

*Required fields are shown with yellow backgrounds and asterisks.*

Page 1 of * <input style="width: 40px;" type="text" value="22"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input style="width: 40px;" type="text" value="2011"/> - * <input style="width: 40px;" type="text" value="060"/> Amendment No. (req. for Amendments *) <input style="width: 40px;" type="text"/>
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"/>		
Rule		
<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)	
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input style="width: 80px;" type="text"/>
<input type="checkbox"/> Exhibit 2 Sent As Paper Document	<input type="checkbox"/> Exhibit 3 Sent As Paper Document	
<b>Description</b> Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *). <div style="border: 1px solid black; padding: 5px; min-height: 30px;">Proposed Rule Change to Amend the Implementation Provision in FINRA Rule 1230(b)(6) (Operations Professional)</div>		
<b>Contact Information</b> 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 * <input style="width: 200px;" type="text" value="Erika"/> Last Name * <input style="width: 200px;" type="text" value="Lazar"/> Title * <input style="width: 500px;" type="text" value="Counsel"/> E-mail * <input style="width: 500px;" type="text" value="erika.lazar@finra.org"/> Telephone * <input style="width: 100px;" type="text" value="(202) 728-8013"/> Fax <input style="width: 100px;" type="text" value="(202) 728-8264"/>		
<b>Signature</b> 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 <input style="width: 80px;" type="text" value="10/14/2011"/> By <input style="width: 200px;" type="text" value="Patrice Gliniecki"/> Senior Vice President and Deputy 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. <div style="text-align: center; margin-top: 10px;"><input style="background-color: #cccccc; border: none; padding: 5px 20px;" type="button" value="Patrice Gliniecki,"/></div>		

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information (required)**

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 (required)**

Add Remove View

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**

Add Remove View

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**

Add Remove View

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**

Add Remove View

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**

Add Remove View

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”),<sup>1</sup> Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend FINRA Rule 1230(b)(6) (Operations Professional) to provide persons who are required to register as an Operations Professional from October 18, 2011 through December 16, 2011 and must pass a qualification examination to qualify as an Operations Professional until April 14, 2012 to pass the Operations Professional qualification examination (or an eligible qualification examination),<sup>2</sup> during which time such persons may function as an Operations Professional.

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

\* \* \* \* \*

**1000. MEMBER APPLICATION AND ASSOCIATED PERSON REGISTRATION**

\* \* \* \* \*

**1200. REGISTRATION AND QUALIFICATION**

**1230. Registration Categories**

---

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> FINRA Rule 1230(b)(6)(D) sets forth an exception to the Operations Professional qualification examination requirement for persons who currently hold certain registrations (each an “eligible registration”) or have held one during the two years immediately prior to registering as an Operations Professional. The exception also applies to persons who do not hold an eligible registration, but prefer an alternative to taking the Operations Professional examination. Such persons may register in an eligible registration category (subject to passing the corresponding “eligible qualification examination” or obtaining a waiver) and use such registration to qualify for Operations Professional registration.

**(a) Definition of Principal and Principal Registration Categories**

(1) through (11) No Change.

**(b) Definition of Representative and Representative Registration Categories**

(1) through (5) No Change.

**(6) Operations Professional**

**(A) Covered Persons**

Each of the following persons shall be required to register with  
FINRA as an Operations Professional:

(i) - (iii) No Change.

**(B) Covered Functions**

(i) - (xvi) No Change.

**(C) No Change.**

**(D) Exception**

(i) - (ii) No Change.

**(E) Implementation**

(i) No Change.

(ii) Any person who is required to register as an

Operations Professional [after] from October 1[7]8, 2011 through

December 16, 2011 shall register as an Operations Professional

and, if applicable, pass the Operations Professional qualification

examination (or an eligible qualification examination listed in

paragraph (b)(6)(D) of this Rule) prior to engaging in any activities

that would require such registration; provided, however, any such

person who must pass the Operations Professional qualification examination (or an eligible qualification examination listed in paragraph (b)(6)(D) of this Rule) to qualify for Operations Professional registration shall be allowed [a period of 120 days beginning on the date such person requests Operations Professional registration] until April 14, 2012 to pass such qualifying examination, during which time such person may function as an Operations Professional.

(iii) Any person who is required to register as an Operations Professional on or after December 17, 2011 shall register as an Operations Professional and, if applicable, pass the Operations Professional qualification examination (or an eligible qualification examination listed in paragraph (b)(6)(D) of this Rule) prior to engaging in any activities that would require such registration; provided, however, any such person who must pass the Operations Professional qualification examination (or an eligible qualification examination listed in paragraph (b)(6)(D) of this Rule) to qualify for Operations Professional registration shall be allowed a period of 120 days beginning on the date such person requests Operations Professional registration to pass such qualifying examination, during which time such person may function as an Operations Professional.

(7) through (14) No Change.

••• **Supplementary Material:** -----

.01 through .07 No Change.

\* \* \* \* \*

(b) Not applicable.

(c) Not applicable.

**2. Procedures of the Self-Regulatory Organization**

At its meeting on April 14, 2010, the FINRA Board of Governors authorized the filing of the proposed rule change with the SEC. No other action by FINRA is necessary for the filing of the proposed rule change.

FINRA requests the Commission to find good cause pursuant to Section 19(b)(2) of the Act<sup>3</sup> for approving the proposed rule change prior to the 30th day after its publication in the Federal Register to provide clarification regarding the implementation process in FINRA Rule 1230(b)(6)(E) for the persons described herein. The effective date of the proposed rule change will be October 17, 2011, the effective date of FINRA Rule 1230(b)(6) (Operations Professional).

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

(a) Purpose

On June 16, 2011, the Commission approved FINRA Rule 1230(b)(6), which establishes a registration category and qualification examination requirement for certain

---

<sup>3</sup> 15 U.S.C. 78s(b)(2).

operations personnel – Operations Professionals.<sup>4</sup> FINRA is expanding its registration provisions to require registration of certain individuals (“covered persons”) who are engaged in, responsible for or supervising certain member operations functions (“covered functions”) to enhance the regulatory structure surrounding these areas.<sup>5</sup>

FINRA Rule 1230(b)(6)(E)(i) provides that any person who is required to register as an Operations Professional as of October 17, 2011 (a “Day-One Professional,” i.e., a person who meets the depth of personnel criteria as a covered person and is engaged in one or more covered functions as of October 17, 2011) must request registration as an Operations Professional via Form U4 in the Central Registration Depository (“CRD<sup>®</sup>”) within 60 days after October 17, 2011 (i.e., on or before December 16, 2011). Any Day-One Professional who must pass the Operations Professional qualification examination<sup>6</sup>

---

<sup>4</sup> See Securities Exchange Act Release No. 64687 (June 16, 2011), 76 FR 36586 (June 22, 2011) (Order Approving File No. SR-FINRA-2011-013). In addition to adopting FINRA Rule 1230(b)(6), the rule change adopted NASD Rule 1120 (Continuing Education Requirements) as new FINRA Rule 1250 (Continuing Education Requirements) with certain changes, including expanding the scope of “covered registered persons” subject to the Firm Element to include persons registered as Operations Professionals. See also Securities Exchange Act Release No. 65222 (August 30, 2011), 76 FR 55443 (September 7, 2011) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change; File No. SR-FINRA-2011-041) and Securities Exchange Act Release No. 65221 (August 30, 2011), 76 FR 55441 (September 7, 2011) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change; File No. SR-FINRA-2011-042).

<sup>5</sup> See Regulatory Notice 11-33 (July 2011) and Regulatory Notice 11-42 (September 2011).

<sup>6</sup> Candidates for the Series 99 examination will be able to schedule and take the examination starting on October 17, 2011. Because this is a new examination for a new registration category, FINRA will be assessing the effectiveness of the examination by, in part, evaluating the candidates’ performance during the first 60 days of the administration of the examination. Therefore, candidates who take the examination within the first 60 days (between October 17, 2011 and December 16, 2011) will not receive their test results on the day that they take the examination. Instead, such candidates’ firms will be notified of test results (i.e.,

(or an eligible qualification examination) to qualify for Operations Professional registration is allowed a period of 12 months beginning on October 17, 2011 to pass such qualifying examination, during which time such person may function as an Operations Professional.

FINRA Rule 1230(b)(6)(E)(ii) provides that any person who is required to register as an Operations Professional after October 17, 2011 (a “non-Day-One Professional,” i.e., a person who does not meet the depth of personnel criteria as a covered person and/or is not engaged in one or more covered functions as of October 17, 2011, or persons hired after October 17, 2011, who will be subject to the registration requirements) must register as an Operations Professional and, if applicable, pass the Operations Professional qualification examination (or an eligible qualification examination) prior to engaging in any activities that would require such registration. However, any non-Day-One Professional who must pass the Operations Professional qualification examination (or an eligible qualification examination) to qualify for Operations Professional registration is allowed a period of 120 days beginning on the date such person requests Operations Professional registration to pass such qualifying examination, during which time such person may function as an Operations Professional.

The proposed rule change would amend FINRA Rule 1230(b)(6)(E) to afford non-Day-One Professionals who must register as an Operations Professional within the first 60 days of the effective date of FINRA Rule 1230(b)(6), and must pass a

---

the candidate’s score and whether the candidate has passed or failed the examination) on or shortly after December 16, 2011. The test results will be posted to the CRD system at that time. Candidates who fail the examination during the initial 60-day rollout will be provided an opportunity to retake the examination at no additional cost.

qualification examination to qualify, additional time to pass the Operations Professional qualification examination (or an eligible qualification examination). Under FINRA Rule 1230(b)(6)(E)(ii), as non-Day-One Professionals, such persons are required to pass a qualification examination within 120 days of requesting registration as an Operations Professional and do not get the benefit of the 12-month period to pass a qualification examination available only to Day-One Professionals.

The content outline for the Operations Professional examination was posted on FINRA's website on August 23, 2011. Given the short time period between August 23, 2011 and October 17, 2011, the effective date of FINRA Rule 1230(b)(6), test preparation and firm training materials may not be readily available for candidates who must register within the first 60 days of the effective date of the rule and do not have the benefit of the 12-month period to pass an examination for Day-One Professionals. Accordingly, non-Day-One Professionals who must register as an Operations Professional on or before December 16, 2011 may have difficulty preparing for and passing the Operations Professional examination within 120 days of requesting registration as an Operations Professional.<sup>7</sup>

The proposed rule change would provide that any person who is required to register as an Operations Professional from October 18, 2011 through December 16, 2011 must register as an Operations Professional and, if applicable, pass the Operations Professional qualification examination (or an eligible qualification examination) prior to engaging in any activities that would require such registration. However, any such

---

<sup>7</sup> See letter from John Polanin and Claire Santaniello, Co-Chairs, Compliance and Regulatory Policy Committee 2011, SIFMA, to Elizabeth M. Murphy, Secretary, SEC, dated September 30, 2011 (Re: Release No. 34-65222; File No. SR-FINRA-2011-041).

person who must pass the Operations Professional qualification examination (or an eligible qualification examination) to qualify for Operations Professional registration would be allowed until April 14, 2012 to pass such qualifying examination, during which time such person may function as an Operations Professional.

Any person who is required to register as an Operations Professional on or after December 17, 2011 would be required to register as an Operations Professional and, if applicable, pass the Operations Professional qualification examination (or an eligible qualification examination) prior to engaging in any activities that would require such registration. However, any such person who must pass the Operations Professional qualification examination (or an eligible qualification examination) to qualify for Operations Professional registration would be allowed a period of 120 days beginning on the date such person requests Operations Professional registration to pass such qualifying examination, during which time such person may function as an Operations Professional.

FINRA notes that members are responsible for tracking and monitoring their associated persons to ensure that they are registered, and conducting their activities, in compliance with the time frames described in FINRA Rule 1230(b)(6)(E).

As noted in Item 2 of this filing, the effective date of the proposed rule change will be October 17, 2011, the effective date of FINRA Rule 1230(b)(6) (Operations Professional).

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,<sup>8</sup> which requires, among other things, that FINRA rules

---

<sup>8</sup> 15 U.S.C. 78q-3(b)(6).

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. Given the short time period between the posting of the content outline for the Operations Professional examination on FINRA's website on August 23, 2011 and October 17, 2011, the effective date of FINRA Rule 1230(b)(6), non-Day-One Professionals who must register as an Operations Professional within the first 60 days of the effective date of FINRA Rule 1230(b)(6), and pass the Operations Professional examination (or an eligible qualification examination) to qualify, may have difficulty preparing for and passing such examination within 120 days of requesting registration as an Operations Professional. FINRA believes it is appropriate to provide such persons until April 14, 2012 to pass the Operations Professional qualification examination (or an eligible examination).

**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**

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.<sup>9</sup>

---

<sup>9</sup> 15 U.S.C. 78s(b)(2).

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

FINRA requests the Commission to find good cause pursuant to Section 19(b)(2) of the Act<sup>10</sup> for approving the proposed rule change prior to the 30th day after its publication in the Federal Register.

Because FINRA believes the proposed rule change provides needed clarification in response to concerns regarding the ability of non-Day-One Professionals who must register as an Operations Professional within the first 60 days of the effective date of FINRA Rule 1230(b)(6), and pass a qualification examination to qualify, to prepare for and pass the Operations Professional qualification examination (or an eligible qualification examination) within 120 of requesting registration as an Operations Professional, FINRA requests the Commission to accelerate the effectiveness of the proposed rule change prior to the 30th day after its publication in the Federal Register.

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.

---

<sup>10</sup> 15 U.S.C. 78s(b)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-FINRA-2011-060)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change to Amend the Implementation Provision in FINRA Rule 1230(b)(6) (Operations Professional)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on , Financial Industry Regulatory Authority, Inc. (“FINRA”) 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. For the reasons discussed below, the Commission is granting accelerated approval of the proposed rule change.

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

FINRA is proposing to amend FINRA Rule 1230(b)(6) (Operations Professional) to provide persons who are required to register as an Operations Professional from October 18, 2011 through December 16, 2011 and must pass a qualification examination to qualify as an Operations Professional until April 14, 2012 to pass the Operations

---

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

Professional qualification examination (or an eligible qualification examination),<sup>3</sup> during which time such persons may function as an Operations Professional.

The text of the proposed rule change is available on FINRA's website at <http://www.finra.org>, at the principal office of FINRA and at the Commission's Public Reference Room.

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

On June 16, 2011, the Commission approved FINRA Rule 1230(b)(6), which establishes a registration category and qualification examination requirement for certain operations personnel – Operations Professionals.<sup>4</sup> FINRA is expanding its registration

---

<sup>3</sup> FINRA Rule 1230(b)(6)(D) sets forth an exception to the Operations Professional qualification examination requirement for persons who currently hold certain registrations (each an "eligible registration") or have held one during the two years immediately prior to registering as an Operations Professional. The exception also applies to persons who do not hold an eligible registration, but prefer an alternative to taking the Operations Professional examination. Such persons may register in an eligible registration category (subject to passing the corresponding "eligible qualification examination" or obtaining a waiver) and use such registration to qualify for Operations Professional registration.

<sup>4</sup> See Securities Exchange Act Release No. 64687 (June 16, 2011), 76 FR 36586 (June 22, 2011) (Order Approving File No. SR-FINRA-2011-013). In addition to

provisions to require registration of certain individuals (“covered persons”) who are engaged in, responsible for or supervising certain member operations functions (“covered functions”) to enhance the regulatory structure surrounding these areas.<sup>5</sup>

FINRA Rule 1230(b)(6)(E)(i) provides that any person who is required to register as an Operations Professional as of October 17, 2011 (a “Day-One Professional,” i.e., a person who meets the depth of personnel criteria as a covered person and is engaged in one or more covered functions as of October 17, 2011) must request registration as an Operations Professional via Form U4 in the Central Registration Depository (“CRD<sup>®</sup>”) within 60 days after October 17, 2011 (i.e., on or before December 16, 2011). Any Day-One Professional who must pass the Operations Professional qualification examination<sup>6</sup>

---

adopting FINRA Rule 1230(b)(6), the rule change adopted NASD Rule 1120 (Continuing Education Requirements) as new FINRA Rule 1250 (Continuing Education Requirements) with certain changes, including expanding the scope of “covered registered persons” subject to the Firm Element to include persons registered as Operations Professionals. See also Securities Exchange Act Release No. 65222 (August 30, 2011), 76 FR 55443 (September 7, 2011) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change; File No. SR-FINRA-2011-041) and Securities Exchange Act Release No. 65221 (August 30, 2011), 76 FR 55441 (September 7, 2011) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change; File No. SR-FINRA-2011-042).

<sup>5</sup> See Regulatory Notice 11-33 (July 2011) and Regulatory Notice 11-42 (September 2011).

<sup>6</sup> Candidates for the Series 99 examination will be able to schedule and take the examination starting on October 17, 2011. Because this is a new examination for a new registration category, FINRA will be assessing the effectiveness of the examination by, in part, evaluating the candidates’ performance during the first 60 days of the administration of the examination. Therefore, candidates who take the examination within the first 60 days (between October 17, 2011 and December 16, 2011) will not receive their test results on the day that they take the examination. Instead, such candidates’ firms will be notified of test results (i.e., the candidate’s score and whether the candidate has passed or failed the examination) on or shortly after December 16, 2011. The test results will be posted to the CRD system at that time. Candidates who fail the examination

(or an eligible qualification examination) to qualify for Operations Professional registration is allowed a period of 12 months beginning on October 17, 2011 to pass such qualifying examination, during which time such person may function as an Operations Professional.

FINRA Rule 1230(b)(6)(E)(ii) provides that any person who is required to register as an Operations Professional after October 17, 2011 (a “non-Day-One Professional,” i.e., a person who does not meet the depth of personnel criteria as a covered person and/or is not engaged in one or more covered functions as of October 17, 2011, or persons hired after October 17, 2011, who will be subject to the registration requirements) must register as an Operations Professional and, if applicable, pass the Operations Professional qualification examination (or an eligible qualification examination) prior to engaging in any activities that would require such registration. However, any non-Day-One Professional who must pass the Operations Professional qualification examination (or an eligible qualification examination) to qualify for Operations Professional registration is allowed a period of 120 days beginning on the date such person requests Operations Professional registration to pass such qualifying examination, during which time such person may function as an Operations Professional.

The proposed rule change would amend FINRA Rule 1230(b)(6)(E) to afford non-Day-One Professionals who must register as an Operations Professional within the first 60 days of the effective date of FINRA Rule 1230(b)(6), and must pass a qualification examination to qualify, additional time to pass the Operations Professional qualification examination (or an eligible qualification examination). Under FINRA Rule

---

during the initial 60-day rollout will be provided an opportunity to retake the examination at no additional cost.

1230(b)(6)(E)(ii), as non-Day-One Professionals, such persons are required to pass a qualification examination within 120 days of requesting registration as an Operations Professional and do not get the benefit of the 12-month period to pass a qualification examination available only to Day-One Professionals.

The content outline for the Operations Professional examination was posted on FINRA's website on August 23, 2011. Given the short time period between August 23, 2011 and October 17, 2011, the effective date of FINRA Rule 1230(b)(6), test preparation and firm training materials may not be readily available for candidates who must register within the first 60 days of the effective date of the rule and do not have the benefit of the 12-month period to pass an examination for Day-One Professionals. Accordingly, non-Day-One Professionals who must register as an Operations Professional on or before December 16, 2011 may have difficulty preparing for and passing the Operations Professional examination within 120 days of requesting registration as an Operations Professional.<sup>7</sup>

The proposed rule change would provide that any person who is required to register as an Operations Professional from October 18, 2011 through December 16, 2011 must register as an Operations Professional and, if applicable, pass the Operations Professional qualification examination (or an eligible qualification examination) prior to engaging in any activities that would require such registration. However, any such person who must pass the Operations Professional qualification examination (or an eligible qualification examination) to qualify for Operations Professional registration

---

<sup>7</sup> See letter from John Polanin and Claire Santaniello, Co-Chairs, Compliance and Regulatory Policy Committee 2011, SIFMA, to Elizabeth M. Murphy, Secretary, SEC, dated September 30, 2011 (Re: Release No. 34-65222; File No. SR-FINRA-2011-041).

would be allowed until April 14, 2012 to pass such qualifying examination, during which time such person may function as an Operations Professional.

Any person who is required to register as an Operations Professional on or after December 17, 2011 would be required to register as an Operations Professional and, if applicable, pass the Operations Professional qualification examination (or an eligible qualification examination) prior to engaging in any activities that would require such registration. However, any such person who must pass the Operations Professional qualification examination (or an eligible qualification examination) to qualify for Operations Professional registration would be allowed a period of 120 days beginning on the date such person requests Operations Professional registration to pass such qualifying examination, during which time such person may function as an Operations Professional.

FINRA notes that members are responsible for tracking and monitoring their associated persons to ensure that they are registered, and conducting their activities, in compliance with the time frames described in FINRA Rule 1230(b)(6)(E).

The effective date of the proposed rule change will be October 17, 2011, the effective date of FINRA Rule 1230(b)(6) (Operations Professional).

## 2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,<sup>8</sup> 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. Given the short time period between the posting of the content outline for the

---

<sup>8</sup> 15 U.S.C. 78q-3(b)(6).

Operations Professional examination on FINRA's website on August 23, 2011 and October 17, 2011, the effective date of FINRA Rule 1230(b)(6), non-Day-One Professionals who must register as an Operations Professional within the first 60 days of the effective date of FINRA Rule 1230(b)(6), and pass the Operations Professional examination (or an eligible qualification examination) to qualify, may have difficulty preparing for and passing such examination within 120 days of requesting registration as an Operations Professional. FINRA believes it is appropriate to provide such persons until April 14, 2012 to pass the Operations Professional qualification examination (or an eligible examination).

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

FINRA has requested that the Commission find good cause pursuant to Section 19(b)(2) of the Act<sup>9</sup> for approving the proposed rule change prior to the 30th day after publication in the Federal Register. The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to FINRA and, in particular, the requirements of Section 15A of the Act and

---

<sup>9</sup> 15 U.S.C. 78s(b)(2).

the rules and regulations thereunder. The Commission finds good cause for approving the proposed rule change prior to the 30th day after the date of publication of notice of filing thereof in that accelerated approval will provide needed clarification in response to concerns regarding the ability of non-Day-One Professionals who must register as an Operations Professional within the first 60 days of the effective date of FINRA Rule 1230(b)(6), and pass a qualification examination to qualify, to prepare for and pass the Operations Professional qualification examination (or an eligible qualification examination) within 120 of requesting registration as an Operations Professional.

Within 45 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 or disapprove 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:

- Use the Commission's Internet comment form

(<http://www.sec.gov/rules/sro.shtml>); or

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-FINRA-2011-060 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-FINRA-2011-060. 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 website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. 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-2011-060 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

Elizabeth M. Murphy

Secretary

---

<sup>10</sup> 17 CFR 200.30-3(a)(12).