

**EXHIBIT 5**

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**Nasdaq BX, Inc. Rules**

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**GENERAL 2 ORGANIZATION AND ADMINISTRATION**

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**Section 5. Regulation of the Exchange and Its Members**

(a) The Exchange and FINRA are parties to the FINRA Regulatory Contract, pursuant to which FINRA has agreed to perform certain functions described in the Equity Rules on behalf of the Exchange. Equity Rules that refer to the Exchange's Regulation Department, Regulation Department staff, Exchange staff, and Exchange departments should be understood as also referring to FINRA staff and FINRA departments acting on behalf of the Exchange pursuant to the FINRA Regulatory Contract.

(b) Notwithstanding the fact that the Exchange has entered into the FINRA Regulatory Contract with FINRA to perform some of the Exchange's functions, the Exchange shall retain ultimate legal responsibility for, and control of, such functions.

(c) In addition, the Exchange has incorporated by reference certain [NASD]FINRA rules. Exchange members shall comply with these rules and interpretations as if such rules and interpretations were part of the General Equity and Options Rules.

[(c) FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If an NASD rule that is incorporated by reference in a rule of the Exchange is transferred into the FINRA rulebook, then the Exchange rule shall be construed to require Exchange members to comply with the FINRA rule corresponding to the NASD rule (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

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**Section 15. Business Continuity Plans**

(a) Exchange Members shall comply with [NASD]FINRA Rule [3510]4370 as if such Rule were part of the Exchange's Rules. The Exchange and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange members are complying with this Rule by complying with [NASD]FINRA Rule [3510]4370 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under this Rule are being performed by FINRA on behalf of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 3510 are transferred into the FINRA rulebook, then Equity Rule 3510 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 3510 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.](b) For purposes of this rule references to Rule 4517 shall be construed as references to General 2, Section 16.

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## **GENERAL 3 MEMBERSHIP AND ACCESS**

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### **Section 1. Membership, Registration and Qualification Requirements**

Series 1000 of the Rules of the Nasdaq Stock Market, LLC ("Nasdaq"), as such rules may be in effect from time to time (the "Nasdaq Rule 1000 Series"), are hereby incorporated by reference into this Nasdaq BX Rule 1000 Series (other than Nasdaq Rules 1031, 1050, 1090, 1130, 1150, 1160, and 1170), and are thus Nasdaq BX Rules and thereby applicable to Nasdaq BX Members, Associated Persons, and other persons subject to the Exchange's jurisdiction. Nasdaq BX Members, Associated Persons, and other persons subject to the Exchange's jurisdiction shall comply with the Nasdaq Rule 1000 Series as though such rules were fully set forth herein. All defined terms, including any variations thereof, contained in the Nasdaq Rule 1000 Series shall be read to refer to the Nasdaq BX-related meaning of such term. The defined terms "Exchange" or "Nasdaq" shall be read to refer to the Nasdaq BX Exchange; "Rule" or "Exchange Rule" shall be read to refer to the Exchange Rules; the defined term "Applicant" in the Nasdaq Rule 1000 Series shall be read to refer to an Applicant to the Nasdaq BX Exchange; the defined terms "Board" or "Exchange Board" in the Nasdaq Rule 1000 Series shall be read to refer to the Nasdaq BX Board of Directors; the defined term "Director" in the Nasdaq Rule 1000 Series shall be read to refer to a Director of the Board of the Nasdaq BX Exchange; the defined term "Exchange Review Council" in the Nasdaq Rule 1000 Series shall be read to refer to the Nasdaq BX Exchange Review Council; the defined term "Subcommittee" in the Nasdaq Rule 1000 Series shall be read to refer to a Subcommittee of the Nasdaq BX Exchange Review Council; the defined term "Interested Staff" in the Nasdaq Rule 1000 Series shall be read to refer to Interested Staff of Nasdaq BX; the defined term "Member" in the Nasdaq Rule 1000 Series shall be read to refer to a Nasdaq BX Member; the defined term "Associated Person" shall be read to refer to a Nasdaq BX Associated Person; the defined terms "Exchange Membership Department" or "Membership Department" shall be read to refer to the Nasdaq BX Membership Department; and the defined term "Exchange Regulation Department" shall be read to refer to the Nasdaq BX Regulation Department.

Additionally, cross references in the Nasdaq Rule 1000 Series to "Rule 0120" shall refer to Nasdaq BX [Rule 0120]General 1 and Equity 1, cross references in the Nasdaq Rule 1000 Series to Rule 3010 shall refer to Nasdaq BX Rule 3010; cross references in the Nasdaq Rule 1000 Series to Rule 3011 shall refer to Nasdaq BX Rule 3011; and cross

references to "General 4, Section [1.]1200 Series" shall be read to refer to [the ]Nasdaq BX [Rule 1200]General 4, Section 1[ Series].

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## GENERAL 9 REGULATION

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### Section 1. General Standards

(a) No change.

(b) **[Trading Ahead of Customer Limit Order]Prohibition Against Trading Ahead of Customer Orders**

Exchange members and persons associated with a member shall comply with [NASD Interpretive Material 2110-2]FINRA Rule 5320 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Interpretive Material 2110-2 are transferred into the FINRA rulebook, then Equity Interpretive Material 2110-2 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Interpretive Material 2110-2 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

For purposes of subparagraph (b):

(1) [the reference to "NASD Rules" in NASD Interpretive Material 2110-2(a) shall be construed as a reference to "the Rules of the Exchange",

(2) references to "NASD's Board of Governors" shall be construed as references to "the Exchange Board",

(3) ]references to [Rule 2110, ]Rule [2320,]5310, [and ]Rule [3110]4512, and Rule 7440 shall be construed as references to General 9, Sections [1, ]11 and [30]45, and Rule 7440A; and[.]

[(4)]2 references to "[NASD]FINRA" shall be construed as references to "the Exchange", and

[(5)]3 [references to Rule 6610 shall be construed as references to NASD Rule 6610]Rule 5320.02(b) and the reference to Rule 6420 therein shall be disregarded.

[(6)]4 Exchange members and persons associated with a member relying upon the exemption set forth in [NASD Interpretive Material 2110-2(c)]FINRA Rule 5320.03

shall comply with the reporting requirements stated[the provisions of the NASD Rule 4600 Series cited] therein as if such Rules were part of the Rules of the Exchange. The Exchange and FINRA are parties to the FINRA Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange members are complying with this subparagraph (b) by complying with [NASD Interpretive Material 2110-2]FINRA Rule 5320.03 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under this subparagraph (b) are being performed by FINRA on behalf of the Exchange.

**(c) Front Running Policy**

Exchange members and persons associated with a member shall comply with [NASD Interpretive Material 2110-3]FINRA Rule 5270 as if such Rule were part of the Rules of the Exchange. [FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Interpretive Material 2110-3 are transferred into the FINRA rulebook, then this subparagraph (c) shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Interpretive Material 2110-3 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(d) No change.

(e) No change.

**(f) Confirmation of Callable Common Stock.** Exchange members and persons associated with a member shall comply with [NASD Interpretive Material 2110-6]FINRA Rule 2232 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Interpretive Material 2110-6 are transferred into the FINRA rulebook, then this subparagraph (f) shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Interpretive Material 2110-6 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

**(g) Interfering With the Transfer of Customer Accounts in the Context of Employment Disputes.** Exchange members and persons associated with a member shall comply with [NASD Interpretive Material 2110-7]FINRA Rule 2140 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Interpretive Material 2110-7 are transferred into the FINRA rulebook, then this subparagraph (g) shall be construed to require Exchange members and persons associated with a member to comply with the FINRA

rule corresponding to NASD Interpretive Material 2110-7 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

For purposes of this subparagraph (g), references to Rule 11870 shall be construed as references to Equity Rule 11870.

**[(h) Trading Ahead of Customer Market Orders**

Exchange members and persons associated with a member shall comply with NASD Rule 2111 as if such Rule were part of the Rules of the Exchange. For purposes of this Rule, references to IM-2110-2, Rule 2320, and Rule 3110 shall be construed as references to Exchange IM-2110-2, General 9, Sections 11, and 30.

(1) Exchange members and persons associated with a member relying upon the exemption set forth in NASD Rule 2111(f) shall comply with the provisions of the NASD Rule 4600 Series and 6400 Series cited therein as if such Rules were part of the Rules of the Exchange. The Exchange and FINRA are parties to the FINRA Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange members are complying with General 9, Section 1(h) by complying with NASD Rule 2111(f) as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under General 9, Section 1(h) are being performed by FINRA on behalf of the Exchange.

(2) FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2111 or the provisions of the NASD Rule 4600 Series or 6400 Series cited therein are transferred into the FINRA rulebook, then General 9, Section 1 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Rule 2111, the NASD Rule 4600 Series or the NASD Rule 6400 Series (regardless of whether such rules are renumbered or amended) as if such rules were part of the Rules of the Exchange.]

**[(i)h) Use of Manipulative, Deceptive or Other Fraudulent Devices**

No member shall effect any transaction in, or induce the purchase or sale of, any security by means of any manipulative, deceptive or other fraudulent device or contrivance.

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**Section 3. Communications with the Public**

(a) Exchange members and persons associated with a member shall comply with [NASD]FINRA Rule 2210 (except [NASD]FINRA Rule 2210(c)) as if such Rule were part of the Rules of the Exchange. The Exchange and FINRA are parties to the FINRA

Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange members are complying with General 9, Section 3 by complying with [NASD]FINRA Rule 2210 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under General 9, Section 3 are being performed by FINRA on the Exchange's behalf.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2210 are transferred into the FINRA rulebook, then General 9, Section 3 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Rule 2210 (except NASD Rule 2210(c), but regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange. For purposes of this Rule, references to Rule 2210 shall be construed as references to General 9, Section 3.]

[(b) Guidelines to Ensure That Communications With the Public Are Not Misleading. Members and persons associated with a member shall comply with NASD Interpretive Material 2210-1 as if such Rule were part of the Rules of the Exchange.]

FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Interpretive Material 2210-1 are transferred into the FINRA rulebook, then Equity Interpretive Material 2210-1 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Interpretive Material 2210-1 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

[(c)b] No change.

(c) references to a "FINRA membership" shall be construed as references to an "Exchange membership," and

(d) references to Rule 4512 shall be construed as references to General 9, Section 45, and references to Rule 3110 shall be construed as references to General 9, Section 20.

#### **Section 4. [Institutional Sales Material and Correspondence]Reserved.**

[(a) Exchange Members and persons associated with a member shall comply with NASD Rule 2211 (except NASD Rule 2211(c) and (d)(3)) as if such Rule were part of the Rules of the Exchange.]

FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2211 are transferred into the FINRA rulebook, then General 9, Section 4 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding

to NASD Rule 2211 (except NASD Rule 2211(c) and (d)(3), but regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.

(b) For purposes of this Rule:

(1) references to an "NASD member" shall be construed as references to an "Exchange member", and

(2) references to Rules 2210 and 3110 shall be construed as references to General 9, Sections 3 and 30, respectively, and references to Rule 3010(d) shall be construed as references to NASD Rule 3010(d), as incorporated into the Rules of the Exchange by General 9, Section 20.]

### **Section 5. Telemarketing**

Exchange members and persons associated with a member shall comply with FINRA Rule 3230 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2212 are transferred into the FINRA rulebook, then General 9, Section 5 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Rule 2212 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

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### **Section 9. Fairness Opinions**

Exchange Members and persons associated with a member shall comply with [NASD]FINRA Rule [2290]5150 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2290 are transferred into the FINRA rulebook, then General 9, Section 9 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Rule 2290 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

### **Section 10. Recommendations to Customers (Suitability)**

(a) Exchange members and associated persons of a member shall comply with [NASD]FINRA Rule [2310]2111 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2310 are transferred into the FINRA rulebook, then General 9, Section 10 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Rule 2310 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange. For purposes of this Rule, references to Rule 3110 shall be construed as references to General 9, Section 30.]

(b) [Fair Dealing with Customers. Exchange members and associated persons of a member shall comply with NASD Interpretive Material 2310-2 (except NASD IM-2310-2(e)(1)) as if such Rule were part of the Rules of the Exchange.

FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Interpretive Material 2310-2 are transferred into the FINRA rulebook, then Equity Interpretive Material 2310-2 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Interpretive Material 2310-2 (except NASD IM-2310-2(e)(1), but regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

For purposes of this Rule:

(1) references to Rules 2111 and 4512 shall be construed as references to Exchange General 9, Sections 10 and 45, respectively;

(2) references to "[the Association's Rules" or "Association]FINRA [R]rules" shall be construed as references to "the Rules of the Exchange",

[(2) references to interpretations and actions of NASD District Business Conduct Committees and the NASD Board of Governors shall be construed to reflect the policy of the Exchange with respect to the application of General 9, Section 10,

(3) references to the "Association" shall be construed as references to the "Exchange", and

(4) references to the Rule 2840 Series shall be construed as references to the Equity Rule 2840 Series.]

(3) References to Rule 2214 shall be disregarded, and no comparable Exchange Rule shall apply to activities of Exchange Members in connection with investment analysis tools.

(c) [Suitability Obligations to Institutional Customers.



(1) Exchange members and associated persons of a member shall comply with NASD Interpretive Material 2310-3 as if such Rule were part of the Rules of the Exchange.

FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Interpretive Material 2310-3 are transferred into the FINRA rulebook, then General 9, Section 10 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Interpretive Material 2310-3 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.

For purposes of this subparagraph (c), references to the "Association" shall be construed as references to the "Exchange". Know Your Customer. Exchange members shall comply with FINRA Rule 2090 as if such rule were part of the Rules of the Exchange.

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## Section 12. Customer Account Statements

(a) Exchange Members shall comply with [NASD]FINRA Rule [2340]2231 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2340 are transferred into the FINRA rulebook, then General 9, Section 12 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 2340 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) For purposes of this Rule, references to Rule 2310, Rule [3110]4512, and [Equity ]Rule 11860 shall be construed as references to [General 9, Section 30, ]Rule 2310A, General 9, Section 45, and [Equity ]Rule 11860.

(c) No change.

## Section 13. Margin Disclosure Statement

(a) Exchange Members shall comply with [NASD]FINRA Rule [2341]2264 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2341 are transferred into the FINRA rulebook, then General 9, Section 13 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 2341 (regardless of

whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) For purposes of this Rule, references to Rule [3110]4512 shall be construed as references to General 9, Section [30]45.

#### **Section 14. Approval Procedures for Day-Trading Accounts**

(a) Exchange Members shall comply with FINRA Rule 2130 as if such Rule were part of the Rules of the Exchange.

For purposes of this Rule, references to Rule [2361]2270 shall be construed as references to General 9, Section 14; references to [and ]Rules [3110]4511 and 4512 shall be construed as references to General 9, Sections [14 and ]30 and 45; and references to Rule 4210 shall be construed as references to General 9, Section 38.

(b) Day-Trading Risk Disclosure Statement. Exchange Members shall comply with FINRA Rule 2270 as if such Rule were part of the Rules of the Exchange. The Exchange and FINRA are parties to the FINRA Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange members are complying with General 9, Section 14 by complying with FINRA Rule 2270 as written. Accordingly, Exchange members may submit an alternative disclosure statement to FINRA's Advertising Department as provided in the FINRA Rule. Functions performed by FINRA, FINRA departments, and FINRA staff under General 9, Section 14 are being performed by FINRA on the Exchange's behalf.

For purposes of this Rule, references to Rule [2360]2130 and Rule [3110]4512 shall be construed as references to General 9, Sections 14 and [30]45.

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#### **Section 16. Charges for Services Performed**

Exchange Members shall comply with [NASD]FINRA Rule [2430]2122 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2430 are transferred into the FINRA rulebook, then General 9, Section 16 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 2430 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

#### **Section 17. Net Transactions with Customers**

(a) Exchange Members shall comply with [NASD]FINRA Rule [2441]2124 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2441 are transferred into the FINRA rulebook, then General 9, Section 17 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 2441 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

For purposes of this Rule, references to Rules [3110]4511 and 4512 shall be respectively construed as references to General 9, Sections 30 and 45.

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### **Section 19. Discretionary Accounts**

(a) Exchange Members shall comply with [NASD]FINRA Rule [2510]3260 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2510 are transferred into the FINRA rulebook, then General 9, Section 19 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 2510 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) For purposes of applying this Rule, references to Rule [3010]3110 and Rule [3110]4512 shall be construed as references to General 9, Sections 20 and [30]45, respectively.

### **Section 20. Supervision**

(a) – (e) No change.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Interpretive Material 3010-2 are transferred into the FINRA rulebook, then Equity Interpretive Material 3010-2 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Interpretive Material 3010-2 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

### **Section 21. Supervisory Control System, Annual Certification of Compliance and Supervisory Processes**

(a) Members and persons associated with a member shall comply with [NASD]FINRA Rule [3012]3120 as if such Rule were part of the Rules of the Exchange. The Exchange and FINRA are parties to the FINRA Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange members are complying with General 9, Section 21 by complying with [NASD]FINRA Rule [3012]3120 as written, including, for example, filing

requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under General 9, Section 21 are being performed by FINRA on behalf of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 3012 are transferred into the FINRA rulebook, then General 9, Section 21 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Rule 3012 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) For purposes of this Rule, references to "[NASD]FINRA Rules" shall be construed as references to "Rules of the Exchange".

(c) Annual Certification of Compliance and Supervisory Processes. Exchange Members and persons associated with a member shall comply with FINRA Rule 3130 as if such Rule were part of the Rules of the Exchange.

(d) For purposes of this Rule:

(1) references to "FINRA Rules" shall be construed as references to the "Rules of the Exchange";

(2) references to FINRA Rule 3130 and Rule 2010 shall be construed as references to General 9, Section 21 and General 9, Section 1(a),

(3) references to "FINRA members" shall be construed as references to "Exchange Members";

(4) references to "the FINRA Board of Governors" shall be construed as references to "the Board of Directors of the Exchange", and

(5) references to "MSRB rules" shall be deleted.

**Section 22. [Annual Certification of Compliance and Supervisory Processes]Reserved**

[(a) Exchange Members and persons associated with a member shall comply with NASD Rule 3013 as if such Rule were part of the Rules of the Exchange.

FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 3013 are transferred into the FINRA rulebook, then General 9, Section 22 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Rule 3012 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.

(b) For purposes of this Rule:

(1) references to "NASD Rules" shall be construed as references to "Rules of the Exchange",

(2) references to IM-3013 shall be construed as references to General 9, Section 22, and

(3) references to "MSRB rules" shall be deleted.

(c) **Annual Compliance and Supervision Certification.** Exchange Members and persons associated with a member shall comply with NASD Interpretive Material IM-3013 as if such Rule were part of the Rules of the Exchange.

FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Interpretive Material 3013 are transferred into the FINRA rulebook, then General 9, Section 22 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Interpretive Material 3013 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange. For purposes of this Rule:

(1) references to "NASD Rules" shall be construed as references to "Rules of the Exchange",

(2) references to NASD Rule 3013 and Rule 2110 shall be construed as references to General 9, Sections 1 and 22,

(3) references to "NASD members" shall be construed as references to "Exchange Members",

(4) references to "the NASD Board of Governors" shall be construed as references to "the Board of Directors of the Exchange", and

(5) references to "MSRB rules" shall be deleted.]

### **Section 23. Outside Business Activities of an Associated Person**

(a) Exchange Members and persons associated with a member shall comply with [NASD]FINRA Rule [3030]3270 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 3030 are transferred into the FINRA rulebook, then General 9, Section 23 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding

to NASD Rule 3030 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) For purposes of this Rule, references to Rule [3030]3280 shall be construed as references to General 9, Section [23]24.

#### **Section 24. Private Securities Transactions of an Associated Person**

(a) Exchange Members and persons associated with a member shall comply with [NASD]FINRA Rule [3040]3280 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 3040 are transferred into the FINRA rulebook, then General 9, Section 24 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Rule 3040 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) For purposes of this Rule:

(1) references to Rule [3040]3210 shall be construed as references to General 9, Section [24]25, and

(2) references to "immediate[ly] family members (as defined in Rule [2790]5130)" shall be construed to mean a person's parents, mother-in-law or father-in-law, spouse, brother or sister, brother-in-law or sister-in-law, son-in-law or daughter-in-law, and children, and any other individual to whom the person provides material support.

#### **Section 25. Transactions for or by Associated Persons**

Exchange Members and persons associated with a member shall comply with [NASD]FINRA Rule [3050]3210 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 3050 are transferred into the FINRA rulebook, then General 9, Section 25 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Rule 3050 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

#### **Section 26. Influencing or Rewarding Employees of Others**

Exchange Members and persons associated with a member shall comply with [NASD]FINRA Rule [3060]3220 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 3060 are transferred into the FINRA rulebook, then General 9, Section 26 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Rule 3060 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

### **Section 27. Reporting Requirements**

(a) Exchange Members and persons associated with a member shall comply with FINRA Rule 4530 (excluding FINRA Rule 4530(h)) as if such Rule were part of the Rules of the Exchange. The Exchange and FINRA are parties to the FINRA Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange members are complying with General 9, Section 27 by complying with FINRA Rule 4530 as written (excluding Rule 4530(h)), including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under General 9, Section 27 are being performed by FINRA on behalf of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 3070 are transferred into the FINRA rulebook, then Equity Rule 3070 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Rule 3070 (excluding Rule 3070(g) but regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) For purposes of this Rule, the requirement of FINRA Rule 4530(e) to respond to FINRA with respect to any customer complaint, examination, or inquiry shall be construed as a requirement to respond to FINRA and the Exchange.

### **Section 28. Disclosure to Associated Persons When Signing Form U4**

Exchange Members shall comply with [NASD]FINRA Rule [3080]2263 as if such Rule were part of the Rules of the Exchange. In lieu of incorporating in the written statement the language in paragraph (2) of [NASD]FINRA Rule [3080]2263, members shall include the following provision:

A claim alleging employment discrimination, including a sexual harassment claim, in violation of a statute is not required to be arbitrated under the Rules of the Exchange. Such a claim may be arbitrated under Exchange rules only if the parties have agreed to arbitrate it, either before or after the dispute arose. The rules of other arbitration forums may be different.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 3080 are transferred into the FINRA rulebook, then General 9, Section 28 shall be construed to require Exchange members to comply

with the FINRA rule corresponding to NASD Rule 3080 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

\* \* \* \* \*

### **Section 30. Books and Records**

[(a) Requirements. Each member shall make and preserve books, accounts, records, memoranda, and correspondence in conformity with all applicable laws, rules, regulations and statements of policy promulgated thereunder and with the Rules of the Exchange and as prescribed by SEC Rule 17a-3. The record keeping format, medium, and retention period shall comply with Rule 17a-4 under the Securities Exchange Act of 1934.

#### **(b) Customer Account Information**

Each member shall maintain accounts opened after January 1, 1991 as follows:

(1) for each account, each member shall maintain the following information:

(A) customer's name and residence;

(B) whether customer is of legal age;

(C) signature of the registered representative introducing the account and signature of the member or partner, officer, or manager who accepts the account; and

(D) if the customer is a corporation, partnership, or other legal entity, the names of any persons authorized to transact business on behalf of the entity;

(2) for each account other than an institutional account, and accounts in which investments are limited to transactions in open-end investment company shares that are not recommended by the member or its associated persons, each member shall also make reasonable efforts to obtain, prior to the settlement of the initial transaction in the account, the following information to the extent it is applicable to the account:

(A) customer's tax identification or Social Security number;

(B) occupation of customer and name and address of employer; and

(C) whether customer is an associated person of another member; and

(3) for discretionary accounts, in addition to compliance with subparagraphs (1) and (2) above, and General 9, Section 19 of these Rules, the member shall:



(A) obtain the signature of each person authorized to exercise discretion in the account;

(B) record the date such discretion is granted; and

(C) in connection with exempted securities other than municipals, record the age or approximate age of the customer.

(4) For purposes of this Rule, General 9, Sections 10 and 19, the term "institutional account" shall mean the account of:

(A) a bank, savings and loan association, insurance company, or registered investment company;

(B) an investment adviser registered either with the Securities and Exchange Commission under Section 203 of the Investment Advisers Act of 1940 or with a state securities commission (or any agency or office performing like functions); or

(C) any other entity (whether a natural person, corporation, partnership, trust, or otherwise) with total assets of at least \$50 million.

(d) Record of Written Complaints

Each member shall keep and preserve in each office of supervisory jurisdiction, as defined in General 9, Section 20, either a separate file of all written complaints of customers and action taken by the member, if any, or a separate record of such complaints and a clear reference to the files containing the correspondence connected with such complaint as maintained in such office.

(e) "Complaint" Defined

A "complaint" shall be deemed to mean any written statement of a customer or any person acting on behalf of a customer alleging a grievance involving the activities of those persons under the control of the member in connection with the solicitation or execution of any transaction or the disposition of securities or funds of that customer.

(f) Requirements When Using Predispute Arbitration Agreements With Customers

(1) Any predispute arbitration clause shall be highlighted and shall be immediately preceded by the following language in outline form.

This agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

(A) All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.

(B) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.

(C) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.

(D) The arbitrators do not have to explain the reason(s) for their award.

(E) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

(F) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.

(G) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

**(2)**

(A) In any agreement containing a predispute arbitration agreement, there shall be a highlighted statement immediately preceding any signature line or other place for indicating agreement that states that the agreement contains a predispute arbitration clause. The statement shall also indicate at what page and paragraph the arbitration clause is located.

(B) Within thirty days of signing, a copy of the agreement containing any such clause shall be given to the customer who shall acknowledge receipt thereof on the agreement or on a separate document.

**(3)**

(A) A member shall provide a customer with a copy of any predispute arbitration clause or customer agreement executed between the customer and the member, or inform the customer that the member does not have a copy thereof, within ten business days of receipt of the customer's request. If a customer requests such a copy before the member has provided the customer with a copy pursuant to subparagraph (2)(B) of this paragraph, the member must provide a copy to the customer by the earlier date required by this subparagraph (3)(A) or by subparagraph (2)(B).

(B) Upon request by a customer, a member shall provide the customer with the names of, and information on how to contact or obtain the rules of, all arbitration forums in which a claim may be filed under the agreement.

(4) No predispute arbitration agreement shall include any condition that:

(A) limits or contradicts the rules of any self-regulatory organization;

(B) limits the ability of a party to file any claim in arbitration;

(C) limits the ability of a party to file any claim in court permitted to be filed in court under the rules of the forums in which a claim may be filed under the agreement;

(D) limits the ability of arbitrators to make any award.

(5) If a customer files a complaint in court against a member that contains claims that are subject to arbitration pursuant to a predispute arbitration agreement between the member and the customer, the member may seek to compel arbitration of the claims that are subject to arbitration. If the member seeks to compel arbitration of such claims, the member must agree to arbitrate all of the claims contained in the complaint if the customer so requests.

(6) All agreements shall include a statement that "No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein."

(g) Negotiable Instruments Drawn From A Customer's Account

No member or person associated with a member shall obtain from a customer or submit for payment a check, draft, or other form of negotiable paper drawn on a customer's checking, savings, share, or similar account, without that person's express written authorization, which may include the customer's signature on the negotiable instrument. Each member shall maintain the authorization required for a period of three years. This provision shall not, however, require maintenance of copies of negotiable instruments signed by customers.

(h) Order Audit Trail System Record Keeping Requirements

(1) Exchange Members shall comply with NASD Rule 3110(h) as if such Rule were part of the Rules of the Exchange.

FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 3110(h) are transferred into the FINRA rulebook, then General 9, Section 30(h) shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 3110(h) (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.

(2) For purposes of this Rule, references to Rule 6951 shall be construed as references to NASD Rule 6951, as applied to Exchange members by Equity Rule 6950.

(i) Holding of Customer Mail

Upon the written instructions of a customer, a member may hold mail for a customer who will not be at his or her usual address for the period of his or her absence, but (A) not to exceed two months if the member is advised that such customer will be on vacation or traveling or (B) not to exceed three months if the customer is going abroad.

(j) Changes in Account Name or Designation

Before any customer order is executed, there must be placed upon the memorandum for each transaction, the name or designation of the account (or accounts) for which such order is to be executed. No change in such account name(s) (including related accounts) or designation(s) (including error accounts) shall be made unless the change has been authorized by a member or a person(s) designated under the provisions of the Equity Rules. Such person must, prior to giving his or her approval of the account designation change, be personally informed of the essential facts relative thereto and indicate his or her approval of such change in writing on the order or other similar record of the member. The essential facts relied upon by the person approving the change must be documented in writing and preserved for a period of not less than three years, the first two years in an easily accessible place, as the term "easily accessible place" is used in SEC Rule 17a-4.

For purposes of this paragraph (j), a person(s) designated under the provisions of the Equity Rules to approve account name or designation changes must pass a qualifying principal examination appropriate to the business of the firm.

(k) Customer Account Information. Additional information is required to be obtained prior to making recommendations to customers (see General 9, Section 10) and in connection with discretionary accounts (see General 9, Section 19).]

(a) Exchange members shall comply with FINRA Rule 4511 as if such rule were part of the Exchange's rules.

**Section 31. Use of Information Obtained in Fiduciary Capacity**

Exchange Members shall comply with [NASD]FINRA Rule [3120]2060 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 3120 are transferred into the FINRA rulebook, then General 9, Section 31 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 3120 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

\* \* \* \* \*

**Section 33. Reporting Requirements for Clearing Firms**

(a) Exchange Members shall comply with [NASD]FINRA Rule [3150]4540 as if such Rule were part of the Rules of the Exchange. The Exchange and FINRA are parties to the FINRA Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange members are complying with General 9, Section 33 by complying with [NASD]FINRA Rule [3150]4540 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under General 9, Section 33 are being performed by FINRA on behalf of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 3150 are transferred into the FINRA rulebook, then General 9, Section 33 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 3150 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) No change.

(c) Exemptive Relief.

(1) – (2) No change.

(3) Any self-clearing firm that, due to a change in the facts pertaining to the operation and nature of its business or the operation and nature of the business of a firm for which it clears, as applicable, no longer qualifies for an exemption previously granted by the Exchange from the reporting requirements of General 9, Section 33 must promptly report such change in circumstances to the Exchange and [NASD]FINRA, Department of Member Regulation, and commence compliance with the reporting requirements of General 9, Section 33.

**Section 34. Extensions of Time Under Regulation T and SEC Rule 15c3-3**

A member designated to the Exchange for oversight pursuant to SEC Rule 17d-1 shall comply with [NASD]FINRA Rule [3160]4230 as if such Rule were part of the Rules of the Exchange. The Exchange and FINRA are parties to the FINRA Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange members are complying with General 9, Section 34 by complying with [NASD]FINRA Rule [3160]4230 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under General 9, Section 34 are being performed by FINRA on behalf of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 3160 are transferred into the FINRA rulebook, then General 9, Section 34 shall be construed to require Exchange members that are designated to the Exchange for oversight pursuant to SEC Rule 17d-1 to comply with the FINRA rule corresponding to NASD Rule 3160 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

\* \* \* \* \*

**Section 38. Margin Requirements**

(a) No change.

(b) A member designated to the Exchange for oversight pursuant to SEC Rule 17d-1 shall comply with the initial and maintenance margin requirements of Regulation T and [the NASD]FINRA Rule [2520]4210 as if such Rules were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2520 are transferred into the FINRA rulebook, then General 9, Section 38 shall be construed to require Exchange members designated to the Exchange for oversight pursuant to SEC Rule 17d-1 to comply with the FINRA rule corresponding to NASD Rule 2520 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(c) The Exchange and FINRA are parties to the FINRA Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange members are complying with this Rule by complying with [NASD]FINRA Rule [2520]4210 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under this Rule are being performed by FINRA on behalf of the Exchange.

(d) Pursuant to Rule 9600 Series, the Exchange may exempt any member from the requirements contained in paragraph (e)(3) of [NASD]FINRA Rule [2520]4210, as

applied to Exchange members through this Rule, if the account referenced in paragraph (e)(3) of [NASD]FINRA Rule [2520]4210 is confined exclusively to transactions and positions in exempted securities.

\* \* \* \* \*

#### **Section 43. [Reserved]General Requirements**

(a) Exchange members and persons associated with a member shall comply with FINRA Rule 4511 as if such Rule were part of the Exchange rules.

(b) For purposes of this Rule, references to "FINRA rules" shall be construed as references to the "Exchange rules" and references to "FINRA books and records" shall be construed as references to the "Exchange books and records."

#### **Section 44. [Reserved]Records of Written Customer Complaints**

Exchange members and persons associated with a member shall comply with FINRA Rule 4513 as if such Rule were part of the Exchange rules.

#### **Section 45. [Reserved]Customer Account Information**

(a) Exchange members and persons associated with a member shall comply with FINRA Rule 4512 as if such Rule were part of the Exchange rules.

(b) For purposes of this Rule:

(1) references to Rule 3260 shall be construed as references to General 9, Section 19;

(2) references to Rules 2070, 2090, and 4512 shall be construed as references to General 9, Sections 29, 10, and this Rule, respectively;

(3) references to "a prior FINRA rule" shall be construed as references to "a FINRA or Exchange rule in effect prior to the effectiveness of FINRA Rule 4512";

(4) The Exchange and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange members are complying with this Rule by complying with FINRA Rule 4512 as written, including, for example, providing information required by FINRA staff. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under this Rule are being performed by FINRA on behalf of the Exchange.

**Section 46. [Reserved] Authorization Records for Negotiable Instruments Drawn From a Customer's Account**

Exchange members and persons associated with a member shall comply with FINRA Rule 4514 as if such Rule were part of the Exchange rules.

**Section 47. [Reserved] Approval and Documentation of Changes in Account Name or Designation**

(a) Exchange members and persons associated with a member shall comply with FINRA Rule 4515 as if such Rule were part of the Exchange rules.

(b) For purposes of this Rule, references to Rule 3260 shall be construed as references to General 9, Section 19.

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**Section 49. Payments Involving Publications that Influence the Market Price of a Security**

(a) No change.

(b) The prohibitions in paragraph (a) shall not apply to compensation paid to a person in connection with the publication or circulation of:

- (1) a communication that is clearly distinguishable as paid advertising;
- (2) a communication that discloses the receipt of compensation and the amount thereof in accordance with Section 17(b) of the Securities Act; or
- (3) a research report, as that term is defined in [NASD]FINRA Rule [2711]2241.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2711 are transferred into the FINRA rulebook, then Rule 2711 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 2711 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

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**2800. SPECIAL PRODUCTS**

**2830. Investment Company Securities**

(a) Exchange Members and their associated persons shall comply with [NASD]FINRA Rule [2830]2341 as if such Rule were part of the Rules of the Exchange.



[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2830 are transferred into the FINRA rulebook, then Equity Rule 2830 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rule corresponding to NASD Rule 2830 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) For purposes of this Rule:

(1) references to "[the Rules of the Association]FINRA rules" shall be construed as references to "the Rules of the Exchange",

(2) references to Rule [2820]2320 shall be deleted, and no comparable Exchange Rule shall apply to activities of Exchange Members in connection with contracts providing for benefits or values which may vary according to the investment experience of any separate or segregated account or accounts maintained by an insurance company,

(3) references to Rule [2420]2040 shall be construed as a requirement that an Exchange member who is an underwriter of the securities of an investment company selling any such securities, may not directly or indirectly, pay any compensation, fees, concessions, discounts, commissions or other allowances to any person that is not registered as a broker-dealer under Section 15(a) of the Exchange Act but, by reason of receipt of any such payments and the activities related thereto, is required to be so registered under applicable federal securities laws and Exchange Act rules and regulations; or any appropriately registered associated person unless such payment complies with all applicable federal securities laws, Exchange rules and Exchange Act rules and regulations[sell any such securities to a broker or dealer that is not an Exchange member at the same prices, for the same commission and fees, and on the same terms and conditions as are by such member accorded to the general public], and

(4) references to Rule [2230]2232 shall be construed as references to SEC Rule 10b-10.

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### **2843. Account Approval**

(a) No member or person associated with a member shall accept an order from a customer to purchase or sell an index warrant, currency index warrant, or currency warrant unless the customer's account has been approved for options trading pursuant to [NASD]FINRA Rule [2860]2360(b)(16). To the extent that it is made applicable to index warrants, currency index warrants, and currency warrants by [NASD]FINRA Rule [2843]2352, Exchange Members and their associated persons shall comply with [NASD]FINRA Rule [2860]2360(b)(16) as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rules 2843 or 2860(b)(16) are transferred into the FINRA rulebook, then Equity Rule 2843 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rules corresponding to NASD Rules 2843 and 2860(b)(16) (regardless of whether such rules are renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) For purposes of this Rule, references to "[the Rules of the Association]FINRA Rules" shall be construed as references to "the Rules of the Exchange", and references to [the ]"AssociationFINRA" shall be construed as references to the Exchange.

#### **2844. Suitability**

The provisions of [NASD]FINRA Rule [2860]2360(b)(19) shall apply to recommendations by members and persons associated with members regarding the purchase or sale of index warrants, currency index warrants, or currency warrants. To the extent that it is made applicable to index warrants, currency index warrants, and currency warrants by [NASD]FINRA Rule [2844]2353, Exchange Members and their associated persons shall comply with [NASD]FINRA Rule [2860]2360(b)(19) as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rules 2844 or 2860(b)(19) are transferred into the FINRA rulebook, then Equity Rule 2844 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rules corresponding to NASD Rules 2844 and 2860(b)(19) (regardless of whether such rules are renumbered or amended) as if such rule were part of the Rules of the Exchange.]

#### **2845. Discretionary Accounts**

(a) Insofar as a member or person associated with a member exercises discretion to trade in index warrants, currency index warrants, or currency warrants in a customer's account, such account shall be subject to the provisions of [NASD]FINRA Rule [2860]2360(b)(18). To the extent that it is made applicable to index warrants, currency index warrants, and currency warrants by [NASD]FINRA Rule [2845]2354, Exchange Members and their associated persons shall comply with [NASD]FINRA Rule [2860]2360(b)(18) as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rules 2845 or 2860(b)(18) are transferred into the FINRA rulebook, then Equity Rule 2845 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rules corresponding to NASD Rules 2845 and 2860(b)(19) (regardless of whether such rules are renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) For purposes of this rule, references to Rule [2510]3260 and Rule [3110(c)(4)]4512(c) shall be construed as references to [Equity Rule 2510]General 9, Section 19 and [Equity Rule 3110(c)(4)]General 9, Section 45.

#### **2846. Supervision of Accounts**

(a) The provisions of [NASD]FINRA Rule [2860]2360(b)(20) shall apply to all customer accounts of a member in which transactions in index warrants, currency index warrants, or currency warrants are effected. To the extent that it is made applicable to index warrants, currency index warrants, and currency warrants by [NASD]FINRA Rule [2846]2355, Exchange Members and their associated persons shall comply with [NASD]FINRA Rule [2860]2360(b)(20) as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rules 2846 or 2860(b)(20) are transferred into the FINRA rulebook, then Equity Rule 2846 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rules corresponding to NASD Rules 2846 and 2860(b)(19) (regardless of whether such rules are renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) For purposes of this rule, references to Rules [3010, 3012, and 3013]3110, 3120, and 3130 shall be construed as references to [Equity Rules 3010, 3012, and 3013]General 9, Sections 20 and 21.

#### **2847. Customer Complaints**

(a) The record-keeping requirements of [NASD]FINRA Rule [2860]2360(b)(17)(A) concerning the receipt and handling of customer complaints relating to options shall also apply to customer complaints relating to index warrants, currency index warrants, or currency warrants. To the extent that it is made applicable to index warrants, currency index warrants, and currency warrants by [NASD]FINRA Rule [2847]2356, Exchange Members and their associated persons shall comply with [NASD]FINRA Rule [2860]2360(b)(17)(A) as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rules 2847 or 2860(b)(17)(A) are transferred into the FINRA rulebook, then Equity Rule 2847 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rules corresponding to NASD Rules 2847 and 2860(b)(17)(A) (regardless of whether such rules are renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) For purposes of this rule, references to [Rule 3110]Rule 2268 and the Rule 4510 Series shall be construed as references to [Equity Rule 3110]General 6, Section 1(b) and General 9, Section 30. The reference to Rule 5340 shall be disregarded.

### **2848. Communications with the Public and Customers Concerning Index Warrants, Currency Index Warrants, and Currency Warrants**

(a) The provisions of FINRA Rule 2220 (except FINRA Rule 2220(c)) shall be applicable to communications to customers regarding index warrants, currency index warrants, or currency warrants. To the extent that it is made applicable to index warrants, currency index warrants, and currency warrants by [NASD]FINRA Rule [2848]2357, Exchange Members and their associated persons shall comply with FINRA Rule 2220 (except FINRA Rule 2220(c)) as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rules 2848 are transferred into the FINRA rulebook, then Equity Rule 2848 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rules corresponding to NASD Rule 2848, but regardless of whether such rules are renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) For purposes of this rule, references to ["NASD" or ]"FINRA" shall be construed as references to the Exchange.

### **2849. Maintenance of Records**

The record-keeping provisions of [NASD]FINRA Rule [2860]2360(b)(17)(B) shall be applicable to customer accounts approved to trade index warrants, currency index warrants, or currency warrants. To the extent that it is made applicable to index warrants, currency index warrants, and currency warrants by [NASD]FINRA Rule [2849]2358, Exchange Members and their associated persons shall comply with [NASD]FINRA Rule [2860]2360(b)(17)(B) as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rules 2849 or 2860(b)(17)(B) are transferred into the FINRA rulebook, then Equity Rule 2849 shall be construed to require Exchange members and persons associated with a member to comply with the FINRA rules corresponding to NASD Rules 2849 and 2860(b)(17)(A) (regardless of whether such rules are renumbered or amended) as if such rule were part of the Rules of the Exchange.]

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### **3360. Short-Interest Reporting**

(a) To the extent such information is not otherwise reported to [the NASD]FINRA in conformance with [NASD]FINRA Rule [3360]4560, each member shall maintain a record of total "short" positions in all customer and proprietary firm accounts in all

securities listed on the Exchange and shall regularly report such information to the Exchange in such a manner as may be prescribed by the Exchange. [Reports shall be made as of the close of the settlement date designated by the Exchange. ]Reports shall be received by the Exchange no later than the second business day after the reporting settlement date designated by the Exchange.

(b) [For purposes of this Rule:

(1) Members shall record and report all gross ["short"] positions [to be reported are those resulting from] existing in each individual firm or customer account, including the account of a broker-dealer, that resulted from (1) a "short sale[s]" as that term is defined in [SEC ]Rule 200(a) of SEC Regulation SHO, or (2) where the transaction(s) that caused the short position was marked "long," consistent with [the exception] SEC Regulation SHO, due to the firm's or the customer's net long position at the time of the transaction. Members shall report only those short positions [that meet the following requirements:] resulting from short sales that have settled or reached settlement date by the close of the reporting settlement date designated by the Exchange.

(c[A]) The recording and reporting requirements of this Rule shall not apply to:

(1) any sale by any person, for an account in which he has an interest, if such person owns the security sold and intends to deliver such security as soon as is possible without undue inconvenience or expense; and

[(B) any sale of a security covered by a short sale rule on a national securities exchange (except a sale to a stabilizing bid complying with Rule 104 of Regulation M) effected with the approval of such exchange which is necessary to equalize the price of such security thereon with the current price of such security on another national securities exchange which is the principal exchange market for such security;

(C) any sale of a security for a special arbitrage account by a person who then owns another security by virtue of which he is, or presently will be, entitled to acquire an equivalent number of securities of the same class as the securities sold; provided such sale, or the purchase with such sale offsets, is effected for the bona fide purpose of profiting from a current difference between the price of security sold and the security owned and that such right of acquisition was originally attached to or represented by another security or was issued to all the holders of any such of securities of the issuer;

(D) any sale of a security registered on, or admitted to unlisted trading privileges on, a national securities exchange effected for a special international arbitrage account for the bona fide purpose of profiting from a current difference between the price of such security on a securities market not within or subject to the jurisdiction of the United States and on a securities market subject to the

jurisdiction of the United States; provided the seller at the time of such sale knows or, by virtue of information currently received, has reasonable grounds to believe that an offer enabling him to cover such sale is then available to him such foreign securities market and intends to accept such offer immediately; and]

(2[E]) any sale by an underwriter, or any member of a syndicate or group participating in the distribution of a security, in connection with an over-allotment of securities, or any lay-off sale by such a person in connection with a distribution of securities through rights or a standby underwriting commitment.

[(2) the term "customer" includes a broker-dealer.]

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#### **4000. TRADING ON THE EXCHANGE**

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#### **4200. Definitions**

(a) For purposes of the Rule 4000 Series, unless the context requires otherwise:

(1) – (2) No change.

(3) "Underwriting Activity Report" is a report provided by the Corporate Financing Department of FINRA in connection with a distribution of securities subject to SEC Rule 101 pursuant to [NASD]FINRA Rule [2710(b)(11)]5190 and includes forms that are submitted by members to comply with their notification obligations under Rules 4614, 4619, and [4623]4624.

(b) For purposes of Rules 4614, 4619, and [4623]4624, the following terms shall have the meanings as defined in SEC Rule 100: "affiliated purchaser," "distribution," "distribution participant," "independent bid," "net purchases," "penalty bid," "reference security," "restricted period," "subject security," and "syndicate covering transaction."

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#### **11000. UNIFORM PRACTICE CODE**

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#### **11210. Sent by Each Party**

(a) – (b) No change

(c) "DK" Procedures Using "Don't Know Notices" ([NASD]FINRA Form No. 101)

When a party to a transaction sends a comparison or confirmation of a trade, but does not receive a comparison or confirmation or a signed DK, from the contra-member by

the close of one business day following the trade date of the transaction, the following procedure may be utilized.

(1) The confirming member shall send by certified mail, return receipt requested, or messenger, a "Don't Know Notice" on the form prescribed by [NASD]FINRA Rule 11210 to the contra-member in accordance with the directions contained thereon. If the notice is sent by certified mail the returned, signed receipt therefor must be retained by the confirming member and attached to the fourth copy of the "Don't Know Notice." If delivered by messenger, the fourth copy must immediately be dated and manually received by, and imprinted with the firm stamp of, the contra-member pursuant to the provisions of paragraph (c)(4) of this Rule, returned to the messenger and thereafter be retained by the confirming member.

(2) – (5) No change.

(d) No change.

\* \* \* \* \*

#### **IM-11710. Uniform Reclamation Form**

**To Accompany Reclamations Subject to  
Rules & Regulations of**

**NSCC  
[NASD]FINRA Uniform Practice Code  
Nasdaq BX Uniform Practice Code**

\* \* \* \* \*

#### **11860. Acceptance and Settlement of COD Orders**

(a) Exchange members shall comply with [NASD]FINRA Rule 11860 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 11860 are transferred into the FINRA rulebook, then Equity Rule 11860 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 11860 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) The Exchange and FINRA are parties to the FINRA Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange members are complying with Equity Rule 11860 by complying with [NASD]FINRA Rule 11860 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Equity Rule 11860 are being performed by FINRA on behalf of the Exchange.

**11870. Customer Account Transfer Contracts**

(a) Exchange members shall comply with [NASD]FINRA Rule 11870 as if such Rule were part of the Rules of the Exchange.

[FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 11870 are transferred into the FINRA rulebook, then Equity Rule 11870 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 11870 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Rules of the Exchange.]

(b) The Exchange and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange members are complying with Equity Rule 11870 by complying with [NASD]FINRA Rule 11870 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Equity Rule 11870 are being performed by FINRA on behalf of the Exchange.

(c) No change.

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