<sup>2</sup> See Notice to Members 07-12

proceed with a more streamlined proposal to eliminate the definition of OSJ without adopting new classifications for office locations.

As noted in our prior comment, SIFMA believes that the elimination of the OSJ definition is a critical step in reducing regulatory inefficiency and unnecessary cost burdens to dual member firms. Moreover, and equally important, this conforming change is vital to underlying objectives of the uniform branch office definition amendments—namely, to establish a broad uniform national standard for identifying locations where broker-dealers conduct securities or investment banking business.

In addition, we respectfully request that FINRA also exclude from the definition of OSJ, locations where firms are writing research, provided that these locations are not being held out as a branch office. In other words, where the only activity being conducted in a particular location is the “writing of research and/or final approval of research,” such location would be deemed a non-sales location, thereby excluded from the definition of branch office.

Once again, we thank the SROs for their efforts during the rule harmonization project and for taking steps to implement the recommendations developed during that process. In addition, we thank NASD for the opportunity to provide comments on this important proposal. If you have any questions or require further information, please contact Amal Aly, SIFMA Vice President and Associate General Counsel.

Sincerely,

Jill Ostergaard  
Co-Chair  
SIFMA Self Regulation and  
Supervisory Practices Committee

Christopher Mahon  
Co-Chair  
SIFMA Self Regulation and  
Supervisory Practices Committee

CC: Marc Menchel, NASD Executive Vice President and General Counsel  
Grace B. Vogel, NYSE Regulation, Executive Vice President