

SEC Approves New Consolidated FINRA Rules

FINRA Announces SEC Approval and Effective Date for New Consolidated FINRA Rules

Effective Date: December 15, 2008

Executive Summary

Following the consolidation of NASD and NYSE Regulation into FINRA, FINRA established a process to develop a new consolidated rulebook (Consolidated FINRA Rulebook), which FINRA has discussed in previous *Information Notices*.¹ In recent months, FINRA began proposing new consolidated rules in phases for approval by the SEC as part of the Consolidated FINRA Rulebook.² The first phase of new consolidated FINRA Rules, approved by the SEC in August and September 2008, will take effect on December 15, 2008.

Questions regarding this *Notice* should be directed to Adam H. Arkel, Assistant General Counsel, Office of General Counsel (OGC), at (202) 728-6961; or Matthew E. Vitek, Counsel, OGC, at (202) 728-8156.

October 2008

Notice Type

- Rule Approvals
- Consolidated Rulebook

Suggested Routing

- Compliance
- Legal
- Senior Management

Key Topic(s)

- FINRA Manual
- Rulebook Consolidation
- Effective Dates of Consolidated Rules

Referenced Rules & Notices

- Information Notice 03/12/08
- Information Notice 10/06/08
- FINRA Rule 0100 Series
- FINRA Rule 2010
- FINRA Rule 2020
- FINRA Rule 2070
- FINRA Rule 3130
- FINRA Rule 3220
- FINRA Rule 4560
- FINRA Rule 5110
- FINRA Rule 5130
- FINRA Rule 5150
- FINRA Rule 5190
- FINRA Rule 6000 through 7000 Series
- FINRA Rule 6121
- FINRA Rule 6470
- FINRA Rule 8000 Series
- FINRA Rule 9000 Series
- FINRA Rule 10000, 12000, 13000 and 14000 Series
- NASD IM-1013-1



Discussion

In August and September 2008, the SEC approved the following FINRA Rules and/or Rules Series for adoption as part of the Consolidated FINRA Rulebook:³

- Rule 0100 Series (General Standards);
- Rule 2010 (Standards of Commercial Honor and Principles of Trade);
- Rule 2020 (Use of Manipulative, Deceptive or Other Fraudulent Devices);
- Rule 2070 (Transactions Involving FINRA Employees);
- Rule 3130 (Annual Certification of Compliance and Supervisory Processes);
- Rule 3220 (Influencing or Rewarding Employees of Others);
- Rule 4560 (Short-Interest Reporting);
- Rule 5110 (Corporate Financing Rule – Underwriting Terms and Arrangements);
- Rule 5130 (Restrictions on the Purchase and Sale of Initial Public Equity Offerings);
- Rule 5150 (Fairness Opinions);
- Rule 5190 (Notification Requirements for Offering Participants);
- Rule 6121 (Trading Halts Due to Extraordinary Market Volatility);⁴
- Rule 6470 (Withdrawal of Quotations in an OTC Equity Security in Compliance with SEC Regulation M);
- Rule 6000 through 7000 Series (generally involving regulatory requirements and fees for quoting, trading, reporting, clearing and comparing over-the-counter transactions);
- Rule 8000 Series (Investigations and Sanctions);
- Rule 9000 Series (Code of Procedure); and
- Rule 10000, 12000, 13000 and 14000 Series (involving Dispute Resolution procedures).

The Attachment to this *Notice* sets forth a detailed list of the new consolidated rules recently approved by the SEC. In the Attachment, the new rules are grouped by the rule filing that FINRA submitted to the SEC in connection with the rule change. The hyperlink to each rule filing is included. The filings provide, among other things, FINRA's statement of the purpose of the rule changes and, where applicable, exhibits showing the changes between the new rule text and the text of the NASD and/or Incorporated NYSE Rules as they exist in the Transitional Rulebook. Also, the text of the new FINRA Rules is available in the online *FINRA Manual* at www.finra.org/finramanual.⁵

The Attachment to this *Notice* further summarizes two additional rule filings relating to the Consolidated FINRA Rulebook approved by the SEC in September 2008. The first addresses the applicability of the new consolidated FINRA Rules to member firms of the NYSE that become members of FINRA pursuant to the membership waive-in process set forth in NASD IM-1013-1 (Membership Waive-In Process for Certain New York Stock Exchange Member Organizations) (such firms are referred to as Waive-In Firms).⁶ The second addresses FINRA's repeal of NASD Rule 1130 (Reliance on Current Membership List) and Incorporated NYSE Rules 405A (Non-Managed Fee-Based Account Programs – Disclosure and Monitoring), 440F (Public Short Sale Transactions Effected on the Exchange), 440G (Transactions in Stocks and Warrants for the Accounts of Members, Allied Members and Member Organizations) and 477 (Retention of Jurisdiction – Failure to Cooperate) as part of the process of developing the Consolidated FINRA Rulebook.⁷ The effective date of the rule changes set forth in these two filings is December 15, 2008.

Rule Conversion Chart

As an additional resource for member firms and the public, FINRA has created a Rule Conversion Chart on FINRA's Web site designed to help enhance familiarity with the new rules and show how the new rules relate to the NASD and/or Incorporated NYSE Rules in the Transitional Rulebook that they will replace.

The chart shows how rules from the Transitional Rulebook were either incorporated into the Consolidated FINRA Rulebook (by providing the corresponding new FINRA rule number and related rule filing number), or shows that the substance of the relevant rules from the Transitional Rulebook was not incorporated into the Consolidated FINRA Rulebook. *Member firms should be aware that the chart is intended as a reference aid only.* Throughout the rulebook consolidation process, member firms should further note that as rules are incorporated into the Consolidated FINRA Rulebook, there frequently will be revisions to existing rule language and changes to the rules' subject matter coverage. Accordingly, the language of the new consolidated rules often will not exactly match the language and coverage of the rules as they exist in the Transitional Rulebook. In some instances, the rules as they exist in the Transitional Rulebook will have been completely rewritten for purposes of the consolidation. Accordingly, FINRA reminds member firms that the chart does not in any way serve as a substitute for diligent review of the relevant new rule language. The Rule Conversion Chart is located at www.finra.org/ruleconversionchart.

Endnotes

- 1 See *Information Notice 10/06/08 (Rulebook Consolidation Process: Effective Dates of New Consolidated Rules; Introduction of Rule Conversion Chart)*; see also *Information Notice 03/12/08 (Rulebook Consolidation Process)*.
- 2 The current FINRA rulebook includes (1) NASD Rules and (2) rules incorporated from NYSE (Incorporated NYSE Rules) (together, the NASD Rules and Incorporated NYSE Rules are referred to as the Transitional Rulebook). While the NASD Rules generally apply to all FINRA members, the Incorporated NYSE Rules apply only to those members of FINRA that are also members of the NYSE (Dual Members). The new FINRA Rules will apply to all member firms, unless such rules have a more limited application by their terms. As the Consolidated FINRA Rulebook expands with the SEC's approval and with the new FINRA Rules taking effect, the rules in the Transitional Rulebook that address the same subject matter of regulation will be eliminated. When the Consolidated FINRA Rulebook is completed, the Transitional Rulebook will have been eliminated in its entirety.
- 3 See Exchange Act Release No. 58421 (August 25, 2008), 73 FR 51032 (August 29, 2008) (Order Approving Proposed Rule Change; File No. SR-FINRA-2008-025); Exchange Act Release No. 58461 (September 4, 2008), 73 FR 52710 (September 10, 2008) (Order Approving Proposed Rule Change; File No. SR-FINRA-2008-033); Exchange Act Release No. 58514 (September 11, 2008), 73 FR 54190 (September 18, 2008) (Order Approving Proposed Rule Change; SR-FINRA-2008-039); Exchange Act Release No. 58643 (September 25, 2008), 73 FR 57174 (October 1, 2008) (Order Approving Proposed Rule Change; File Nos. SR-FINRA-2008-021; SR-FINRA-2008-022; SR-FINRA-2008-026; SR-FINRA-2008-028 and SR-FINRA-2008-029); Exchange Act Release No. 58660 (September 26, 2008), 73 FR 57393 (October 2, 2008) (Order Approving Proposed Rule Change; File No. SR-FINRA-2008-027); Exchange Act Release No. 58661 (September 26, 2008), 73 FR 57395 (October 2, 2008) (Order Approving Proposed Rule Change; File No. SR-FINRA-2008-030).
- 4 See Attachment endnote 1.
- 5 FINRA updates the rule text in its online *Manual* within two business days of SEC approval of changes to the rule text.
- 6 See Exchange Act Release No. 58643 (September 25, 2008), 73 FR 57174 (October 1, 2008) (Order Approving Proposed Rule Change; File No. SR-FINRA-2008-022).
- 7 See Exchange Act Release No. 58643 (September 25, 2008), 73 FR 57174 (October 1, 2008) (Order Approving Proposed Rule Change; File No. SR-FINRA-2008-029).

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Attachment: List of Approved FINRA Rules (and Related Rule Filings)

The SEC approved the following new FINRA Rules in August and September 2008. The effective date of these rules is December 15, 2008. The new rules are grouped by the rule filing that FINRA submitted to the SEC in connection with the rule change. The hyperlink to each of the rule filings is included.

FINRA Rule Filing SR-FINRA-2008-021

www.finra.org/Industry/Regulation/RuleFilings/2008/P038544

The rule change transfers from the Transitional Rulebook to the Consolidated FINRA Rulebook the NASD Rule 4000 through 14000 Series, with the exception of the Rule 11000 Series (Uniform Practice Code). The NASD Rule 4000 through 7000 Series generally involve regulatory requirements and fees for quoting, trading, reporting, clearing and comparing over-the-counter transactions. The NASD Rule 8000 Series involves investigations and sanctions. The NASD Rule 9000 Series involves disciplinary procedures. The NASD Rule 10000, 12000, 13000 and 14000 Series involve Dispute Resolution (arbitration and mediation) procedures. The rule change adopts these rule series in their entirety as FINRA Rules as part of the Consolidated FINRA Rulebook, with certain non-material changes. The new rules occupy the Rule 6000 through 10000 Series and the Rule 12000 through 14000 Series in the Consolidated FINRA Rulebook as set forth in the tables below.

I. Rule 6000 Series – Quotation and Transaction Reporting Facilities

A. Rule 6100 Series – Quoting and Trading in NMS Stocks

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 6110	Trading Otherwise than on an Exchange
Rule 6120	Trading Halts
Rule 6121	Trading Halts Due to Extraordinary Market Volatility ¹
Rule 6130	Transactions Related to Initial Public Offerings
Rule 6140	Other Trading Practices
Rule 6150	Obligation to Provide Information
Rule 6160	Multiple MPIDs for Trade Reporting Facility Participants
Rule 6170	Primary and Additional MPIDs for Alternative Display Facility Participants
Rule 6180 Series	Transaction Reporting
Rule 6181	Timely Transaction Reporting
Rule 6182	Trade Reporting of Short Sales
Rule 6183	Exemption from SEC Regulation NMS-Related Trade Reporting Requirements

B. Rule 6200 Series – Alternative Display Facility

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 6210	General
Rule 6220	Definitions
Rule 6230	Use of Alternative Display Facility Data Systems
Rule 6240	Prohibition from Locking or Crossing Quotations in NMS Stocks
Rule 6250	Quote and Order Access Requirements
Rule 6260	Review of Direct or Indirect Access Complaints
Rule 6270 Series	Quoting and Trading in ADF-Eligible Securities
Rule 6271	Registration as an ADF Market Maker or ADF ECN
Rule 6272	Character of Quotations
Rule 6273	Normal Business Hours
Rule 6274	Clearance and Settlement
Rule 6275	Withdrawal of Quotations
Rule 6276	Voluntary Termination of Registration
Rule 6277	Suspension and Termination of Quotations by FINRA Action
Rule 6278	Termination of Alternative Display Facility Data System Service
Rule 6279	Alternative Trading Systems
Rule 6280 Series	Transaction Reporting
Rule 6281	Reporting Transactions in ADF-Eligible Securities
Rule 6282	Transactions Reported by Members to TRACS

C. Rule 6300 Series – Trade Reporting Facilities

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 6300A Series	FINRA/NASDAQ Trade Reporting Facility
Rule 6310A	General
Rule 6320A	Definitions
Rule 6330A	Use of FINRA/Nasdaq Trade Reporting Facility on a Test Basis
Rule 6340A	Reports
Rule 6350A	Clearance and Settlement
Rule 6360A	Suspension and Termination by FINRA Action
Rule 6370A	Termination of FINRA/Nasdaq Trade Reporting Facility Service
Rule 6380A	Transaction Reporting

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 6300B Series FINRA/NSX Trade Reporting Facility	
Rule 6310B	General
Rule 6320B	Definitions
Rule 6330B	Use of FINRA/NSX Trade Reporting Facility on a Test Basis
Rule 6340B	Reports
Rule 6350B	Clearance and Settlement
Rule 6360B	Suspension and Termination by FINRA Action
Rule 6370B	Termination of FINRA/NSX Trade Reporting Facility Service
Rule 6380B	Transaction Reporting
Rule 6300C Series FINRA/NYSE Trade Reporting Facility	
Rule 6310C	General
Rule 6320C	Definitions
Rule 6330C	Use of FINRA/NYSE Trade Reporting Facility on a Test Basis
Rule 6340C	Reports
Rule 6350C	Clearance and Settlement
Rule 6360C	Suspension and Termination by FINRA Action
Rule 6370C	Termination of FINRA/NYSE Trade Reporting Facility Service
Rule 6380C	Transaction Reporting

D. Rule 6400 Series – Quoting and Trading in OTC Equity Securities

<i>Rule No.</i>	<i>Rule Title</i>
Rule 6410	General
Rule 6420	Definitions
Rule 6430	Recording of Quotation Information
Rule 6440	Submission of SEA Rule 15c2-11 Information on Non-Exchange-Listed Securities
Rule 6450	Minimum Quotation Size Requirements For OTC Equity Securities
Rule 6460	Trading and Quotation Halt in OTC Equity Securities

E. Rule 6500 Series – OTC Bulletin Board® Service

<i>Rule No.</i>	<i>Rule Title</i>
Rule 6510	Applicability
Rule 6520	Operation of the Service
Rule 6530	OTCBB-Eligible Securities
Rule 6540	Requirements Applicable to Market Makers
Rule 6550	Transaction Reporting
Rule 6560	Limit Order Protection ²

F. Rule 6600 Series – OTC Reporting Facility

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 6610	General
Rule 6620 Series	Reporting Transactions in OTC Equity Securities
Rule 6621	Definitions
Rule 6622	Transaction Reporting
Rule 6623	Timely Transaction Reporting
Rule 6624	Trade Reporting of Short Sales
Rule 6630 Series	Reporting Transactions in PORTAL® Securities
Rule 6631	Definitions
Rule 6632	Limitations on Transactions in PORTAL Securities
Rule 6633	Reporting Debt and Equity Transactions in PORTAL Securities
Rule 6634	Arbitration
Rule 6635	FINRA Rules
Rule 6640 Series	Reporting Transactions in Direct Participation Program Securities
Rule 6641	General
Rule 6642	Definitions
Rule 6643	Transaction Reporting

G. Rule 6700 Series – Trade Reporting and Compliance Engine (TRACE)

<i>Rule No.</i>	<i>Rule Title</i>
Rule 6710	Definitions
Rule 6720	Participation in TRACE
Rule 6730	Transaction Reporting
Rule 6740	Termination of TRACE Service
Rule 6750	Dissemination of Transaction Information
Rule 6760	Managing Underwriter or Group of Underwriters Obligation To Obtain CUSIP and Provide Notice

II. Rule 7000 Series – Clearing, Transaction and Order Data Requirements, and Facility Charges**A. Rule 7100 Series – Alternative Display Facility/TRACS**

<i>Rule No.</i>	<i>Rule Title</i>
Rule 7110	Definitions
Rule 7120	Participation in TRACS Trade Comparison Feature by Participants in the Alternative Display Facility
Rule 7130	Trade Report Input
Rule 7140	TRACS Processing
Rule 7150	Obligation to Honor Trades
Rule 7160	Audit Trail Requirements
Rule 7170	Termination of TRACS Service

B. Rule 7200 Series – Trade Reporting Facilities

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 7200A Series FINRA/NASDAQ Trade Reporting Facility	
Rule 7210A	Definitions
Rule 7220A	Trade Reporting Participation Requirements
Rule 7230A	Trade Report Input
Rule 7240A	Trade Report Processing
Rule 7250A	Obligation to Honor Trades
Rule 7260A	Audit Trail Requirements
Rule 7270A	Violation of Reporting Rules
Rule 7280A	Termination of Access

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 7200B Series FINRA/NSX Trade Reporting Facility	
Rule 7210B	Definitions
Rule 7220B	Trade Reporting Participation Requirements
Rule 7230B	Trade Report Input
Rule 7240B	Trade Report Processing
Rule 7250B	Obligation to Honor Trades
Rule 7260B	Audit Trail Requirements
Rule 7270B	Violation of Reporting Rules
Rule 7280B	Termination of Access
Rule 7200C Series FINRA/NYSE Trade Reporting Facility	
Rule 7210C	Definitions
Rule 7220C	Trade Reporting Participation Requirements
Rule 7230C	Trade Report Input
Rule 7240C	Trade Report Processing
Rule 7250C	Obligation to Honor Trades
Rule 7260C	Audit Trail Requirements
Rule 7270C	Violation of Reporting Rules
Rule 7280C	Termination of Access

C. Rule 7300 Series – OTC Reporting Facility

<i>Rule No.</i>	<i>Rule Title</i>
Rule 7310	Definitions
Rule 7320	Trade Reporting Participation Requirements
Rule 7330	Trade Report Input
Rule 7340	Trade Report Processing
Rule 7350	Obligation to Honor Trades
Rule 7360	Audit Trail Requirements
Rule 7370	Violation of Reporting Rules
Rule 7380	Termination of Access

D. Rule 7400 Series – Order Audit Trail System

<i>Rule No.</i>	<i>Rule Title</i>
Rule 7410	Definitions
Rule 7420	Applicability
Rule 7430	Synchronization of Member Business Clocks
Rule 7440	Recording of Order Information
Rule 7450	Order Data Transmission Requirements
Rule 7460	Violation of Order Audit Trail System Rules
Rule 7470	Exemption to the Order Recording and Data Transmission Requirements

E. Rule 7500 Series – Charges for Alternative Display Facility Services and Equipment

<i>Rule No.</i>	<i>Rule Title</i>
Rule 7510	System Services
Rule 7520	Equipment Related Charges
Rule 7530	Installation, Removal, Relocation or Maintenance
Rule 7540	Other Services
Rule 7550	Partial Month Charges
Rule 7560	Late Fees
Rule 7570	Minor Modifications in Charges

F. Rule 7600 Series – Charges for Trade Reporting Facility Services

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 7600A Series Charges for FINRA/NASDAQ Trade Reporting Facility Services	
Rule 7610A	Securities Transaction Credit
Rule 7620A	FINRA/Nasdaq Trade Reporting Facility Reporting Fees
Rule 7630A	Aggregation of Activity of Affiliated Members
Rule 7640A	Late Fees
Rule 7600B Series Charges for FINRA/NSX Trade Reporting Facility Services	
Rule 7610B	Securities Transaction Credits ³
Rule 7620B	FINRA/NSX Trade Reporting Facility Reporting Fees
Rule 7630B	Fee for Submission of Non-Media Reports

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
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Rule 7600C Series	Charges for FINRA/NYSE Trade Reporting Facility Services
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Rule 7610C	Securities Transaction Credit
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Rule 7620C	FINRA/NYSE Trade Reporting Facility Reporting Fees
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G. Rule 7700 Series – Charges for OTC Reporting Facility, OTC Bulletin Board and Trade Reporting and Compliance Engine Services

<i>Rule No.</i>	<i>Rule Title</i>
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Rule 7710	OTC Reporting Facility
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Rule 7720	OTC Bulletin Board Service
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Rule 7730	Trade Reporting and Compliance Engine (TRACE)
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Rule 7740	Historical Research and Administrative Reports
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III. Rule 8000 Series – Investigations and Sanctions

A. Rule 8100 Series – General Provisions

<i>Rule No.</i>	<i>Rule Title</i>
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Rule 8110	Availability of Manual to Customers
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Rule 8120	Definitions
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B. Rule 8200 Series – Investigations

<i>Rule No.</i>	<i>Rule Title</i>
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Rule 8210	Provision of Information and Testimony and Inspection and Copying of Books
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Rule 8211	Automated Submission of Trading Data Requested by FINRA
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Rule 8213	Automated Submission of Trading Data for Non-Exchange-Listed Securities Requested by FINRA
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C. Rule 8300 Series – Sanctions

<i>Rule No.</i>	<i>Rule Title</i>
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Rule 8310	Sanctions for Violation of the Rules
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Rule 8311	Effect of a Suspension, Revocation, Cancellation, or Bar
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Rule 8312	FINRA BrokerCheck Disclosure
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Rule 8313	Release of Disciplinary Complaints, Decisions and Other Information
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Rule 8320	Payment of Fines, Other Monetary Sanctions, or Costs; Summary Action for Failure to Pay
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Rule 8330	Costs of Proceedings
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IV. Rule 9000 Series – Code of Procedure

A. Rule 9100 Series – Application and Purpose

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 9110	Application
Rule 9120	Definitions
Rule 9130 Series	Service; Filing of Papers
Rule 9131	Service of Complaint and Document Initiating a Proceeding
Rule 9132	Service of Orders, Notices, and Decisions by Adjudicator
Rule 9133	Service of Papers Other Than Complaints, Orders, Notices, or Decisions
Rule 9134	Methods of, Procedures for Service
Rule 9135	Filing of Papers with Adjudicator: Procedure
Rule 9136	Filing of Papers: Form
Rule 9137	Filing of Papers: Signature Requirement and Effect
Rule 9138	Computation of Time
Rule 9140 Series	Proceedings
Rule 9141	Appearance and Practice; Notice of Appearance
Rule 9142	Withdrawal by Attorney or Representative
Rule 9143	Ex Parte Communications
Rule 9144	Separation of Functions
Rule 9145	Rules of Evidence; Official Notice
Rule 9146	Motions
Rule 9147	Rulings on Procedural Matters
Rule 9148	Interlocutory Review
Rule 9150	Exclusion From Rule 9000 Series Proceeding
Rule 9160	Recusal or Disqualification

B. Rule 9200 Series – Disciplinary Proceedings

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 9210 Series	Complaint and Answer
Rule 9211	Authorization of Complaint
Rule 9212	Complaint Issuance – Requirements, Service, Amendment, Withdrawal, and Docketing
Rule 9213	Assignment of Hearing Officer and Appointment of Panelists to Hearing Panel or Extended Hearing Panel
Rule 9214	Consolidation or Severance of Disciplinary Proceedings
Rule 9215	Answer to Complaint
Rule 9216	Acceptance, Waiver, and Consent; Plan Pursuant to SEA Rule 19d-1(c)(2)
Rule 9217	Violations Appropriate for Disposition Under Plan Pursuant to SEA Rule 19d-1(c)(2)
Rule 9220 Series	Request for Hearing; Extensions of Time, Postponements, Adjournments
Rule 9221	Request for Hearing
Rule 9222	Extensions of Time, Postponements, and Adjournments
Rule 9230 Series	Appointment of Hearing Panel, Extended Hearing Panel
Rule 9231	Appointment by the Chief Hearing Officer of Hearing Panel or Extended Hearing Panel or Replacement Hearing Officer
Rule 9232	Criteria for Selection of Panelists and Replacement Panelists
Rule 9233	Hearing Panel or Extended Hearing Panel: Recusal and Disqualification of Hearing Officers
Rule 9234	Hearing Panel or Extended Hearing Panel: Recusal and Disqualification of Panelists
Rule 9235	Hearing Officer Authority
Rule 9240 Series	Pre-hearing Conference and Submission
Rule 9241	Pre-hearing Conference
Rule 9242	Pre-hearing Submission
Rule 9250 Series	Discovery
Rule 9251	Inspection and Copying of Documents in Possession of Staff
Rule 9252	Requests for Information
Rule 9253	Production of Witness Statements

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 9260 Series	Hearing and Decision
Rule 9261	Evidence and Procedure in Hearing
Rule 9262	Testimony
Rule 9263	Evidence: Admissibility
Rule 9264	Motion for Summary Disposition
Rule 9265	Record of Hearing
Rule 9266	Proposed Findings of Fact, Conclusions of Law, and Post-Hearing Briefs
Rule 9267	Record; Supplemental Documents Attached to Record; Retention
Rule 9268	Decision of Hearing Panel or Extended Hearing Panel
Rule 9269	Default Decisions
Rule 9270	Settlement Procedure
Rule 9280	Contemptuous Conduct
Rule 9290	Expedited Disciplinary Proceedings

C. Rule 9300 Series – Review of Disciplinary Proceeding by National Adjudicatory Council and FINRA Board; Application for SEC Review

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 9310 Series	Appeal to or Review by National Adjudicatory Council
Rule 9311	Appeal by Any Party; Cross-Appeal
Rule 9312	Review Proceeding Initiated By Adjudicatory Council
Rule 9313	Counsel to National Adjudicatory Council
Rule 9320 Series	Transmission of Record; Extensions of Time, Postponements, Adjournments
Rule 9321	Transmission of Record
Rule 9322	Extensions of Time, Postponements, Adjournments
Rule 9330 Series	Appointment of Subcommittee or Extended Proceeding Committee; Disqualification and Recusal
Rule 9331	Appointment of Subcommittee or Extended Proceeding Committee
Rule 9332	Disqualification and Recusal

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 9340 Series	Proceedings
Rule 9341	Oral Argument
Rule 9342	Failure to Appear at Oral Argument
Rule 9343	Disposition Without Oral Argument
Rule 9344	Failure to Participate Below; Abandonment of Appeal
Rule 9345	Subcommittee or Extended Proceeding Committee Recommended Decision to National Adjudicatory Council
Rule 9346	Evidence in National Adjudicatory Council Proceedings
Rule 9347	Filing of Papers in National Adjudicatory Council Proceedings
Rule 9348	Powers of the National Adjudicatory Council on Review
Rule 9349	National Adjudicatory Council Formal Consideration; Decision
Rule 9350 Series	Discretionary Review by FINRA Board
Rule 9351	Discretionary Review by FINRA Board
Rule 9360	Effectiveness of Sanctions
Rule 9370	Application to SEC for Review

D. Rule 9500 Series – Other Proceedings

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 9520 Series	Eligibility Proceedings
Rule 9521	Purpose and Definitions
Rule 9522	Initiation of Eligibility Proceeding; Member Regulation Consideration
Rule 9523	Acceptance of Member Regulation Recommendations and Supervisory Plans by Consent Pursuant to SEA Rule 19h-1
Rule 9524	National Adjudicatory Council Consideration
Rule 9525	Discretionary Review by the FINRA Board
Rule 9526	Expedited Review
Rule 9527	Application to SEC for Review

<i>Rule/Series No.</i>	<i>Rule/Series Title</i>
Rule 9550 Series	Expedited Proceedings
Rule 9551	Failure to Comply with Public Communication Standards
Rule 9552	Failure to Provide Information or Keep Information Current
Rule 9553	Failure to Pay FINRA Dues, Fees and Other Charges
Rule 9554	Failure to Comply with an Arbitration Award or Related Settlement
Rule 9555	Failure to Meet the Eligibility or Qualification Standards or Prerequisites for Access to Services
Rule 9556	Failure to Comply with Temporary and Permanent Cease and Desist Orders
Rule 9557	Procedures for Regulating Activities Under NASD Rules 3130 and 3131 Regarding a Member Experiencing Financial or Operational Difficulties
Rule 9558	Summary Proceedings for Actions Authorized by Section 15A(h)(3) of the Exchange Act
Rule 9559	Hearing Procedures for Expedited Proceedings Under the Rule 9550 Series

E. Rule 9600 Series – Procedures for Exemptions

<i>Rule No.</i>	<i>Rule Title</i>
Rule 9610	Application
Rule 9620	Decision
Rule 9630	Appeal

F. Rule 9700 Series – Procedures on Grievances Concerning the Automated Systems

<i>Rule No.</i>	<i>Rule Title</i>
Rule 9710	Purpose
Rule 9720	Form of Application
Rule 9730	Request for Hearing
Rule 9740	Consideration of Applications
Rule 9750	Decision
Rule 9760	Call for Review by the National Adjudicatory Council
Rule 9770	Application to SEC for Review

G. Rule 9800 Series – Temporary Cease and Desist Orders

<i>Rule No.</i>	<i>Rule Title</i>
Rule 9810	Initiation of Proceeding
Rule 9820	Appointment of Hearing Officer and Hearing Panel
Rule 9830	Hearing
Rule 9840	Issuance of Temporary Cease and Desist Order by Hearing Panel
Rule 9850	Review by Hearing Panel
Rule 9860	Violation of Temporary Cease and Desist Orders
Rule 9870	Application to SEC for Review

V. Rule 10000 Series – Code of Arbitration Procedure**A. Rule 10100 Series – Administrative Provisions**

<i>Rule No.</i>	<i>Rule Title</i>
IM-10100	Failure to Act Under Provisions of Code of Arbitration Procedure
Rule 10101	Matters Eligible for Submission
Rule 10102	National Arbitration and Mediation Committee
Rule 10103	Director of Arbitration
Rule 10104	Composition and Appointment of Panels
IM-10104	Arbitrators' Honorarium
Rule 10105	Non-Waiver of FINRA Objects and Purposes
Rule 10106	Legal Proceedings

B. Rule 10200 Series – Industry and Clearing Controversies

<i>Rule No.</i>	<i>Rule Title</i>
Rule 10201	Required Submission
Rule 10202	Composition of Panels
Rule 10203	Simplified Industry Arbitration
Rule 10204	Applicability of Uniform Code
Rule 10205	Schedule of Fees for Industry and Clearing Controversies
Rule 10210	Statutory Employment Discrimination Claims
Rule 10211	Special Arbitrator Qualifications for Employment Discrimination Disputes

<i>Rule No.</i>	<i>Rule Title</i>
Rule 10212	Composition of Panels
Rule 10213	Discovery
Rule 10214	Awards
Rule 10215	Attorneys' Fees
Rule 10216	Coordination of Claims Filed in Court and in Arbitration
Rule 10217	Fees

C. Rule 10300 Series – Uniform Code of Arbitration

<i>Rule No.</i>	<i>Rule Title</i>
Rule 10301	Required Submission
Rule 10302	Simplified Arbitration
IM-10302	Related Counterclaim
Rule 10303	Hearing Requirements – Waiver of Hearing
Rule 10304	Time Limitation Upon Submission
Rule 10305	Dismissal of Proceedings
Rule 10306	Settlements
Rule 10307	Tolling of Time Limitation(s) for the Institution of Legal Proceedings and Extension of Time Limitation(s) for Submission to Arbitration
Rule 10308	Selection of Arbitrators
IM-10308	Arbitrators Who Also Serve as Mediators
Rule 10309	Composition of Panels
Rule 10310	Notice of Selection of Arbitrators
Rule 10311	Peremptory Challenge
Rule 10312	Disclosures Required of Arbitrators and Director's Authority to Disqualify
Rule 10313	Disqualification or Other Disability of Arbitrators
Rule 10314	Initiation of Proceedings
Rule 10315	Determination of Hearing Location
Rule 10316	Representation by Counsel
Rule 10317	Attendance at Hearings
IM-10317	Closing Arguments
Rule 10318	Failure to Appear

<i>Rule No.</i>	<i>Rule Title</i>
Rule 10319	Adjournments
Rule 10320	Acknowledgement of Pleadings
Rule 10321	General Provisions Governing Pre-Hearing Proceedings
Rule 10322	Subpoenas and Power to Direct Appearances
Rule 10323	Evidence
Rule 10324	Interpretation of Provisions of Code and Enforcement of Arbitrator Rulings
Rule 10325	Determination of Arbitrators
Rule 10326	Record of Proceedings
Rule 10327	Oaths of the Arbitrators and Witnesses
Rule 10328	Amendments
Rule 10329	Reopening of Hearings
Rule 10330	Awards
Rule 10331	Incorporation by Reference
Rule 10332	Schedule of Fees for Customer Disputes
Rule 10333	Member Surcharge and Process Fees
Rule 10334	Direct Communication Between Parties and Arbitrators
Rule 10335	Temporary Injunctive Orders; Requests for Permanent Injunctive Relief

VI. Rule 12000 Series – Code of Arbitration Procedure for Customer Disputes

A. Part I – Interpretive Material, Definitions, Organization and Authority

<i>Rule No.</i>	<i>Rule Title</i>
IM-12000	Failure to Act Under Provisions of Code of Arbitration Procedure for Customer Disputes
Rule 12100	Definitions
Rule 12101	Applicability of Code and Incorporation by Reference
Rule 12102	National Arbitration and Mediation Committee
Rule 12103	Director of Dispute Resolution
Rule 12104	Effect of Arbitration on FINRA Regulatory Activities
Rule 12105	Agreement of the Parties

B. Part II – General Arbitration Rules

<i>Rule No.</i>	<i>Rule Title</i>
Rule 12200	Arbitration Under an Arbitration Agreement or the Rules of FINRA
Rule 12201	Elective Arbitration
Rule 12202	Claims Against Inactive Members
Rule 12203	Denial of FINRA Forum
Rule 12204	Class Action Claims
Rule 12205	Shareholder Derivative Actions
Rule 12206	Time Limits
Rule 12207	Extension of Deadlines
Rule 12208	Representation of Parties
Rule 12209	Legal Proceedings
Rule 12210	Ex Parte Communications
Rule 12211	Direct Communications Between Parties and Arbitrators
Rule 12212	Sanctions
Rule 12213	Hearing Locations
Rule 12214	Payment of Arbitrators

C. Part III – Initiating and Responding to Claims

<i>Rule No.</i>	<i>Rule Title</i>
Rule 12300	Filing and Serving Documents
Rule 12301	Service on Associated Persons
Rule 12302	Filing an Initial Statement of Claim
Rule 12303	Answering the Statement of Claim
Rule 12304	Answering Counterclaims
Rule 12305	Answering Cross Claims
Rule 12306	Answering Third Party Claims
Rule 12307	Deficient Claims
Rule 12308	Loss of Defenses Due to Untimely or Incomplete Answer
Rule 12309	Amending Pleadings
Rule 12310	Answering Amended Claims
Rule 12311	Amendments to Amount in Dispute
Rule 12312	Multiple Claimants
Rule 12313	Multiple Respondents
Rule 12314	Combining Claims

D. Part IV – Appointment, Disqualification, and Authority of Arbitrators

<i>Rule No.</i>	<i>Rule Title</i>
Rule 12400	Neutral List Selection System and Arbitrator Rosters
Rule 12401	Number of Arbitrators
Rule 12402	Composition of Arbitration Panels
Rule 12403	Generating and Sending Lists to the Parties
Rule 12404	Striking and Ranking Arbitrators
Rule 12405	Combining Lists
Rule 12406	Appointment of Arbitrators; Discretion to Appoint Arbitrators Not on List
Rule 12407	Additional Parties
Rule 12408	Disclosures Required of Arbitrators
Rule 12409	Arbitrator Recusal
Rule 12410	Removal of Arbitrator by Director
Rule 12411	Replacement of Arbitrators
Rule 12412	Director's Discretionary Authority
Rule 12413	Jurisdiction of Panel and Authority to Interpret the Code
Rule 12414	Determinations of Arbitration Panel

E. Part V – Prehearing Procedures and Discovery

<i>Rule No.</i>	<i>Rule Title</i>
Rule 12500	Initial Prehearing Conference
Rule 12501	Other Prehearing Conferences
Rule 12502	Recording Prehearing Conferences
Rule 12503	Motions
Rule 12505	Cooperation of Parties in Discovery
Rule 12506	Document Production Lists
Rule 12507	Other Discovery Requests
Rule 12508	Objecting to Discovery; Waiver of Objection
Rule 12509	Motions to Compel Discovery
Rule 12510	Depositions
Rule 12511	Discovery Sanctions
Rule 12512	Subpoenas
Rule 12513	Authority of Panel to Direct Appearances of Associated Person Witnesses and Production of Documents Without Subpoenas
Rule 12514	Exchange of Documents and Witness Lists Before Hearing

F. Part VI – Hearings; Evidence; Closing the Record

<i>Rule No.</i>	<i>Rule Title</i>
Rule 12600	Required Hearings
Rule 12601	Postponement of Hearings
Rule 12602	Attendance at Hearings
Rule 12603	Failure to Appear
Rule 12604	Evidence
Rule 12605	Witness Oath
Rule 12606	Record of Proceedings
Rule 12607	Order of Presentation of Evidence and Arguments
Rule 12608	Closing the Record
Rule 12609	Reopening the Record

G. Part VII – Termination of an Arbitration Before Award

<i>Rule No.</i>	<i>Rule Title</i>
Rule 12700	Dismissal of Proceedings Prior to Award
Rule 12701	Settlement
Rule 12702	Withdrawal of Claims

H. Part VIII – Simplified Arbitration and Default Proceedings

<i>Rule No.</i>	<i>Rule Title</i>
Rule 12800	Simplified Arbitration
Rule 12801	Default Proceedings

I. Part IX – Fees and Awards

<i>Rule No.</i>	<i>Rule Title</i>
Rule 12900	Fees Due When a Claim Is Filed
Rule 12901	Member Surcharge
Rule 12902	Hearing Session Fees, and Other Costs and Expenses
Rule 12903	Process Fees Paid by Members
Rule 12904	Awards

VII. Rule 13000 Series – Code of Arbitration Procedure for Industry Disputes

A. Part I – Interpretive Material, Definitions, Organization and Authority

<i>Rule No.</i>	<i>Rule Title</i>
IM-13000	Failure to Act Under Provisions of Code of Arbitration Procedure for Industry Disputes
Rule 13100	Definitions
Rule 13101	Applicability of Code and Incorporation by Reference
Rule 13102	National Arbitration and Mediation Committee
Rule 13103	Director of Dispute Resolution
Rule 13104	Effect of Arbitration on FINRA Regulatory Activities
Rule 13105	Agreement of the Parties

B. Part II – General Arbitration Rules

<i>Rule No.</i>	<i>Rule Title</i>
Rule 13200	Required Arbitration
Rule 13201	Statutory Employment Discrimination Claims
Rule 13202	Claims Involving Registered Clearing Agencies
Rule 13203	Denial of FINRA Forum
Rule 13204	Class Action Claims
Rule 13205	Shareholder Derivative Actions
Rule 13206	Time Limits
Rule 13207	Extension of Deadlines
Rule 13208	Representation of Parties
Rule 13209	Legal Proceedings
Rule 13210	Ex Parte Communications
Rule 13211	Direct Communication Between Parties and Arbitrators
Rule 13212	Sanctions
Rule 13213	Hearing Locations
Rule 13214	Payment of Arbitrators

C. Part III – Initiating and Responding to Claims

<i>Rule No.</i>	<i>Rule Title</i>
Rule 13300	Filing and Serving Documents
Rule 13301	Service on Associated Persons
Rule 13302	Filing an Initial Statement of Claim
Rule 13303	Answering the Statement of Claim
Rule 13304	Answering Counterclaims
Rule 13305	Answering Cross Claims
Rule 13306	Answering Third Party Claims
Rule 13307	Deficient Claims
Rule 13308	Loss of Defenses Due to Untimely or Incomplete Answer
Rule 13309	Amending Pleadings
Rule 13310	Answering Amended Claims
Rule 13311	Amendments to Amount in Dispute
Rule 13312	Multiple Claimants
Rule 13313	Multiple Respondents
Rule 13314	Combining Claims

D. Part IV – Appointment, Disqualification, and Authority of Arbitrators

<i>Rule No.</i>	<i>Rule Title</i>
Rule 13400	Neutral List Selection System and Arbitrator Rosters
Rule 13401	Number of Arbitrators
Rule 13402	Composition of Arbitration Panels Not Involving a Statutory Discrimination Claim
Rule 13403	Generating and Sending Lists to the Parties
Rule 13404	Striking and Ranking Arbitrators
Rule 13405	Combining Lists
Rule 13406	Appointment of Arbitrators; Discretion to Appoint Arbitrators Not on List
Rule 13407	Additional Parties
Rule 13408	Disclosures Required of Arbitrators
Rule 13409	Arbitrator Recusal
Rule 13410	Removal of Arbitrator by Director
Rule 13411	Replacement of Arbitrators
Rule 13412	Director's Discretionary Authority
Rule 13413	Jurisdiction of Panel and Authority to Interpret the Code
Rule 13414	Determinations of Arbitration Panel

E. Part V – Prehearing Procedures and Discovery

<i>Rule No.</i>	<i>Rule Title</i>
Rule 13500	Initial Prehearing Conference
Rule 13501	Other Prehearing Conferences
Rule 13502	Recording Prehearing Conferences
Rule 13503	Motions
Rule 13505	Cooperation of Parties in Discovery
Rule 13506	Discovery Requests
Rule 13507	Responding to Discovery Requests
Rule 13508	Objecting to Discovery Requests; Waiver of Objection
Rule 13509	Motions to Compel Discovery
Rule 13510	Depositions
Rule 13511	Discovery Sanctions
Rule 13512	Subpoenas
Rule 13513	Authority of Panel to Direct Appearances of Associated Person Witnesses and Production of Documents Without Subpoenas
Rule 13514	Exchange of Documents and Witness Lists Before Hearing

F. Part VI – Hearings; Evidence; Closing the Record

<i>Rule No.</i>	<i>Rule Title</i>
Rule 13600	Required Hearings
Rule 13601	Postponement of Hearings
Rule 13602	Attendance at Hearings
Rule 13603	Failure to Appear
Rule 13604	Evidence
Rule 13605	Witness Oath
Rule 13606	Record of Proceedings
Rule 13607	Order of Presentation of Evidence and Arguments
Rule 13608	Closing the Record
Rule 13609	Reopening the Record

G. Part VII – Termination of an Arbitration Before Award

<i>Rule No.</i>	<i>Rule Title</i>
Rule 13700	Dismissal of Proceedings Prior to Award
Rule 13701	Settlement
Rule 13702	Withdrawal of Claims

H. Part VIII – Simplified Arbitration; Default Proceedings; Statutory Employment Discrimination Claims; and Injunctive Relief

<i>Rule No.</i>	<i>Rule Title</i>
Rule 13800	Simplified Arbitration
Rule 13801	Default Proceedings
Rule 13802	Statutory Employment Discrimination Claims
Rule 13803	Coordination of Statutory Employment Discrimination Claims Filed in Court and in Arbitration
Rule 13804	Temporary Injunctive Orders; Requests for Permanent Injunctive Relief

I. Part IX – Fees and Awards

<i>Rule No.</i>	<i>Rule Title</i>
Rule 13900	Fees Due When a Claim Is Filed
Rule 13901	Member Surcharge
Rule 13902	Hearing Session Fees, and Other Costs and Expenses
Rule 13903	Process Fees Paid by Members
Rule 13904	Awards

VIII. Rule 14000 Series – Code of Mediation Procedure

<i>Rule No.</i>	<i>Rule Title</i>
Rule 14100	Definitions
Rule 14101	Applicability of Code
Rule 14102	National Arbitration and Mediation Committee
Rule 14103	Director of Mediation
Rule 14104	Mediation under the Code
Rule 14105	Effect of Mediation on Arbitration Proceedings
Rule 14106	Representation of Parties
Rule 14107	Mediator Selection
Rule 14108	Limitation on Liability
Rule 14109	Mediation Ground Rules
Rule 14110	Mediation Fees

FINRA Rule Filing SR-FINRA-2008-025

www.finra.org/Industry/Regulation/RuleFilings/2008/P038707

The rule change transfers NASD Rule 2790 (Restrictions on the Purchase and Sale of Initial Equity Public Offerings) in substantially the same form to the Consolidated FINRA Rulebook as FINRA Rule 5130. The rule change makes minor, technical changes to the rule to reflect, for example, the registration of the NASDAQ Stock Market, LLC as a national securities exchange.

FINRA Rule 5130 protects the integrity of the initial public offering (IPO) process by ensuring that: (1) firms make bona fide public offerings of securities at the offering price; (2) firms do not withhold securities in a public offering for their own benefit or use such securities to reward persons who are in a position to direct future business to firms; and (3) industry insiders, including firms and their associated persons, do not take advantage of their insider position to purchase new issues for their own benefit at the expense of public customers. FINRA Rule 5130 plays an important part in maintaining investor confidence in the capital raising and IPO process.

<i>Rule No.</i>	<i>Rule Title</i>
Rule 5130	Restrictions on the Purchase and Sale of Initial Equity Public Offerings

FINRA Rule Filing SR-FINRA-2008-026

www.finra.org/Industry/Regulation/RuleFilings/2008/P038730

The rule change adopts the NASD Rule 0100 Series (General Provisions) as FINRA Rules in the Consolidated FINRA Rulebook, with the exception of NASD Rule 0120, which will be addressed at a later date in a separate filing. The NASD Rule 0100 Series governs the adoption, application and interpretation of NASD rules and sets forth certain definitions not contained in the FINRA By-Laws. Additionally, these rules address FINRA's delegation of certain responsibilities to its subsidiaries, and its authority and access with respect to its subsidiaries. FINRA is transferring this rule series as the FINRA Rule 0100 Series, renamed as "General Standards," to the Consolidated FINRA Rulebook, with only minor changes. FINRA notes that, notwithstanding their transfer to the Consolidated FINRA Rulebook, these rules of general applicability apply equally to both the Transitional Rulebook and the Consolidated FINRA Rulebook.

<i>Rule/Series No.</i>	<i>Rule /Series Title</i>
Rule 0100 Series	General Standards
Rule 0110	Adoption of Rules
Rule 0120	Effective Date
Rule 0130	Interpretation
Rule 0140	Applicability
Rule 0150	Application of Rules to Exempted Securities Except Municipal Securities
Rule 0160	Definitions in FINRA By-Laws
Rule 0170	Delegation, Authority and Access

FINRA Rule Filing SR-FINRA-2008-027

www.finra.org/Industry/Regulation/RuleFilings/2008/P038723

The rule change adopts without material change NASD Rules 3060 (Influencing or Rewarding Employees of Others) and 3090 (Transactions Involving Association and American Stock Exchange Employees) as FINRA Rules in the Consolidated FINRA Rulebook and deletes the corresponding provisions in Incorporated NYSE Rules 350, 350.10, 407(a), 407.10 and NYSE Rule Interpretations 350/01 through 350/03. The rule change rennumbers NASD Rule 3060 as FINRA Rule 3220 and NASD Rule 3090 as FINRA Rule 2070 in the Consolidated FINRA Rulebook.

FINRA Rule 3220 (Influencing or Rewarding Employees of Others) states that no member or associated person shall give gifts or gratuities to an agent or employee of another person in excess of \$100 per year where the gift or gratuity is in relation to the business of the employer of the recipient. The rule protects against improprieties that may arise when members or their associated persons give gifts or gratuities. FINRA Rule 2070 (Transactions Involving FINRA Employees) addresses conflicts of interest involving FINRA employees.

<i>Rule No.</i>	<i>Rule Title</i>
Rule 2070	Transactions Involving FINRA Employees
Rule 3220	Influencing or Rewarding Employees of Others

FINRA Rule Filing SR-FINRA-2008-028

www.finra.org/Industry/Regulation/RuleFilings/2008/P038732

The rule change adopts NASD Rules 2110 (Standards of Commercial Honor and Principles of Trade), 2120 (Use of Manipulative, Deceptive or Other Fraudulent Devices), and 2290 (Fairness Opinions) as FINRA Rules in the Consolidated FINRA Rulebook without material change and deletes Incorporated NYSE Rule 401(a) (Business Conduct), Incorporated NYSE Rule 435 (Miscellaneous Prohibitions), with the exception of paragraph (5), and NYSE Rule Interpretations 401/01 and 401/02. The rule change rennumbers NASD Rule 2110 as FINRA Rule 2010, NASD Rule 2120 as FINRA Rule 2020, and NASD Rule 2290 as FINRA Rule 5150 in the Consolidated FINRA Rulebook.

FINRA Rule 2010 requires members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade. Rule 2010 protects investors and the securities industry from dishonest practices that are unfair to investors or hinder the functioning of a free and open market, even though those

practices may not be illegal or violate a specific rule or regulation. FINRA Rule 2020 is FINRA's general antifraud provision. FINRA has used this broad rule to address a wide variety of manipulative, deceptive, and fraudulent misconduct, including market manipulation, excessive trading, insider trading, and fraudulent misrepresentation. FINRA Rule 5150 requires specific disclosures and procedures addressing the conflicts of interest that arise when a broker-dealer provides a fairness opinion in a change of control transaction, such as a merger or sale or purchase of assets.

<i>Rule No.</i>	<i>Rule Title</i>
Rule 2010	Standards of Commercial Honor and Principles of Trade
Rule 2020	Use of Manipulative, Deceptive or Other Fraudulent Devices
Rule 5150	Fairness Opinions

FINRA Rule Filing SR-FINRA-2008-030

www.finra.org/Industry/Regulation/RuleFilings/2008/P038786

The rule change adopts NASD Rule 3013 (Annual Certification of Compliance and Supervisory Processes) and IM-3013 (Annual Compliance and Supervision Certification) as a FINRA Rule in the Consolidated FINRA Rulebook without material change and deletes the corresponding provisions in Incorporated NYSE Rule 342.30 and NYSE Rule Interpretations 311(b)(5)/04 through /05 and 342.30(d)/01 through (e)/01. The rule change rennumbers NASD Rule 3013 and IM-3013 as FINRA Rule 3130 in the Consolidated FINRA Rulebook.

FINRA Rule 3130 requires each member firm to designate one or more principals to serve as a chief compliance officer (CCO). The rule further requires that the chief executive officer(s) (CEO) certify annually that the member has in place processes to establish, maintain, review, modify and test policies and procedures reasonably designed to achieve compliance with applicable FINRA rules, MSRB rules and federal securities laws and regulations.

<i>Rule No.</i>	<i>Rule Title</i>
Rule 3130	Annual Certification of Compliance and Supervisory Processes

FINRA Rule Filing SR-FINRA-2008-033

www.finra.org/Industry/Regulation/RuleFilings/2008/P038813

The rule change adopts the short interest reporting requirements (NASD Rule 3360 and Incorporated NYSE Rules 421(1) and 421.10) as FINRA Rule 4560 (Short-Interest Reporting) in the Consolidated FINRA Rulebook. FINRA Rule 4560 requires members to report short positions in OTC Equity Securities and exchange-listed securities. Members must report total short positions in all customer and proprietary accounts as of the settlement dates designated, and in the manner prescribed, by FINRA. (Currently, such information must be reported twice a month and is, in turn, made publicly available on an aggregate basis twice a month.)

<i>Rule No.</i>	<i>Rule Title</i>
Rule 4560	Short-Interest Reporting

FINRA Rule Filing SR-FINRA-2008-039

www.finra.org/Industry/Regulation/RuleFilings/2008/P038926

The rule change (1) adopts NASD Rule 2710 (Corporate Financing Rule – Underwriting Terms and Arrangements), without material change except for paragraphs (b)(10) and (11), as a FINRA Rule in the Consolidated FINRA Rulebook and (2) clarifies and streamlines the notice and other requirements in FINRA Rules relating to Regulation M under the Securities Exchange Act (including paragraphs (b)(10) and (11) of NASD Rule 2710 and paragraph (a) of Incorporated NYSE Rule 392). The rule change renumbers NASD Rule 2710 as FINRA Rule 5110 and adopts new FINRA Rules 5190 and 6470 in the Consolidated FINRA Rulebook. (New FINRA Rule 5190 houses the Regulation M-related notice requirements applicable to members participating in securities offerings, including paragraphs (b)(10) and (11) of NASD Rule 2710 and paragraph (a) of Incorporated NYSE Rule 392. New FINRA Rule 6470 houses certain Regulation M-related requirements that are currently in the OTC Bulletin Board rules and applies to all OTC Equity Securities.)

<i>Rule No.</i>	<i>Rule Title</i>
Rule 5110	Corporate Financing Rule – Underwriting Terms and Arrangements
Rule 5190	Notification Requirements for Offering Participants
Rule 6470	Withdrawal of Quotations in an OTC Equity Security in Compliance with SEC Regulation M

FINRA Rule Filing SR-FINRA-2008-022

www.finra.org/Industry/Regulation/RuleFilings/2008/P038543

The rule change addresses the applicability of the consolidated FINRA Rules to member firms of the NYSE that became members of FINRA pursuant to the membership waive-in process set in forth in NASD IM-1013-1 (Membership Waive-In Process for Certain New York Stock Exchange Member Organizations) (such firms are referred to as Waive-In Firms). Specifically, the rule change amends IM-1013-1 to specify that the Waive-In Firms will be subject to FINRA's By-Laws and Schedules to By-Laws, including Schedule A, the consolidated FINRA Rules and the Incorporated NYSE Rules, provided that their securities business is limited to the permitted floor activities. If a Waive-In Firm seeks to expand its business operations to include any activities other than the permitted floor activities, the firm must continue to apply for and receive approval pursuant to NASD Rule 1017. Upon approval of such expansion, the firm would be subject to all NASD Rules, in addition to the consolidated FINRA Rules and the Incorporated NYSE Rules.

FINRA Rule Filing SR-FINRA-2008-029

www.finra.org/Industry/Regulation/RuleFilings/2008/P038766

The rule change repeals NASD Rule 1130 (Reliance on Current Membership List) and Incorporated NYSE Rules 405A (Non-Managed Fee-Based Account Programs – Disclosure and Monitoring), 440F (Public Short Sale Transactions Effected on the Exchange), 440G (Transactions in Stocks and Warrants for the Accounts of Members, Allied Members and Member Organizations) and 477 (Retention of Jurisdiction – Failure to Cooperate) to eliminate duplicative provisions and remove requirements that are specific to the NYSE marketplace.

Endnotes

- 1 FINRA Rule 6121 took effect on October 7, 2008, pursuant to a separate filing. *See* Exchange Act Release No. 58753 (October 8, 2008), 73 FR 61177 (October 15, 2008) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change; File No. SR-FINRA-2008-048). Rule 6121 permits FINRA to halt over-the-counter trading in NMS stocks, as defined in Rule 600(b)(47) of SEC Regulation NMS, if other major U.S. securities markets initiate market-wide trading halts in response to extraordinary market conditions or if otherwise directed by the SEC.
- 2 FINRA Rule 6560 corresponds to NASD Rule 6541 in the Transitional Rulebook. FINRA has deleted NASD Rule 6541, effective November 11, 2008, pursuant to separate filings. Accordingly, FINRA does not intend to implement Rule 6560 when the other FINRA Rules included in this *Notice* become effective. *See Regulatory Notice 08-49* (September 2008) (Trading Ahead of Customer Limit Orders); *see also* Exchange Act Release No. 58532 (September 12, 2008), 73 FR 54649 (September 22, 2008) (Order Approving Proposed Rule Change; File No. SR-NASD-2007-041); Exchange Act Release No. 55351 (February 26, 2007), 72 FR 9810 (March 5, 2007) (Order Granting Accelerated Approval of Proposed Rule Change; File No. SR-NASD-2005-146).
- 3 FINRA has deleted FINRA Rule 7610B pursuant to a separate filing, effective October 20, 2008. (FINRA Rule 7610B corresponds to NASD Rule 7001C in the Transitional Rulebook.) *See* File No. SR-FINRA-2008-050. Accordingly, FINRA does not intend to implement Rule 7610B when the other FINRA Rules included in this *Notice* become effective.