

Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * 12 | SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4 | File No.* SR - 2015 - * 029 Amendment No. (req. for Amendments *) 2 |
|----------------|--|--|

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

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|--|--|--|---|---|---|
| Initial * <input type="checkbox"/> | Amendment * <input checked="" 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"/> | | Date Expires * <input type="text"/> | <input type="checkbox"/> 19b-4(f)(1) | <input type="checkbox"/> 19b-4(f)(4) | |
| | | | <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) | |

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| Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 | Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 |
| Section 806(e)(1) * <input type="checkbox"/> | Section 806(e)(2) * <input type="checkbox"/> |
| | Section 3C(b)(2) * <input type="checkbox"/> |

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| 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 action (limit 250 characters, required when Initial is checked *).

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 action.

First Name * Adam Last Name * Arkel

Title * Associate General Counsel

E-mail * adam.arkel@finra.org

Telephone * (202) 728-6961 Fax (202) 728-8264

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.

(Title *)

Date 03/02/2016 Senior Vice President and Deputy General Counsel

By Patrice Gliniecki

Patrice Gliniecki,

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 EFFF website.

Form 19b-4 Information *

Add Remove View

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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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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, security-based swap submission, or advance notice 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

Add Remove View

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 Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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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 Sent As Paper Document

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

Add Remove View

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.

On July 31, 2015, Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (the “Commission” or “SEC”) proposed rule change SR-FINRA-2015-029 (the “original filing” or “proposed rule change”), pursuant to which FINRA proposed to adopt FINRA Rule 3210 (Accounts At Other Broker-Dealers and Financial Institutions) in the consolidated FINRA rulebook and to delete NASD Rule 3050, Incorporated NYSE Rules 407 and 407A and Incorporated NYSE Rule Interpretations 407/01 and 407/02. The Commission published the proposed rule change for public comment in the Federal Register on August 14, 2015¹ and received four comment letters.

On November 10, 2015, FINRA filed Partial Amendment No. 1 to the proposed rule change in response to comments.² On November 18, 2015, the Commission published in the Federal Register a notice and order to solicit comments on Partial Amendment No. 1 from interested persons and to institute proceedings pursuant to Section 19(b)(2)(B) of the Securities Exchange Act of 1934 to determine whether to approve or disapprove the proposed rule change, as modified by Partial Amendment No. 1.³

As discussed more fully below, FINRA is filing this Partial Amendment No. 2 to propose, not in response to comment, revisions to Supplementary Material .02 of the proposed rule. With this Partial Amendment No. 2, FINRA is including (1) Exhibit 4 (see below), which reflects changes to the text of the proposed rule change pursuant to this Partial Amendment No. 2, marked to show additions to the text as proposed in the original filing and Partial Amendment No. 1; and (2) Exhibit 5 (see below), which

¹ Securities Exchange Act Release No. 75655 (August 10, 2015), 80 FR 48941 (August 14, 2015) (Notice of Filing of Proposed Rule Change; File No. SR-FINRA-2015-029).

² See Partial Amendment No. 1 to SR-FINRA-2015-029, available at: <www.finra.org>.

³ Securities Exchange Act Release No. 76430 (November 12, 2015), 80 FR 72118 (November 18, 2015) (Order Instituting Proceedings To Determine Whether To Approve or Disapprove Proposed Rule Change To Adopt FINRA Rule 3210, as Modified by Partial Amendment No. 1; File No. SR-FINRA-2015-029) (“Order Instituting Proceedings”). The Commission received one comment letter in response to the Order Instituting Proceedings. See Letter from Laura Crosby-Brown, dated November 13, 2015 (“Crosby-Brown Letter”). The Crosby-Brown Letter said that the proposed rule should allow members to decide based on their business model and potential risks whether or not to require their prior written consent in connection with accounts opened or otherwise established by their associated persons as specified by the rule. In response, FINRA notes that the core supervisory objective that gives rise to the need for the rulemaking is discussed in the original filing and in Partial Amendment No. 1.

reflects the changes to the current rule text that are proposed in the proposed rule change and Partial Amendment No. 1, as amended by this Partial Amendment No. 2.

As discussed more fully in the original filing and as amended by Partial Amendment No. 1,⁴ proposed Supplementary Material .02 provides that, for purposes of the rule, the associated person shall be presumed to have a beneficial interest in any account that is held by: (a) the spouse of the associated person, provided that the spouse resides in the same household as the associated person; (b) a child of the associated person or of the associated person's spouse, provided that the child resides in the same household as or is financially dependent upon the associated person; (c) any other related individual over whose account the associated person has control; or (d) any other individual over whose account the associated person has control and to whose financial support the associated person materially contributes. The Supplementary Material provides that, for purposes of the rule, an associated person need not be presumed to have a beneficial interest in an account if the associated person demonstrates, to the satisfaction of the employer member, that the associated person derives no economic benefit from the account. In this Partial Amendment No. 2, FINRA is proposing the following revisions to Supplementary Material .02:

- FINRA proposes to add the phrase “and to have established” in the opening sentence of the Supplementary Material, so that the sentence reads: “For purposes of this Rule, the associated person shall be presumed to have a beneficial interest in, and to have established, any account that is held by . . .”⁵ This revision clarifies that the associated person is not only presumed to have a beneficial interest in the accounts specified in Supplementary Material .02(a) through .02(d), but also that the accounts are presumed to be established by the associated person, thereby making clear FINRA’s intent that the accounts are within the meaning of the phrase “open or otherwise establish” as used in paragraph (a) of proposed Rule 3210;
- FINRA proposes to revise the last sentence of Supplementary Material .02. Specifically: the opening phrase “For purposes of this Rule” would be revised to read “For purposes of paragraphs (a) and (b) of this Supplementary Material .02”; the phrase “to have a beneficial interest in an account” would be revised to read “to have a beneficial interest in, or to have established, an account”; the phrase “to the satisfaction of the employer member” would be revised to read “to the reasonable satisfaction of the employer member”; and the final clause “that the associated person derives no economic benefit from the account” would be revised to read “that the associated person derives no economic benefit from, and exercises no control over, the account.” As revised, the complete sentence would read: “For purposes of paragraphs (a) and (b) of this Supplementary Material .02,

⁴ See Partial Amendment No. 1; 80 FR 72118, 72122; 80 FR 48941, 48947.

⁵ See Exhibit 4 in this Partial Amendment No. 2.

an associated person need not be presumed to have a beneficial interest in, or to have established, an account if the associated person demonstrates, to the reasonable satisfaction of the employer member, that the associated person derives no economic benefit from, and exercises no control over, the account.”⁶ FINRA believes that revising the opening phrase of the sentence to read “For purposes of paragraphs (a) and (b) of this Supplementary Material .02” is an appropriate clarification given that because the accounts specified in paragraphs (c) and (d) under the Supplementary Material involve control by the associated person, there would be no meaningful purpose in attempting to rebut the presumption. FINRA believes that adding the phrase “or to have established” is appropriate so as to align with the opening sentence of the revised Supplementary Material as discussed above. FINRA believes that adding the phrase “reasonable satisfaction of the employer member” clarifies FINRA’s expectation that the employer member’s determination that the associated person has rebutted the presumption for purposes of the rule must be reasonable. Finally, FINRA believes that the phrase “and exercises no control over” clarifies that the associated person would need to demonstrate not only that he or she derives no economic interest from the account, but also that he or she is not exercising any trading authority;

- Consistent with FINRA Rule 3110(d)(4)(A)(i), FINRA is revising Supplementary Material .02(a) to delete the phrase “provided that the spouse resides in the same household as the associated person.”⁷ As such, for purposes of the rule, as revised, an associated person would be presumed to have a beneficial interest in, and to have established, the account of a spouse, without regard to whether the spouse resides with the associated person. The presumption can be rebutted if the associated person demonstrates, to the reasonable satisfaction of the employer member, that the associated person derives no economic benefit from, and exercises no control over, the account. FINRA recognizes that the requirement to rebut the presumption in these cases will be a new obligation for some associated persons. Nonetheless, FINRA believes that the proposed revision is reasonable because the associated costs are not large, and it will reduce potential unintended consequences arising from the possible lack of appropriate review of accounts at other firms where the spouse of the associated person resides in a different household but the associated person has a beneficial interest in such accounts. Moreover, FINRA believes the revision is appropriate given that the rule, by permitting the associated person to demonstrate that he or she does not derive economic benefit from, or exercise control over, the spouse’s account, permits sufficient flexibility by its terms for employer members to take into account

⁶ See Exhibit 4 in this Partial Amendment No. 2.

⁷ See Exhibit 4 in this Partial Amendment No. 2.

diverse circumstances, such as separation;⁸ and

- FINRA is revising the header to Supplementary Material .02 to read “Related and Other Persons,” in place of “Beneficial Interest,” given that Supplementary Material .02(a) through (d) go to relationships of the associated person and, as such, “Related and Other Persons” is more indicative of the Supplementary Material’s content.

⁸ As noted in Partial Amendment No. 1, FINRA reminds members and their associated persons that the rule’s scope reaches all accounts, as specified by the rule, in which the associated person has a beneficial interest.

EXHIBIT 4

Exhibit 4 shows the changes proposed in this Partial Amendment No. 2, with the proposed changes in the original filing and Partial Amendment No. 1 shown as if adopted. Proposed new language in this Partial Amendment No. 2 is underlined; proposed deletions in this Partial Amendment No. 2 are in brackets.

* * * * *

3000. SUPERVISION AND RESPONSIBILITIES RELATING TO ASSOCIATED PERSONS

* * * * *

3200. RESPONSIBILITIES RELATING TO ASSOCIATED PERSONS

3210. Accounts At Other Broker-Dealers and Financial Institutions

(a) through (c) No Change.

••• Supplementary Material: -----

.01 No Change.

.02 [Beneficial Interest] Related and Other Persons. For purposes of this Rule, the associated person shall be presumed to have a beneficial interest in, and to have established, any account that is held by:

(a) the spouse of the associated person[, provided that the spouse resides in the same household as the associated person];

(b) through (d) No Change.

For purposes of [this Rule] paragraphs (a) and (b) of this Supplementary Material .02, an associated person need not be presumed to have a beneficial interest in, or to have established, an account if the associated person demonstrates, to the reasonable

satisfaction of the employer member, that the associated person derives no economic benefit from, and exercises no control over, the account.

.03 through **.05** No Change.

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EXHIBIT 5

Exhibit 5 shows the text of the proposed rule change, as amended by this Partial Amendment No. 2. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

Text of Proposed New FINRA Rule

* * * * *

3000. SUPERVISION AND RESPONSIBILITIES RELATING TO ASSOCIATED PERSONS

* * * * *

3200. RESPONSIBILITIES RELATING TO ASSOCIATED PERSONS

3210. Accounts At Other Broker-Dealers and Financial Institutions

(a) No person associated with a member (“employer member”) shall, without the prior written consent of the member, open or otherwise establish at a member other than the employer member (“executing member”), or at any other financial institution, any account in which securities transactions can be effected and in which the associated person has a beneficial interest.

(b) Any associated person, prior to opening or otherwise establishing an account subject to this Rule, shall notify in writing the executing member, or other financial institution, of his or her association with the employer member.

(c) An executing member shall, upon written request by an employer member, transmit duplicate copies of confirmations and statements, or the transactional data contained therein, with respect to an account subject to this Rule.

••• Supplementary Material: -----

.01 Account Opened Prior to Association With Employer Member. If the account was opened or otherwise established prior to the person's association with the employer member, the associated person, within 30 calendar days of becoming so associated, shall obtain the written consent of the employer member to maintain the account and shall notify in writing the executing member or other financial institution of his or her association with the employer member.

.02 Related and Other Persons. For purposes of this Rule, the associated person shall be presumed to have a beneficial interest in, and to have established, any account that is held by:

(a) the spouse of the associated person;

(b) a child of the associated person or of the associated person's spouse, provided that the child resides in the same household as or is financially dependent upon the associated person;

(c) any other related individual over whose account the associated person has control; or

(d) any other individual over whose account the associated person has control and to whose financial support the associated person materially contributes.

For purposes of paragraphs (a) and (b) of this Supplementary Material .02, an associated person need not be presumed to have a beneficial interest in, or to have established, an account if the associated person demonstrates, to the reasonable satisfaction of the employer member, that the associated person derives no economic benefit from, and exercises no control over, the account.

.03 Transactions and Accounts Not Subject To This Rule. The requirements of this Rule shall not apply to transactions in unit investment trusts, municipal fund securities as defined under MSRB Rule D-12, qualified tuition programs pursuant to Section 529 of the Internal Revenue Code and variable contracts or redeemable securities of companies registered under the Investment Company Act, as amended, or to accounts that are limited to transactions in such securities, or to Monthly Investment Plan type accounts.

.04 Accounts At a Financial Institution Other Than a Member. With respect to an account subject to this Rule at a financial institution other than a member, the employer member shall consider the extent to which it will be able to obtain, upon written request, duplicate copies of confirmations and statements, or the transactional data contained therein, directly from the non-member financial institution in determining whether to provide its written consent to an associated person to open or maintain such account.

.05 Other Financial Institution. For purposes of this Rule, the terms “other financial institution” and “financial institution other than a member” include, but are not limited to, any broker-dealer that is registered pursuant to Section 15(b)(11) of the Exchange Act, domestic or foreign non-member broker-dealer, investment adviser, bank, insurance company, trust company, credit union and investment company.

* * * * *

**Text of NASD Rule to be Deleted in its
Entirety from the Transitional Rulebook**

* * * * *

[3050. Transactions for or by Associated Persons]

Entire text deleted.

* * * * *

Text of Incorporated NYSE Rules and NYSE Rule Interpretations to be Deleted in their Entirety from the Transitional Rulebook

* * * * *

Incorporated NYSE Rules

* * * * *

[407. Transactions - Employees of Members, Member Organizations and the Exchange]

Entire text deleted.

[Rule 407A. Disclosure of All Member Accounts]

Entire text deleted.

* * * * *

NYSE Rule Interpretations

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[Rule 407. Transactions – Employees of Member Organizations and the Exchange]

[/01 Account of Spouse]

Entire text deleted.

[/02 Majority Stock Ownership]

Entire text deleted.

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