

Proposed Rule Change by Financial Industry Regulatory Authority
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input checked="" type="checkbox"/>	Section 19(b)(3)(A) <input type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action <input type="checkbox"/>			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
Date Expires <input type="text"/>			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the proposed rule change (limit 250 characters).

Proposed rule change to amend NASD Rule 6952 to exclude certain orders and transactions in foreign equity securities from the Order Audit Trail System recording and reporting requirements.

Contact Information
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name Last Name
 Title
 E-mail
 Telephone Fax

Signature
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date
 By Vice President and Associate General Counsel
 (Name) (Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ the Financial Industry Regulatory Authority, Inc. (“FINRA”) (f/k/a the National Association of Securities Dealers, Inc. (“NASD”)) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend NASD Rule 6952 to exclude certain orders and transactions in foreign equity securities from the Order Audit Trail System (“OATS”) recording and reporting requirements. Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

6950. Order Audit Trail System

* * * * *

6952. Applicability

(a) through (c) No change.

(d) (1) For purposes of this paragraph, the term “foreign equity security” shall mean any equity security that is issued by a corporation or other organization incorporated or organized under the laws of any foreign country.

(2) Unless otherwise indicated, the requirements of the Rule 6950 Series shall apply to an order involving an OTC equity security that is a foreign equity security only if the order results in a trade that is subject to the transaction reporting requirements in Rule 6620.

¹ 15 U.S.C. 78s(b)(1).

* * * * *

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Board of Directors of NASD Regulation, Inc. at its meeting on April 21, 2004, which authorized the filing of the rule change with the SEC. The Board of Governors of NASD had an opportunity to review the proposed rule change at its meeting on April 22, 2004. No other action by FINRA is necessary for the filing of the proposed rule change. Section 1(a)(ii) of Article VII of the FINRA By-Laws permits the Board of Governors to adopt amendments to FINRA's rules without recourse to the membership for approval.

The operative date of the proposed rule change will be February 4, 2008.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

NASD Rules 6950 through 6958 ("OATS Rules") impose obligations on member firms to record in electronic form and report to OATS on a daily basis certain information regarding orders in Nasdaq-listed equity securities originated, received, transmitted, modified, canceled, or executed by members.² FINRA integrates the OATS information

² Beginning on February 4, 2008, members also will be required to record and report order information regarding all OTC equity securities, as defined in NASD Rule 6951. See Securities Exchange Act Release No. 54585 (October 10, 2006); 71 FR 61112 (October 17, 2006) (SR-NASD-2005-101); NASD Notice to Members 06-70 (December 2006); see also Securities Exchange Act Release No. 55440 (March 9, 2007), 72 FR 12852 (March 19, 2007) (SR-NASD-2007-019).

with quote and transaction information to create a time-sequenced record of orders, quotes, and transactions.

Currently, a member has recording and reporting obligations under the OATS Rules only with respect to orders in Nasdaq-listed equity securities. On October 10, 2006, the Commission approved SR-NASD-2005-101, which amended the OATS Rules and extended the OATS obligations to include orders in OTC equity securities.³ As amended by SR-NASD-2005-101, NASD Rule 6951 defines the term “OTC equity security” to mean “any equity security that: (1) is not listed on a national securities exchange; or (2) is listed on one or more regional stock exchanges and does not qualify for dissemination of transaction reports via the facilities of the Consolidated Tape.” This broad definition of “OTC equity security” encompasses essentially all foreign equity securities, except those that are listed on a U.S. national securities exchange.

After the Commission’s approval of SR-NASD-2005-101 and the publication of NASD Notice to Members 06-70 in December 2006, numerous member firms and industry organizations raised issues with FINRA staff regarding the breadth of the application of the OATS Rules to foreign equity securities. The issues that were raised included the lack of U.S. symbols for many foreign securities, the programming difficulties associated with tracking trades in foreign symbols and currencies, and the fact that, for many firms, orders for foreign securities are handled by foreign affiliates that are

³ See Securities Exchange Act Release No. 54585 (October 10, 2006); 71 FR 61112 (October 17, 2006) (SR-NASD-2005-101); NASD Notice to Members 06-70 (December 2006). The effective date of these amendments to the OATS Rules is February 4, 2008. See Securities Exchange Act Release No. 55440 (March 9, 2007), 72 FR 12852 (March 19, 2007) (SR-NASD-2007-019).

not currently set up to record and report OATS information. In addition, many trades in foreign equity securities are routed to foreign broker-dealers and executed on a foreign stock exchange. Consequently, although FINRA would receive OATS information regarding the order origination and routing for such orders, FINRA would not receive execution reports, and FINRA would not have trade reporting data to consolidate with the OATS data.⁴

In response to these concerns, FINRA reconsidered the issues associated with extending the OATS recording and reporting obligations to all foreign equity securities in light of the regulatory benefit provided by the information. FINRA is filing the proposed rule change to strike an appropriate balance between ensuring that FINRA can effectively monitor members' compliance with their order handling obligations (e.g., best execution and limit order protection) and avoiding overly burdensome reporting requirements. FINRA has concluded that the appropriate balance would be achieved by requiring firms to record and report order information regarding foreign equity securities only in those instances where any resulting execution is subject to the transaction reporting requirements in NASD Rule 6620. This will provide FINRA with order information for the same transactions for which FINRA receives trade reporting information, thus allowing FINRA to review a complete audit trail of those transactions. At the same time,

⁴ Trade reporting requirements under NASD Rule 6620 do not extend to a member's transactions in foreign equity securities executed on and reported to a foreign securities exchange or transactions executed over-the-counter in a foreign country that are reported to the regulator of securities markets for that country. See NASD Rule 6620(g); Securities Exchange Act Release No. 55745 (May 11, 2007), 72 FR 27891 (May 17, 2007) (SR-NASD-2007-030).

this obligation will not require firms to record and submit information to FINRA for orders for a foreign equity security that do not result in a trade report to FINRA.

At least two situations can arise in connection with orders for foreign equity securities that trade in the U.S. and abroad that may raise questions as to how these orders should be reported to OATS. In some circumstances, an order for a foreign equity security that is traded in the U.S. and abroad may be broken up and executed in multiple markets. If a firm breaks up an order and, as a result, part of the order is executed in the U.S. and part of the order is executed in a foreign market, the firm should report the entire order to OATS. The part of the order that was executed abroad should be reported as a route to a foreign broker-dealer or a foreign market (i.e., the firm is a member of the foreign market and is able to route the order directly to the foreign market), and the part of the order that was executed in the U.S. would be reported the same way as any other reportable order event.

Similarly, with respect to foreign equity securities that trade in the U.S. and abroad, a firm may receive an order for such a security in the U.S. symbol and, at the time the order is received, the firm is uncertain whether the order will be executed in the U.S. or in the foreign market. In some cases, the trade may not be executed the day it is received. If the order is not executed before the firm is required to submit its OATS information for that day, the firm would not know whether it was required to report the receipt of the order to OATS because the firm would not yet have a trade reporting obligation. In such a case, because the security had a U.S. symbol and the customer placed the order in the U.S. symbol, the firm should report the new order to OATS as

though it were going to be executed in the U.S. (and, thus be subject to the trade reporting requirements).⁵ If the order is later executed in a foreign market, the firm would submit a route report indicating that the order was routed to a foreign broker-dealer or foreign market, as applicable. Of course, if a firm receives an order and executes that order the same day in a foreign market, no OATS report would be necessary if the firm was not required to report the transaction under NASD Rule 6620.

Reportable Order Events for Foreign Equity Securities with No U.S. Symbol

When a firm has a trade reporting obligation in a foreign equity security that does not have a U.S. symbol assigned to it at the time of the trade, the firm is required to: (1) promptly request a symbol so that it can comply with its trade reporting obligations; and (2) comply with the OATS recording requirements under Rule 6954. Once a symbol is assigned, the member must report the trade to FINRA and report all applicable order information to OATS in accordance with Rule 6955. When reporting the information to OATS, the firm must properly code the report to indicate that the reported event occurred prior to the date of the OATS report. In these situations, if normal electronic trade reporting submission is not possible (e.g., the trade reporting facility will not accept a report because the foreign equity security had not been assigned a valid U.S. symbol on the actual trade date), the firm is required to report the transaction as soon as practicable

⁵ If the security had no U.S. symbol, the firm could not report the information to OATS until a U.S. symbol is assigned. If the security has both a U.S. and foreign symbol and the order is received from the customer in the foreign symbol, the member would not be required to report the order to OATS unless the order is executed and trade reported to FINRA pursuant to Rule 6620 on the same day the order was received from the customer.

on Form T.⁶

In these instances where a Form T is used for trade reporting purposes, FINRA intends to provide firms the option of reporting the required OATS information through the firm's normal OATS reporting channels or as part of the Form T submission. In this way, firms will be able to fulfill both the firm's trade reporting and OATS obligations through its Form T submission.⁷ The ability to use a Form T to report OATS information will be available only for trades in foreign equity securities that do not have a U.S. symbol assigned at the time the OATS information would ordinarily be reported.

The operative date of the proposed rule change will be February 4, 2008, to coincide with the implementation date for the amendments to the OATS Rules requiring members to record and report order information for OTC Equity Securities.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁸ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change achieves a proper balance between reporting requirements that improve FINRA's ability to monitor members' order

⁶ See, e.g., NASD Rule 6620(a)(4) (regarding the use of Form T for trades reported to the OTC Reporting Facility).

⁷ The revised OATS Reporting Technical Specifications that will be published following Commission approval of the proposed rule change will detail the precise procedures a firm may use to file the OATS report(s) in this situation.

⁸ 15 U.S.C. 78o-3(b)(6).

handling obligations and that have reasonable parameters regarding those orders that are subject to the requirements.

4. 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.⁹

5. 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.

6. Extension of Time Period for Commission Action

FINRA does not consent at this time to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.¹⁰

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Exhibits

Exhibit 1. Completed notice of proposed rule change for publication in the Federal Register.

⁹ 15 U.S.C. 78a.

¹⁰ 15 U.S.C. 78s(b)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-FINRA-2007-001)

Self-Regulatory Organizations: Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change Relating to the Reporting of Foreign Equity Securities to the Order Audit Trail System

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on , the Financial Industry Regulatory Authority, Inc. (“FINRA”) (f/k/a the National Association of Securities Dealers, Inc. (“NASD”)) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. 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 NASD Rule 6952 to exclude certain orders and transactions in foreign equity securities from the Order Audit Trail System (“OATS”) recording and reporting requirements. Below is the text of the proposed rule change.

Proposed new language is in italics; proposed deletions are in brackets.

* * * * *

6950. Order Audit Trail System

* * * * *

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

6952. Applicability

(a) through (c) No change.

(d) (1) For purposes of this paragraph, the term “foreign equity security” shall mean any equity security that is issued by a corporation or other organization incorporated or organized under the laws of any foreign country.

(2) Unless otherwise indicated, the requirements of the Rule 6950 Series shall apply to an order involving an OTC equity security that is a foreign equity security only if the order results in a trade that is subject to the transaction reporting requirements in Rule 6620.

* * * * *

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

NASD Rules 6950 through 6958 (“OATS Rules”) impose obligations on member firms to record in electronic form and report to OATS on a daily basis certain information regarding orders in Nasdaq-listed equity securities originated, received, transmitted,

modified, canceled, or executed by members.³ FINRA integrates the OATS information with quote and transaction information to create a time-sequenced record of orders, quotes, and transactions.

Currently, a member has recording and reporting obligations under the OATS Rules only with respect to orders in Nasdaq-listed equity securities. On October 10, 2006, the Commission approved SR-NASD-2005-101, which amended the OATS Rules and extended the OATS obligations to include orders in OTC equity securities.⁴ As amended by SR-NASD-2005-101, NASD Rule 6951 defines the term “OTC equity security” to mean “any equity security that: (1) is not listed on a national securities exchange; or (2) is listed on one or more regional stock exchanges and does not qualify for dissemination of transaction reports via the facilities of the Consolidated Tape.” This broad definition of “OTC equity security” encompasses essentially all foreign equity securities, except those that are listed on a U.S. national securities exchange.

After the Commission’s approval of SR-NASD-2005-101 and the publication of NASD Notice to Members 06-70 in December 2006, numerous member firms and industry organizations raised issues with FINRA staff regarding the breadth of the application of the OATS Rules to foreign equity securities. The issues that were raised

³ Beginning on February 4, 2008, members also will be required to record and report order information regarding all OTC equity securities, as defined in NASD Rule 6951. See Securities Exchange Act Release No. 54585 (October 10, 2006); 71 FR 61112 (October 17, 2006) (SR-NASD-2005-101); NASD Notice to Members 06-70 (December 2006); see also Securities Exchange Act Release No. 55440 (March 9, 2007), 72 FR 12852 (March 19, 2007) (SR-NASD-2007-019).

⁴ See Securities Exchange Act Release No. 54585 (October 10, 2006); 71 FR 61112 (October 17, 2006) (SR-NASD-2005-101); NASD Notice to Members 06-70 (December 2006). The effective date of these amendments to the OATS Rules is February 4, 2008. See Securities Exchange Act Release No. 55440 (March 9, 2007), 72 FR 12852 (March 19, 2007) (SR-NASD-2007-019).

included the lack of U.S. symbols for many foreign securities, the programming difficulties associated with tracking trades in foreign symbols and currencies, and the fact that, for many firms, orders for foreign securities are handled by foreign affiliates that are not currently set up to record and report OATS information. In addition, many trades in foreign equity securities are routed to foreign broker-dealers and executed on a foreign stock exchange. Consequently, although FINRA would receive OATS information regarding the order origination and routing for such orders, FINRA would not receive execution reports, and FINRA would not have trade reporting data to consolidate with the OATS data.⁵

In response to these concerns, FINRA reconsidered the issues associated with extending the OATS recording and reporting obligations to all foreign equity securities in light of the regulatory benefit provided by the information. FINRA is filing the proposed rule change to strike an appropriate balance between ensuring that FINRA can effectively monitor members' compliance with their order handling obligations (e.g., best execution and limit order protection) and avoiding overly burdensome reporting requirements. FINRA has concluded that the appropriate balance would be achieved by requiring firms to record and report order information regarding foreign equity securities only in those instances where any resulting execution is subject to the transaction reporting requirements in NASD Rule 6620. This will provide FINRA with order information for the same transactions for which FINRA receives trade reporting information, thus

⁵ Trade reporting requirements under NASD Rule 6620 do not extend to a member's transactions in foreign equity securities executed on and reported to a foreign securities exchange or transactions executed over-the-counter in a foreign country that are reported to the regulator of securities markets for that country. See NASD Rule 6620(g); Securities Exchange Act Release No. 55745 (May 11, 2007), 72 FR 27891 (May 17, 2007) (SR-NASD-2007-030).

allowing FINRA to review a complete audit trail of those transactions. At the same time, this obligation will not require firms to record and submit information to FINRA for orders for a foreign equity security that do not result in a trade report to FINRA.

At least two situations can arise in connection with orders for foreign equity securities that trade in the U.S. and abroad that may raise questions as to how these orders should be reported to OATS. In some circumstances, an order for a foreign equity security that is traded in the U.S. and abroad may be broken up and executed in multiple markets. If a firm breaks up an order and, as a result, part of the order is executed in the U.S. and part of the order is executed in a foreign market, the firm should report the entire order to OATS. The part of the order that was executed abroad should be reported as a route to a foreign broker-dealer or a foreign market (i.e., the firm is a member of the foreign market and is able to route the order directly to the foreign market), and the part of the order that was executed in the U.S. would be reported the same way as any other reportable order event.

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though it were going to be executed in the U.S. (and, thus be subject to the trade reporting requirements).⁶ If the order is later executed in a foreign market, the firm would submit a route report indicating that the order was routed to a foreign broker-dealer or foreign market, as applicable. Of course, if a firm receives an order and executes that order the same day in a foreign market, no OATS report would be necessary if the firm was not required to report the transaction under NASD Rule 6620.

Reportable Order Events for Foreign Equity Securities with No U.S. Symbol

When a firm has a trade reporting obligation in a foreign equity security that does not have a U.S. symbol assigned to it at the time of the trade, the firm is required to: (1) promptly request a symbol so that it can comply with its trade reporting obligations; and (2) comply with the OATS recording requirements under Rule 6954. Once a symbol is assigned, the member must report the trade to FINRA and report all applicable order information to OATS in accordance with Rule 6955. When reporting the information to OATS, the firm must properly code the report to indicate that the reported event occurred prior to the date of the OATS report. In these situations, if normal electronic trade reporting submission is not possible (e.g., the trade reporting facility will not accept a report because the foreign equity security had not been assigned a valid U.S. symbol on the actual trade date), the firm is required to report the transaction as soon as practicable

⁶ If the security had no U.S. symbol, the firm could not report the information to OATS until a U.S. symbol is assigned. If the security has both a U.S. and foreign symbol and the order is received from the customer in the foreign symbol, the member would not be required to report the order to OATS unless the order is executed and trade reported to FINRA pursuant to Rule 6620 on the same day the order was received from the customer.

on Form T.⁷

In these instances where a Form T is used for trade reporting purposes, FINRA intends to provide firms the option of reporting the required OATS information through the firm's normal OATS reporting channels or as part of the Form T submission. In this way, firms will be able to fulfill both the firm's trade reporting and OATS obligations through its Form T submission.⁸ The ability to use a Form T to report OATS information will be available only for trades in foreign equity securities that do not have a U.S. symbol assigned at the time the OATS information would ordinarily be reported.

The operative date of the proposed rule change will be February 4, 2008, to coincide with the implementation date for the amendments to the OATS Rules requiring members to record and report order information for OTC Equity Securities.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁹ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change achieves a proper balance between reporting requirements that improve FINRA's ability to monitor members' order

⁷ See, e.g., NASD Rule 6620(a)(4) (regarding the use of Form T for trades reported to the OTC Reporting Facility).

⁸ The revised OATS Reporting Technical Specifications that will be published following Commission approval of the proposed rule change will detail the precise procedures a firm may use to file the OATS report(s) in this situation.

⁹ 15 U.S.C. 78o-3(b)(6).

handling obligations and that have reasonable parameters regarding those orders that are subject to the requirements.

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.¹⁰

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be 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:

¹⁰ 15 U.S.C. 78a.

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2007-001 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-FINRA-2007-001. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of FINRA.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to

File Number SR-FINRA-2007-001 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Nancy M. Morris

Secretary

¹¹ 17 CFR 200.30-3(a)(12).