

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104441; File No. SR-FINRA-2025-015]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend FINRA Rules 5220, 5320, 6220, 6272, 6279, 6320A, 6320B, and 7620A to Conform to the New Definition of “Round Lot” Adopted by the Commission under Regulation NMS

December 18, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act” or “Exchange Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 3, 2025, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by FINRA. FINRA filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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 amend FINRA Rules 5220, 5320, 6220, 6272, 6279, 6320A, 6320B, and 7620A to conform to the new definition of “round lot” adopted by the Commission under Regulation NMS.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

The text of the proposed rule change is available on FINRA’s website at <http://www.finra.org> and at the principal office of FINRA.

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

Background

In 2020, the Commission adopted amendments to Regulation NMS to modernize the information provided within the national market system for NMS stocks.⁵ Prior to the MDI Rule amendments to Regulation NMS, “round lot” was not defined in the Exchange Act or SEC rules. Instead, exchange rules typically defined a round lot as 100 shares, but also allowed the exchange, or the primary listing exchange for the security, discretion to define it otherwise.⁶ Among other things, the MDI Rule amended Rule 600(b) of Regulation NMS to add a new definition of “round lot” that assigns each NMS stock a round lot size based on the stock’s average closing price. In light of delays in the implementation of the MDI Rule, including the

⁵ See Securities Exchange Act Release No. 90610 (December 9, 2020), 86 FR 18596 (April 9, 2021) (File No. S7-03-02) (the “Market Data Infrastructure Rule” or “MDI Rule”).

⁶ See 2024 NMS Amendments, *infra* note 7, 89 FR 81620, 81625 n.66. In practice, very few NMS stocks have a round lot size other than 100 shares. See 2024 NMS Amendments, *infra* note 7, 89 FR 81620, 81625 n.67 and accompanying text.

new definition of “round lot,” on September 18, 2024, the Commission adopted further amendments to Regulation NMS that, among other things, revised and accelerated the implementation of the new round lot definition under Rule 600(b)(93) to implement the new round lot definition on November 3, 2025, the first business day of November 2025.⁷ As adopted under the 2024 NMS Amendments, the new definition of “round lot” in Rule 600(b)(93) of Regulation NMS assigns each NMS stock a round lot size based on the stock’s average closing price on the primary listing exchange during the prior Evaluation Period, ranging from 100 shares for NMS stocks priced \$250.00 or less to one share for NMS stocks priced \$10,000.01 or more.⁸

Several FINRA rules use the term “normal unit of trading” as the equivalent to the term “round lot” as used in exchange rules. As described in greater detail below, FINRA is proposing to amend these rules to conform to the new definition of “round lot” for NMS stocks under Regulation NMS.⁹

Conforming Changes to FINRA Rules

⁷ See Regulation NMS: Minimum Pricing Increments, Access Fees, and Transparency of Better Priced Orders, Securities Exchange Act Release No. 101070 (September 18, 2024), 89 FR 81620 (October 8, 2024) (File No. S7-30-22) (the “2024 NMS Amendments”).

⁸ See 17 CFR 242.600(b)(93). The “Evaluation Period,” as defined in Rule 600(b)(93)(iii) of Regulation NMS, means (i) all trading days in March for the round lot assigned on the first business day of May and (ii) all trading days in September for the round lot assigned on the first business day of November, during which the average closing price of an NMS stock on the primary listing exchange shall be measured by the primary listing exchange to determine the round lot for each NMS stock. Under Rule 600(b)(93)(iv), the round lot assigned is operative on (i) the first business day of May for the March Evaluation Period and continues through the last business day of October for the calendar year and (ii) the first business day of November for the September Evaluation Period and continues through the last business day of April of the next calendar year. Under Rule 600(b)(93)(ii), any security that becomes an NMS stock during an operative period is assigned a round lot of 100 shares.

⁹ The new definition of “round lot” in Rule 600(b)(93) of Regulation NMS applies only to NMS stocks. The proposed conforming changes to FINRA rules are similarly limited to NMS stocks and do not affect the normal unit of trading as it may be applied to any other type of security.

FINRA Rule 5220 (Offers at Stated Prices) provides that no member shall make an offer to buy from or sell to any person any security at a stated price unless such member is prepared to purchase or sell, as the case may be, at such price and under such conditions as are stated at the time of such offer to buy or sell. Supplementary Material .01 to Rule 5220 (Firmness of Quotations) discusses the expectations for making a “firm trading market” in a security, noting that a member “is expected at least to buy or sell a normal unit of trading in the quoted stock at its then prevailing quotations unless clearly designated as not firm or firm for less than a normal unit of trading when supplied by the member.” The proposed rule change would add a new sentence to Supplementary Material .01 to Rule 5220 to clarify that for purposes of Rule 5220, a “normal unit of trading” for an NMS stock means the “round lot” assigned to such NMS stock pursuant to Rule 600(b) of SEC Regulation NMS.

FINRA Rule 5320 (Prohibition Against Trading Ahead of Customer Orders) provides that, except as provided in Rule 5320, a member that accepts and holds an order in an equity security from its own customer or a customer of another broker-dealer without immediately executing the order is prohibited from trading that security on the same side of the market for its own account at a price that would satisfy the customer order, unless it immediately thereafter executes the customer order up to the size and at the same or better price at which it traded for its own account. Among other things, Supplementary Material .05 to Rule 5320 (Odd Lot and Bona Fide Error Transaction Exceptions) provides an exception from these obligations for a member’s proprietary trade that is “to offset a customer order that is in an amount less than a normal unit of trading[.]” The proposed rule change would add a new sentence to Supplementary Material .05 to Rule 5320 to clarify that, for purposes of Rule 5320, a “normal unit of trading” for an NMS

stock means the “round lot” assigned to such NMS stock pursuant to Rule 600(b) of SEC Regulation NMS.

The FINRA Rule 6200 Series (Alternative Display Facility) sets forth rules governing the operation of the FINRA Alternative Display Facility (“ADF”), which provides members with a facility for the display of quotations, the reporting of trades, and the comparison of trades in NMS stocks. FINRA Rule 6220 (Definitions) defines specified terms used in the ADF rules, including to define a “normal unit of trading” to mean “100 shares of a security unless, with respect to a particular security, the market where the security is listed determines that a normal unit of trading shall constitute other than 100 shares.” The proposed rule change would amend the definition of “normal unit of trading” in Rule 6220 to mean the “round lot” assigned to a security pursuant to Rule 600(b) of SEC Regulation NMS.¹⁰

The FINRA Rule 6300 Series (Trade Reporting Facilities) sets forth the rules governing the operation of the FINRA/Nasdaq Trade Reporting Facilities and the FINRA/NYSE Trade Reporting Facility (collectively, the “TRFs”), which provide members with a mechanism for the reporting of transactions in NMS stocks effected otherwise than on an exchange. FINRA Rules 6320(A) (Definitions) and 6320(B) (Definitions) define specified terms used in the FINRA/Nasdaq TRF and FINRA/NYSE TRF rules, respectively, including “normal unit of trading,” which means “100 shares of a security unless, with respect to a particular security, FINRA determines that a normal unit of trading shall constitute other than 100 shares.” The

¹⁰ FINRA Rule 6272 (Character of Quotations) includes a duplicative definition of “normal unit of trading.” See Rule 6272(a)(1). For clarity, the proposed rule change would delete the definition in Rule 6272, as the definitions in Rule 6220 apply to the entirety of the Rule 6200 Series. Similarly, FINRA 6279 (Alternative Trading Systems) prohibits the provision of a reserved-size function unless the size of the order displayed through the ADF is “100 shares or greater.” The proposed rule change would amend Rule 6279 to prohibit a reserved-size function unless the size of the order displayed through the ADF is a normal unit of trading or greater.

proposed rule change would amend the definitions of “normal unit of trading” in both Rule 6320(A) and Rule 6320(B) to mean the “round lot” assigned to a security pursuant to Rule 600(b) of SEC Regulation NMS.

FINRA Rule 7620A (FINRA/Nasdaq Trade Reporting Facility Reporting Fees) sets forth the charges to be paid by participants for use of the FINRA/Nasdaq TRFs. Under Rule 7620A, participants must complete attestations to qualify for the ATS Market Maker Media/Contra Party Cap and the ATS Market Maker Combined Media Activity Cap. Both attestations include a statement that the participant will “display a quotation size of at least one normal unit of trading (specific for each security)” in each symbol traded on an alternative trading system registered pursuant to Regulation ATS. The proposed rule change would add a new sentence to Supplementary Material .01 to Rule 7620A, which sets forth the definitions of specified terms used in the rule, to clarify that for purposes of Rule 7620A, a “normal unit of trading” means the “round lot” assigned to a security pursuant to Rule 600(b) of SEC Regulation NMS.

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

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹¹ which requires, among other things, that FINRA rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and national market system, and, in general, to protect investors and the public interest, and Section

¹¹ 15 U.S.C. 78o-3(b)(6).

15A(b)(11) of the Act,¹² which requires among other things that FINRA rules include provisions governing the form and content of quotations relating to securities sold otherwise than on a national securities exchange which may be distributed or published by any member or person associated with a member, and the persons to whom such quotations may be supplied. FINRA believes the proposed rule change will reduce confusion and provide greater clarity to members and the public by conforming the term “normal unit of trading” as used in FINRA rules with respect to NMS stocks to the new definition of “round lot” as adopted by the Commission in Regulation NMS.

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

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change conforms FINRA rules to requirements established under Regulation NMS.

Economic Impact Assessment

FINRA has undertaken an economic impact assessment, as set forth below, to analyze the potential economic impacts of the proposed rule change, including anticipated costs, benefits, and distributional and competitive effects, relative to current baseline.

¹² 15 U.S.C. 78q-3(b)(11).

Regulatory Need

The proposed rule change would conform FINRA rules with amendments to the definition of “round lot” under Rule 600(b)(93) of Regulation NMS, minimizing potential confusion and helping industry participants implement the SEC’s new definition of “round lot.”

Economic Baseline

The economic baseline for the proposed rule change consists of current FINRA Rules 5220, 5320, 6220, 6272, 6279, 6320A, 6320B, and 7620A, as well as the amendments to Rule 600 of Regulation NMS adopted by the SEC.

Economic Impacts

The proposed changes to FINRA rules conform the term “normal unit of trading” as used in FINRA rules with respect to NMS stocks to the new definition of “round lot” as adopted by the SEC in Regulation NMS. The proposed changes do not impose any burdens on industry beyond those that industry must incur to implement the SEC’s final rules pertaining to the new definition.

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

FINRA has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act¹³ and Rule 19b-4(f)(6) thereunder.¹⁴ Because the 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 prior to 30 days from the date on which it was

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6).

filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁵ and Rule 19b-4(f)(6)(iii) thereunder.¹⁶

A proposed rule change filed under Rule 19b-4(f)(6)¹⁷ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁸ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. FINRA has asked the Commission to waive the 30-day operative delay so that FINRA can implement the proposed rule change immediately and conform its rules with current federal securities laws and regulations, particularly Rule 600(b)(93) of Regulation NMS, which took effect in November 2025.¹⁹ For these reasons, and because the proposed rule change does not raise any new or novel regulatory issues, the Commission finds that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.²⁰

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

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. FINRA has satisfied this requirement.

¹⁷ 17 CFR 240.19b-4(f)(6).

¹⁸ 17 CFR 240.19b-4(f)(6)(iii).

¹⁹ See supra note 7.

²⁰ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings under Section 19(b)(2)(B)²¹ of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-FINRA-2025-015 on the subject line.

Paper Comments:

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

All submissions should refer to file number SR-FINRA-2025-015. This file number should be included on the subject line if email 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 (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of FINRA. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold

²¹ 15 U.S.C. 78s(b)(2)(B).

entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-FINRA-2025-015 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²²

Sherry R. Haywood,

Assistant Secretary.

²² 17 CFR 200.30-3(a)(12), (59).