

SECURITIES AND EXCHANGE COMMISSION
(Release No.34-65722; File No. SR-FINRA-2011-065)

November 10, 2011

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Update Rule Cross-References within Certain FINRA Rules

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 November 2, 2011, Financial Industry Regulatory Authority, Inc. (“FINRA”) 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 FINRA. FINRA has designated the proposed rule change as constituting a non-controversial rule change under Rule 19b-4(f)(6) under the Act,³ which renders the proposal effective upon filing with 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 update cross-references within certain FINRA rules to reflect changes adopted in the consolidated FINRA rulebook.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

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

FINRA is in the process of developing a new consolidated rulebook (“Consolidated FINRA Rulebook”).⁴ That process involves FINRA submitting to the Commission for approval a series of proposed rule changes over time to adopt rules in the Consolidated FINRA Rulebook. The phased adoption and implementation of those rules necessitates periodic amendments to update rule cross-references and other non-substantive technical changes in the Consolidated FINRA Rulebook.

The proposed rule change would update rule cross-references to reflect changes adopted in the Consolidated FINRA Rulebook. In this regard, the proposed rule change would update references in FINRA Rules 0150 (Application of Rules to Exempted Securities Except Municipal

⁴ The current FINRA rulebook consists of (1) FINRA Rules; (2) NASD Rules; and (3) rules incorporated from NYSE (“Incorporated NYSE Rules”) (together, the NASD Rules and Incorporated NYSE Rules are referred to as the “Transitional Rulebook”). While the NASD Rules generally apply to all FINRA members, the Incorporated NYSE Rules apply only to those members of FINRA that are also members of the NYSE (“Dual Members”). The FINRA Rules apply to all FINRA members, unless such rules have a more limited application by their terms. For more information about the rulebook consolidation process, see Information Notice, March 12, 2008 (Rulebook Consolidation Process).

Securities),⁵ 2114 (Recommendations to Customers in OTC Equity Securities), 2124 (Net Transactions with Customers), 2130 (Approval Procedures for Day-Trading Accounts), 2264 (Margin Disclosure Statement), 2270 (Day-Trading Risk Disclosure Statement), 2330 (Members' Responsibilities Regarding Deferred Variable Annuities), 2360 (Options), 2370 (Security Futures), 5122 (Private Placements of Securities Issued by Members), 5320 (Prohibition Against Trading Ahead of Customer Orders), 6630 (Applicability of FINRA Rules to Securities Previously Designated as PORTAL Securities),⁶ 7230A (Trade Report Input), 7330 (Trade Report Input), 9217 (Violations Appropriate for Disposition Under Plan Pursuant to SEA Rule 19d-1(c)(2)), 9559 (Hearing Procedures for Expedited Proceedings Under the Rule 9550 Series), and 9610 (Application) that are needed as the result of Commission approval of three recent FINRA proposed rule changes.⁷ Also, the proposed rule change will delete the general recordkeeping provisions of NYSE Rule 440 (Books and Records).⁸ In addition, the proposed

⁵ The proposed rule change would update FINRA Rule 0150 to reflect (1) the adoption of Rules 2268, 4510 Series, and 5340 and the deletion of NASD Rule 3110 and NASD IM-3110, effective December 5, 2011, and (2) the deletion of NASD Rule 3020 to add Rule 4360, effective January 1, 2012. See Regulatory Notice 11-19 (April 2011) (regarding File No. SR-FINRA-2010-052) and Regulatory Notice 11-21 (May 2011) (regarding File No. SR-FINRA-2010-059).

⁶ The proposed rule change would update FINRA Rule 6630 to reflect (1) the adoption of Rules 4510 Series and the deletion of NASD Rule 3110, effective December 5, 2011, and (2) the deletion of NASD Rule 3020 to add Rule 4360, effective January 1, 2012. See Regulatory Notice 11-19 (April 2011) (regarding File No. SR-FINRA-2010-052) and Regulatory Notice 11-21 (May 2011) (regarding File No. SR-FINRA-2010-059).

⁷ See Securities Exchange Act Release No. 63784 (January 27, 2011), 76 FR 5850 (February 2, 2011) (Order Approving File No. SR-FINRA-2010-052); Securities Exchange Act Release No. 63961 (February 24, 2011), 76 FR 11542 (March 2, 2011) (Order Approving File No. SR-FINRA-2010-059); and Securities Exchange Act Release No. 65281 (September 7, 2011), 76 FR 56848 (September 14, 2011) (Order Approving File No. SR-FINRA-2011-031).

⁸ See Securities Exchange Act Release No. 63784 (January 27, 2011), 76 FR 5850 (February 2, 2011) (Order Approving File No. SR-FINRA-2010-052). See also

rule change would update reference to former MSRB Rule G-36 (Delivery of Official Statements, Advance Refunding Documents and Forms G-36(OS) and G-36(ARD) to Board or its Designee) in FINRA Rule 9217 to reflect changes made in a MSRB Rule filing.⁹

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness. The implementation date for the proposed change to FINRA Rule 9559 will be December 2, 2011.¹⁰ The implementation date for certain proposed rule changes to FINRA Rules 0150 and 6630, and proposed rule changes to FINRA Rules 2114, 2124, 2130, 2264, 2270, 2330, 2360, 2370, 5122, 5320, 7230A, 7330 and 9217 will be December 5, 2011. The implementation date for the proposed rule changes to update certain references in FINRA Rules 0150, 6630(c)(2) and 9610(a) that would delete the reference to NASD Rule 3020 and add the reference to FINRA Rule 4360 will be January 1, 2012.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹¹ 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.

Securities Exchange Act Release No. 63999 (March 1, 2011), 76 FR 12380 (March 7, 2011) (Order Approving File No. SR-FINRA-2010-061).

⁹ See Securities Exchange Act Release No. 59966 (May 21, 2009), 74 FR 25790 (May 29, 2009) (Order Approving File No. SR-MSRB-2009-02).

¹⁰ See Regulatory Notice 11-50 (November 2011) (regarding File No. SR-FINRA-2011-031).

¹¹ 15 U.S.C. 78o-3(b)(6).

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

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not 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 Act¹² and Rule 19b-4(f)(6) thereunder.¹³

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.

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(6).

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-2011-065 on the subject line.

Paper comments:

- 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-2011-065. 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 10:00 a.m. and 3:00 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 publicly available. All submissions should refer to File Number SR-FINRA-2011-065 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.¹⁴

Elizabeth M. Murphy
Secretary

¹⁴ 17 CFR 200.30-3(a)(12).