

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 type="checkbox"/>	Section 19(b)(3)(A) <input checked="" 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 checked="" 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 Establish a Fee for the Submission of Non-Media Reports to the FINRA/NSX Trade Reporting Facility

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 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”) this proposed rule change to establish a fee for the submission of non-media reports to the NASD/NSX Trade Reporting Facility (the “NASD/NSX TRF”).² Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

7000C. CHARGES FOR NASD/NSX TRADE REPORTING FACILITY SERVICES

* * * * *

7002C. NASD/NSX Trade Reporting Facility Reporting Fees

Except as otherwise provided in this Rule 7000C Series, [T]there will be no charge for use of the NASD/NSX Trade Reporting Facility to report locked-in transactions in exchange-listed securities effected otherwise than on an exchange.

* * * * *

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 Trade Reporting Facility is pending and once completed, FINRA will file a separate proposed rule change to reflect those changes in the Manual.

7003C. Fee for Submission of Non-Media Reports

With respect to each billing cycle, an NASD member shall be charged a fee in the amount of \$0.0075 for each non-media report that the member submitted to the NASD/NSX Trade Reporting Facility. For purposes of this Rule, a non-media report is any report submitted by the member to the NASD/NSX Trade Reporting Facility that is not submitted by the NASD/NSX Trade Reporting Facility to the Consolidated Tape Association or the Nasdaq Securities Information Processor.

* * * * *

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change has been approved by senior management of FINRA pursuant to delegated authority. 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. The operative date will be the date of filing.

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

(a) Purpose

Background

On November 6, 2006, the Commission approved the establishment of the NASD/NSX TRF,³ and on November 27, 2006, the NASD/NSX TRF commenced

³ See Securities Exchange Act Release No. 54715 (November 6, 2006), 71 FR 66354 (November 14, 2006) (order approving SR-NASD-2006-108).

operation. The NASD/NSX TRF provides FINRA members with another mechanism for reporting locked-in transactions in NMS stocks, as defined in Rule 600(b)(47) of Regulation NMS under the Act, effected otherwise than on an exchange.

In connection with the establishment of the NASD/NSX TRF, FINRA and National Stock Exchange, Inc. (“NSX”) entered into a Limited Liability Company Agreement for NASD/NSX Trade Reporting Facility LLC (the “NASD/NSX TRF LLC Agreement”), a copy of which appears in the NASD Manual. Under the NASD/NSX TRF LLC Agreement, FINRA, the “SRO Member,” has sole regulatory responsibility for the NASD/NSX TRF. NSX, the “Business Member,” is primarily responsible for the management of the NASD/NSX TRF’s business affairs, including establishing pricing for use of the NASD/NSX TRF, to the extent those affairs are not inconsistent with the regulatory and oversight functions of FINRA. Additionally, the Business Member is obligated to pay the cost of regulation and is entitled to the profits and losses, if any, derived from the operation of the NASD/NSX TRF.

FINRA members can submit to the NASD/NSX TRF “media” reports (i.e., trade reports that are publicly disseminated by the Securities Information Processors (“SIPs”)) and “non-media” reports (i.e., reports that are submitted not for publication by the SIPs, but solely for clearing and/or regulatory purposes). Because FINRA uses all reports submitted, whether media or non-media, in conducting its regulatory and oversight functions, the NASD/NSX TRF is charged regulatory costs by FINRA based on all such reports that are submitted to the NASD/NSX TRF. However, market data revenue generated for NASD/NSX TRF activity is derived solely from media reports submitted and, as provided in NASD Rule 7002C, no other fees currently apply to the use of the

NASD/NSX TRF. Thus, NSX, as the Business Member, believes that members should be charged a fee for submission of non-media reports that would serve to offset directly its regulatory costs associated with non-media reports.

Proposed Fee for Submission of Non-Media Reports

Accordingly, FINRA is proposing to adopt new NASD Rule 7003C to establish a fee for the submission of non-media reports to the NASD/NSX TRF. Specifically, under the proposed Rule, at the end of each billing cycle, a FINRA member will be charged a fee in the amount of \$.0075 for each non-media report that the member submitted to the NASD/NSX TRF during that billing cycle. For purposes of the proposed Rule, a non-media report is any report submitted by the member to the NASD/NSX TRF that is not submitted by the NASD/NSX TRF to the Consolidated Tape Association or the Nasdaq Securities Information Processor.

NSX, as the Business Member, has determined that the proposed fee of \$.0075 per report best approximates its regulatory costs associated with non-media reports submitted to the NASD/NSX TRF and is necessary for competitive reasons. NSX believes that the ability to offset such regulatory costs is crucial to the business of the NASD/NSX TRF and will keep the NASD/NSX TRF's prices competitive.

Additionally, FINRA is proposing a technical amendment to NASD Rule 7002C to clarify that there will be no charge for use of the NASD/NSX TRF, except as otherwise provided in the Rule 7000C Series (Charges for NASD/NSX Trade Reporting Facility Services). This technical amendment is necessary to avoid any potential confusion between Rule 7002C and proposed Rule 7003C.

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness. The operative date will be the date of filing.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A of the Act,⁴ in general, and with Section 15A(b)(5) of the Act,⁵ in particular, which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls. FINRA believes that the proposed rule change is a reasonable fee structure in that it will be applied uniformly to all FINRA members that submit non-media reports to the NASD/NSX TRF.

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

⁴ 15 U.S.C. 78o-3.

⁵ 15 U.S.C. 78o-3(b)(5).

19(b)(3)(A)(ii) of the Act⁶ and paragraph (f)(2) of Rule 19b-4 thereunder,⁷ in that the proposed rule change is establishing or changing a due, fee, or other charge applicable only to a member, which renders the proposed rule change effective immediately upon 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.

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

⁷ 17 CFR 240.19b-4(f)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-FINRA-2008-004)

Self-Regulatory Organizations: Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Establish a Fee for the Submission of Non-Media Reports to the NASD/NSX Trade Reporting Facility

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 this proposed rule change as “establishing or changing a due, fee, or other charge” under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposed rule change effective immediately 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

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

FINRA is proposing to establish a fee for the submission of non-media reports to the NASD/NSX Trade Reporting Facility (the "NASD/NSX TRF").⁵ Below is the text of the proposed rule change. Proposed new language is in italics; proposed deletions are in brackets.

* * * * *

7000C. CHARGES FOR NASD/NSX TRADE REPORTING FACILITY SERVICES

* * * * *

7002C. NASD/NSX Trade Reporting Facility Reporting Fees

Except as otherwise provided in this Rule 7000C Series, [T]there will be no charge for use of the NASD/NSX Trade Reporting Facility to report locked-in transactions in exchange-listed securities effected otherwise than on an exchange.

* * * * *

7003C. Fee for Submission of Non-Media Reports

With respect to each billing cycle, an NASD member shall be charged a fee in the amount of \$0.0075 for each non-media report that the member submitted to the NASD/NSX Trade Reporting Facility. For purposes of this Rule, a non-media report is any report submitted by the member to the NASD/NSX Trade Reporting Facility that is

⁵ 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 Trade Reporting Facility is pending and once completed, FINRA will file a separate proposed rule change to reflect those changes in the Manual.

not submitted by the NASD/NSX Trade Reporting Facility to the Consolidated Tape Association or the Nasdaq Securities Information Processor.

* * * * *

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

In its filing with the Commission, FINRA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Background

On November 6, 2006, the Commission approved the establishment of the NASD/NSX TRF,⁶ and on November 27, 2006, the NASD/NSX TRF commenced operation. The NASD/NSX TRF provides FINRA members with another mechanism for reporting locked-in transactions in NMS stocks, as defined in Rule 600(b)(47) of Regulation NMS under the Act, effected otherwise than on an exchange.

In connection with the establishment of the NASD/NSX TRF, FINRA and National Stock Exchange, Inc. ("NSX") entered into a Limited Liability Company Agreement for NASD/NSX Trade Reporting Facility LLC (the "NASD/NSX TRF LLC Agreement"), a copy of which appears in the NASD Manual. Under the NASD/NSX

⁶ See Securities Exchange Act Release No. 54715 (November 6, 2006), 71 FR 66354 (November 14, 2006) (order approving SR-NASD-2006-108).

TRF LLC Agreement, FINRA, the “SRO Member,” has sole regulatory responsibility for the NASD/NSX TRF. NSX, the “Business Member,” is primarily responsible for the management of the NASD/NSX TRF’s business affairs, including establishing pricing for use of the NASD/NSX TRF, to the extent those affairs are not inconsistent with the regulatory and oversight functions of FINRA. Additionally, the Business Member is obligated to pay the cost of regulation and is entitled to the profits and losses, if any, derived from the operation of the NASD/NSX TRF.

FINRA members can submit to the NASD/NSX TRF “media” reports (i.e., trade reports that are publicly disseminated by the Securities Information Processors (“SIPs”)) and “non-media” reports (i.e., reports that are submitted not for publication by the SIPs, but solely for clearing and/or regulatory purposes). Because FINRA uses all reports submitted, whether media or non-media, in conducting its regulatory and oversight functions, the NASD/NSX TRF is charged regulatory costs by FINRA based on all such reports that are submitted to the NASD/NSX TRF. However, market data revenue generated for NASD/NSX TRF activity is derived solely from media reports submitted and, as provided in NASD Rule 7002C, no other fees currently apply to the use of the NASD/NSX TRF. Thus, NSX, as the Business Member, believes that members should be charged a fee for submission of non-media reports that would serve to offset directly its regulatory costs associated with non-media reports.

Proposed Fee for Submission of Non-Media Reports

Accordingly, FINRA is proposing to adopt new NASD Rule 7003C to establish a fee for the submission of non-media reports to the NASD/NSX TRF. Specifically, under the proposed Rule, at the end of each billing cycle, a FINRA member will be charged a

fee in the amount of \$.0075 for each non-media report that the member submitted to the NASD/NSX TRF during that billing cycle. For purposes of the proposed Rule, a non-media report is any report submitted by the member to the NASD/NSX TRF that is not submitted by the NASD/NSX TRF to the Consolidated Tape Association or the Nasdaq Securities Information Processor.

NSX, as the Business Member, has determined that the proposed fee of \$.0075 per report best approximates its regulatory costs associated with non-media reports submitted to the NASD/NSX TRF and is necessary for competitive reasons. NSX believes that the ability to offset such regulatory costs is crucial to the business of the NASD/NSX TRF and will keep the NASD/NSX TRF's prices competitive.

Additionally, FINRA is proposing a technical amendment to NASD Rule 7002C to clarify that there will be no charge for use of the NASD/NSX TRF, except as otherwise provided in the Rule 7000C Series (Charges for NASD/NSX Trade Reporting Facility Services). This technical amendment is necessary to avoid any potential confusion between Rule 7002C and proposed Rule 7003C.

FINRA has filed the proposed rule change for immediate effectiveness. The operative date will be the date of filing.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A of the Act,⁷ in general, and with Section 15A(b)(5) of the Act,⁸ in particular, which requires, among other things, that FINRA rules provide for the equitable allocation

⁷ 15 U.S.C. 78o-3.

⁸ 15 U.S.C. 78o-3(b)(5).

of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls. FINRA believes that the proposed rule change is a reasonable fee structure in that it will be applied uniformly to all FINRA members that submit non-media reports to the NASD/NSX TRF.

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.

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

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act⁹ and paragraph (f)(2) of Rule 19b-4 thereunder,¹⁰ in that the proposed rule change is establishing or changing a due, fee, or other charge applicable only to a member, which renders the proposed rule change effective immediately upon 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.

⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁰ 17 CFR 240.19b-4(f)(2).

IV. Solicitation of Comments

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

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2008-004 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-2008-004. 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-2008-004 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).