

OMB APPROVAL

OMB Number: 3235-0045
Expires: June 30, 2007
Estimated average burden
hours per response.....38

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. SR - 2007 - 003

Amendment No.

Proposed Rule Change by Financial Industry Regulatory Authority

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial ☒	Amendment ☐	Withdrawal ☐	Section 19(b)(2) ☐	Section 19(b)(3)(A) ☒	Section 19(b)(3)(B) ☐
			Rule		
			☐ 19b-4(f)(1) ☐ 19b-4(f)(4)		
			☐ 19b-4(f)(2) ☐ 19b-4(f)(5)		
			☐ 19b-4(f)(3) ☒ 19b-4(f)(6)		

Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document

**Description**

Provide a brief description of the proposed rule change (limit 250 characters).

Proposed Rule Change to Amend NASD Rules 4632C, 6130C and 6130

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
(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 EDFS 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

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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

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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 Financial Industry Regulatory Authority, Inc. (“FINRA”) (f/k/a 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 Rules 4632C and 6130C relating to the NASD/NSX Trade Reporting Facility (the “NASD/NSX TRF”) to reflect certain changes in the facility’s functionality and to conform, to the extent practicable, to the trade reporting rules relating to FINRA’s other Trade Reporting Facilities (the “TRFs”).² FINRA also is proposing to amend NASD Rule 6130(a) to clarify that the NASD/Nasdaq Trade Reporting Facility (the “NASD/Nasdaq TRF”) and the OTC Reporting Facility will compare and submit to the National Securities Clearing Corporation (“NSCC”) trades reported as other than regular way settlement.

Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

4000C. THE NASD/NSX TRADE REPORTING FACILITY

* * * * *

4632C. Transaction Reporting

¹ 15 U.S.C. 78s(b)(1).

² Effective July 30, 2007, FINRA was formed through the consolidation of NASD and the member regulatory functions of NYSE Regulation. Accordingly, the NASD/NSX TRF is now doing business as the FINRA/NSX TRF. The formal name change of each TRF is pending and once completed, FINRA will file a separate proposed rule change to reflect those changes in the Manual.

(a) When and How Transactions are Reported

(1) through (4) No Change.

(5) Members also shall append the applicable trade report modifiers as specified by NASD to all last sale reports, including reports of “as/of” trades:

(A) No Change.

(B) if the trade is a Seller’s Option Trade, denoting the number of days for delivery;

(C) if the trade is a Cash Trade;

(D) if the trade is a Next Day Trade;

(E) if the trade occurs at a price based on an average weighting or another special pricing formula;

(F) if the trade is a Stop Stock Transaction (as defined in Rule 4200C) (Note: the time at which the member and the other party agreed to the Stop Stock Price must be given in lieu of including the time of execution on the trade report and the designated modifier shall not be appended to a report of a Stop Stock Transaction if the Stop Stock Transaction is executed and reported within 90 seconds of the time the member and the other party agree to the Stop Stock Price);

(G) if the transaction report reflects a price different from the current market when the execution price is based on a prior reference point in time (Note: the transaction report shall include the prior reference time in lieu of the actual time the trade was executed and the designated modifier shall not be appended to a report of a transaction whose price is

based on a prior reference point in time if the trade is executed and reported within 90 seconds from the prior reference point in time);

(B) through (C) redesignated as (H) through (I)

[(D)] (J) if the trade would be a trade-through of a protected quotation, but for the trade being qualified for an exception or exemption from Rule 611 of Regulation NMS under the Act, members must, in addition to the modifier required in paragraph [(C)] (I) above, append an appropriate unique modifier, specified by NASD, that identifies the specific applicable exception or exemption from Rule 611 that a member is relying upon (Note: to ensure consistency in the usage of Rule 611 related modifiers by registered broker-dealers, these modifiers will be used in conformity with the specifications approved by the Operating Committee of the relevant National Market System Plans to identify trades executed pursuant to an exception or exemption from Rule 611); and

[(E)] (K) any other modifier as specified by NASD or the Securities and Exchange Commission.

To the extent that any of the modifiers required by this rule conflict, NASD shall provide guidance regarding the priorities among modifiers and members shall report in accordance with such guidance, as applicable.

(6) through (7) No Change.

[(8) Stop Stock Transactions (as such term is defined in Rule 4200C), transactions occurring at prices based on average-weighting or other special

pricing formulae, or transactions that reflect a price different from the current market when the execution price is based on a prior reference point in time cannot be reported to the NASD/NSX Trade Reporting Facility. Participants must use an alternative electronic mechanism to report these types of transactions to NASD.]

(9) renumbered as (8)

(b) through (h) No Change.

* * * * *

6000. NASD SYSTEMS AND PROGRAMS

* * * * *

6130. Trade Report Input

(a) Reportable Transactions

Members shall comply with the Rule 6100 Series when reporting transactions to the System, including executions of less than one round lot if those executions are to be compared and locked-in. All trades that are reportable transactions will be processed pursuant to an effective transaction reporting plan[; however, only those]. [t]Trades that are [subject to regular way settlement and are] not already locked-in trades will be compared and locked-in through the System. [Trades that are reported as other than regular way settlement (i.e., Cash, Next-Day, Seller's Option) will not be compared by the System or reported to DTCC.] All transactions in Direct Participation Program securities shall be reported to the System pursuant to the Rule 6900 Series as set forth therein.

(b) through (i) No Change.

* * * * *

6000C. NASD/NSX TRADE REPORTING FACILITY SYSTEMS AND PROGRAMS

* * * * *

6130C. Trade Report Input

(a) Reportable Transactions

Members shall comply with the Rule 6100C Series when reporting transactions to the System, including executions of less than one round lot. All trades that are reportable transactions will be processed pursuant to an effective transaction reporting plan. Trades that are not already locked-in trades [or trades reported as other than regular way settlement (i.e., Cash, Next-Day, Seller's Option)] will not be accepted by the System. Participants must use an alternative electronic mechanism to report and clear these trades.

(b) through (h) No Change.

* * * * *

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved and authorized for filing with the SEC by the Board of Governors of NASD (the "Board") pursuant to a delegation of authority granted by the Board at its meeting on April 19, 2007. No other action by FINRA is necessary for the filing of the proposed rule change.

FINRA has filed the proposed rule change for immediate effectiveness. FINRA will announce the operative date of the proposed rule change on its website, which date will be at least 30 days after the date of filing.

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

(a) Purpose

The TRFs,³ including the NASD/NSX TRF, provide members mechanisms for reporting trades in exchange-listed securities executed otherwise than on an exchange. Currently, the functionality offered by the NASD/NSX TRF differs from the functionality offered by some of the other TRFs and, as a result, the rules relating to the NASD/NSX TRF differ from the rules relating to the other TRFs. Specifically, pursuant to NASD Rule 4632C(a)(8), the NASD/NSX TRF does not accept trade reports for Stop Stock Transactions (as such term is defined in Rule 4200C), transactions occurring at prices based on average-weighting or other special pricing formulae or transactions that reflect a price different from the current market when the execution price is based on a prior reference point in time. In addition, pursuant to NASD Rule 6130C(a), the NASD/NSX TRF does not accept trades reported as other than regular way settlement (i.e., Cash, Next Day and Seller's Option). Under the current rules, members must use an alternative electronic mechanism to report these transactions to FINRA.

FINRA is proposing to expand the NASD/NSX TRF's functionality such that members will be able to report the above-described transactions to the NASD/NSX TRF. FINRA is proposing to amend NASD Rules 4632C and 6130C to reflect this change in functionality and conform, to the extent practicable, the NASD/NSX TRF rules to the rules relating to the other TRFs.

³ In addition to the NASD/NSX TRF, there are three other TRFs in operation: the NASD/Nasdaq TRF, the NASD/BSE Trade Reporting Facility (the "NASD/BSE TRF") and the NASD/NYSE Trade Reporting Facility (the "NASD/NYSE TRF"). As noted in footnote 2 above, the formal name change of each TRF is pending.

FINRA also is proposing to amend NASD Rule 6130(a) to clarify that the “System” (defined in Rule 6110 to include the NASD/Nasdaq TRF and the OTC Reporting Facility) will compare and submit to NSCC trades reported as other than regular way settlement. This amendment is consistent with current practice and reflects recent changes in the way that such trades are processed by NSCC.⁴ Additionally, this amendment conforms the text of Rule 6130(a) to the text of amended Rule 6130C(a), to the extent practicable.⁵

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness. FINRA will announce the operative date of the proposed rule change on its website, which date will be at least 30 days after the date of filing.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁶ 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, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change is in the public interest and appropriate for

⁴ See Securities Exchange Release No. 54816 (November 27, 2006), 71 FR 69604 (December 1, 2006) (order approving SR-NSCC-2006-09).

⁵ The corresponding rules relating to the other TRFs differ in this regard. NASD Rule 6130D(a) provides that trades reported as other than regular way settlement will not be accepted by the NASD/BSE TRF. NASD Rule 6130E(a) provides that trades reported as other than regular way settlement will be accepted by the NASD/NYSE TRF, but will not be submitted to clearing. The NASD/NYSE TRF will not submit any trades (including regular way settlement trades) to clearing; members must have a Qualified Service Representative (“QSR”) agreement or similar arrangement in place to clear trades submitted to the NASD/NYSE TRF.

⁶ 15 U.S.C. 78o-3(b)(6).

the maintenance of fair and orderly markets because it will provide members another mechanism to report the types of trades described above with the necessary regulatory information.

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.

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

Not applicable.

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

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A) of the Act⁷ and paragraph (f)(6) of Rule 19b-4 thereunder,⁸ in that the proposed rule change does not significantly affect the protection of investors or the public interest; does not impose any significant burden on competition; and does not become operative for 30 days after filing. FINRA believes that the filing is appropriately designated as “non-controversial” because the proposed rule change is substantially similar to the trade

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

reporting requirements for the other TRFs.⁹ In accordance with Rule 19b-4,¹⁰ FINRA submitted 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.

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 See, e.g., NASD Rules 4632 and 6130 (relating to the NASD/Nasdaq TRF), 4632D and 6130D (relating to the NASD/BSE TRF) and 4632E and 6130E (relating to the NASD/NYSE TRF).

¹⁰ 17 CFR 240.19b-4(f)(6).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-FINRA-2007-003)

Self-Regulatory Organizations: Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend NASD Rules 4632C, 6130C and 6130

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 , Financial Industry Regulatory Authority, Inc. (“FINRA”) (f/k/a 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. FINRA has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,³ which renders the proposal effective upon receipt of this filing by the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

FINRA is proposing to amend NASD Rules 4632C and 6130C relating to the NASD/NSX Trade Reporting Facility (the “NASD/NSX TRF”) to reflect certain changes in the facility’s functionality and to conform, to the extent practicable, to the trade

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

reporting rules relating to FINRA's other Trade Reporting Facilities (the "TRFs").⁴

FINRA also is proposing to amend NASD Rule 6130(a) to clarify that the NASD/Nasdaq Trade Reporting Facility (the "NASD/Nasdaq TRF") and the OTC Reporting Facility will compare and submit to the National Securities Clearing Corporation ("NSCC") trades reported as other than regular way settlement.

Below is the text of the proposed rule change. Proposed new language is in italics; proposed deletions are in brackets.

* * * * *

4000C. THE NASD/NSX TRADE REPORTING FACILITY

* * * * *

4632C. Transaction Reporting

(a) When and How Transactions are Reported

(1) through (4) No Change.

(5) Members also shall append the applicable trade report modifiers as specified by NASD to all last sale reports, including reports of "as/of" trades:

(A) No Change.

(B) if the trade is a Seller's Option Trade, denoting the number of days for delivery;

(C) if the trade is a Cash Trade;

(D) if the trade is a Next Day Trade;

⁴ Effective July 30, 2007, FINRA was formed through the consolidation of NASD and the member regulatory functions of NYSE Regulation. Accordingly, the NASD/NSX TRF is now doing business as the FINRA/NSX TRF. The formal name change of each TRF is pending and once completed, FINRA will file a separate proposed rule change to reflect those changes in the Manual.

(E) if the trade occurs at a price based on an average weighting or another special pricing formula;

(F) if the trade is a Stop Stock Transaction (as defined in Rule 4200C) (Note: the time at which the member and the other party agreed to the Stop Stock Price must be given in lieu of including the time of execution on the trade report and the designated modifier shall not be appended to a report of a Stop Stock Transaction if the Stop Stock Transaction is executed and reported within 90 seconds of the time the member and the other party agree to the Stop Stock Price);

(G) if the transaction report reflects a price different from the current market when the execution price is based on a prior reference point in time (Note: the transaction report shall include the prior reference time in lieu of the actual time the trade was executed and the designated modifier shall not be appended to a report of a transaction whose price is based on a prior reference point in time if the trade is executed and reported within 90 seconds from the prior reference point in time);

(B) through (C) redesignated as (H) through (I)

[(D)] (J) if the trade would be a trade-through of a protected quotation, but for the trade being qualified for an exception or exemption from Rule 611 of Regulation NMS under the Act, members must, in addition to the modifier required in paragraph [(C)] (I) above, append an appropriate unique modifier, specified by NASD, that identifies the specific applicable exception or exemption from Rule 611 that a member

is relying upon (Note: to ensure consistency in the usage of Rule 611 related modifiers by registered broker-dealers, these modifiers will be used in conformity with the specifications approved by the Operating Committee of the relevant National Market System Plans to identify trades executed pursuant to an exception or exemption from Rule 611); and

[(E)] (K) any other modifier as specified by NASD or the Securities and Exchange Commission.

To the extent that any of the modifiers required by this rule conflict, NASD shall provide guidance regarding the priorities among modifiers and members shall report in accordance with such guidance, as applicable.

(6) through (7) No Change.

[(8) Stop Stock Transactions (as such term is defined in Rule 4200C), transactions occurring at prices based on average-weighting or other special pricing formulae, or transactions that reflect a price different from the current market when the execution price is based on a prior reference point in time cannot be reported to the NASD/NSX Trade Reporting Facility. Participants must use an alternative electronic mechanism to report these types of transactions to NASD.]

(9) renumbered as (8)

(b) through (h) No Change.

* * * * *

6000. NASD SYSTEMS AND PROGRAMS

* * * * *

6130. Trade Report Input

(a) Reportable Transactions

Members shall comply with the Rule 6100 Series when reporting transactions to the System, including executions of less than one round lot if those executions are to be compared and locked-in. All trades that are reportable transactions will be processed pursuant to an effective transaction reporting plan[; however, only those]. [t]Trades that are [subject to regular way settlement and are] not already locked-in trades will be compared and locked-in through the System. [Trades that are reported as other than regular way settlement (i.e., Cash, Next-Day, Seller's Option) will not be compared by the System or reported to DTCC.] All transactions in Direct Participation Program securities shall be reported to the System pursuant to the Rule 6900 Series as set forth therein.

(b) through (i) No Change.

* * * * *

6000C. NASD/NSX TRADE REPORTING FACILITY SYSTEMS AND PROGRAMS

* * * * *

6130C. Trade Report Input

(a) Reportable Transactions

Members shall comply with the Rule 6100C Series when reporting transactions to the System, including executions of less than one round lot. All trades that are reportable

transactions will be processed pursuant to an effective transaction reporting plan. Trades that are not already locked-in trades [or trades reported as other than regular way settlement (i.e., Cash, Next-Day, Seller's Option)] will not be accepted by the System. Participants must use an alternative electronic mechanism to report and clear these trades.

(b) through (h) No Change.

* * * * *

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

The TRFs,⁵ including the NASD/NSX TRF, provide members mechanisms for reporting trades in exchange-listed securities executed otherwise than on an exchange. Currently, the functionality offered by the NASD/NSX TRF differs from the functionality offered by some of the other TRFs and, as a result, the rules relating to the NASD/NSX TRF differ from the rules relating to the other TRFs. Specifically, pursuant to NASD Rule 4632C(a)(8), the NASD/NSX TRF does not accept trade reports for Stop Stock

⁵ In addition to the NASD/NSX TRF, there are three other TRFs in operation: the NASD/Nasdaq TRF, the NASD/BSE Trade Reporting Facility (the "NASD/BSE TRF") and the NASD/NYSE Trade Reporting Facility (the "NASD/NYSE TRF"). As noted in footnote 4 above, the formal name change of each TRF is pending.

Transactions (as such term is defined in Rule 4200C), transactions occurring at prices based on average-weighting or other special pricing formulae or transactions that reflect a price different from the current market when the execution price is based on a prior reference point in time. In addition, pursuant to NASD Rule 6130C(a), the NASD/NSX TRF does not accept trades reported as other than regular way settlement (i.e., Cash, Next Day and Seller's Option). Under the current rules, members must use an alternative electronic mechanism to report these transactions to FINRA.

FINRA is proposing to expand the NASD/NSX TRF's functionality such that members will be able to report the above-described transactions to the NASD/NSX TRF. FINRA is proposing to amend NASD Rules 4632C and 6130C to reflect this change in functionality and conform, to the extent practicable, the NASD/NSX TRF rules to the rules relating to the other TRFs.

FINRA also is proposing to amend NASD Rule 6130(a) to clarify that the "System" (defined in Rule 6110 to include the NASD/Nasdaq TRF and the OTC Reporting Facility) will compare and submit to NSCC trades reported as other than regular way settlement. This amendment is consistent with current practice and reflects recent changes in the way that such trades are processed by NSCC.⁶ Additionally, this amendment conforms the text of Rule 6130(a) to the text of amended Rule 6130C(a), to the extent practicable.⁷

⁶ See Securities Exchange Release No. 54816 (November 27, 2006), 71 FR 69604 (December 1, 2006) (order approving SR-NSCC-2006-09).

⁷ The corresponding rules relating to the other TRFs differ in this regard. NASD Rule 6130D(a) provides that trades reported as other than regular way settlement will not be accepted by the NASD/BSE TRF. NASD Rule 6130E(a) provides that trades reported as other than regular way settlement will be accepted by the NASD/NYSE TRF, but will not be submitted to clearing. The NASD/NYSE TRF

FINRA has filed the proposed rule change for immediate effectiveness. FINRA will announce the operative date of the proposed rule change on its website, which date will be at least 30 days after the date of filing.

2. 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 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 is in the public interest and appropriate for the maintenance of fair and orderly markets because it will provide members another mechanism to report the types of trades described above with the necessary regulatory information.

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

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

will not submit any trades (including regular way settlement trades) to clearing; members must have a Qualified Service Representative (“QSR”) agreement or similar arrangement in place to clear trades submitted to the NASD/NYSE TRF.

⁸ 15 U.S.C. 78o-3(b)(6).

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing 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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁹ and Rule 19b-4(f)(6) thereunder.¹⁰ FINRA believes that the filing is appropriately designated as “non-controversial” because the proposed rule change is substantially similar to the trade reporting requirements for the other TRFs.¹¹ In accordance with Rule 19b-4,¹² FINRA submitted 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.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

¹¹ See, e.g., NASD Rules 4632 and 6130 (relating to the NASD/Nasdaq TRF), 4632D and 6130D (relating to the NASD/BSE TRF) and 4632E and 6130E (relating to the NASD/NYSE TRF).

¹² 17 CFR 240.19b-4(f)(6).

the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2007-003 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-2007-003. 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-2007-003 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.¹³

Nancy M. Morris

Secretary

¹³ 17 CFR 200.30-3(a)(12).