

Required fields are shown with yellow backgrounds and asterisks.

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

File No.* SR - 2011 - * 066

Amendment No. (req. for Amendments *)

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"/>
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Rule

Pilot <input type="checkbox"/>	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 checked="" type="checkbox"/> 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, required when Initial is checked *).

Proposed Rule Change Relating to the Order Audit Trail System Definitions of Index Arbitrage Trade and Program Trade

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 *	Brant	Last Name *	Brown
Title *	Associate General Counsel		
E-mail *	brant.brown@finra.org		
Telephone *	(202) 728-6927	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 officer.

Date 11/04/2011

By Stephanie Dumont
(Name *)Senior Vice President and Director of Capital Markets
Policy
(Title *)

(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.

Stephanie Dumont,

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)

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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 (required)

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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”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend the definitions of “Index Arbitrage Trade” and “Program Trade” in FINRA Rule 7410 (Definitions) to reflect the deletion of NYSE Rule 132B and the adoption of NYSE Rule 7410.²

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

* * * * *

**7000. CLEARING, TRANSACTION AND ORDER DATA REQUIREMENTS,
AND FACILITY CHARGES**

* * * * *

7400. ORDER AUDIT TRAIL SYSTEM

7410. Definitions

For purposes of the Rule 7400 Series:

(a) through (e) No Change.

(f) “Index Arbitrage Trade” shall have the same meaning [mean an arbitrage trading strategy involving the purchase or sale of a “basket” or group of securities in conjunction with the purchase or sale, or intended purchase or sale, of one or more cash-settled options or futures contracts on index stock groups, or options on any such futures

¹ 15 U.S.C. 78s(b)(1).

² See Securities Exchange Act Release No. 65523 (October 7, 2011); 76 FR 64154 (October 17, 2011).

contracts in an attempt to profit by the price difference,] as the term “Index Arbitrage” [further defined] in New York Stock Exchange Rule 7410 [132B].

(g) through (l) No Change.

(m) “Program Trade” shall have the same meaning [mean a trading strategy involving the related purchase or sale of a group of 15 or more securities] as the term “Program Trading” [further defined] in New York Stock Exchange Rule 7410 [132B].

(n) through (o) No Change.

* * * * *

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change has been approved by the General Counsel of FINRA (or his officer designee) 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 and has requested that the SEC waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing, such that FINRA can implement the proposed rule change immediately.

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

(a) Purpose

FINRA is filing the proposed rule change to update the definitions of “Index Arbitrage Trade” and “Program Trade” found in FINRA Rule 7410.

The definitions of “Index Arbitrage Trade” and “Program Trade” in FINRA Rule 7410(f) and (m), respectively, incorporate by reference the definitions of “index arbitrage” and “program trading” in NYSE Rule 132B. In connection with the extension of FINRA’s Order Audit Trail System (“OATS”) rules (“OATS Rules”) to all NMS stocks, the NYSE filed with the SEC a proposed rule change to delete NYSE Rules 132A, 132B, and 132C (the NYSE’s Order Tracking System, or OTS, Rules) and to adopt, with minor conforming changes, the text of the FINRA Rule 7400 Series, the OATS Rules.³ As part of that rule change, the NYSE relocated its definitions of “index arbitrage” and “program trading” from NYSE Rule 132B.10 to NYSE Rule 7410(g) and (m). Because the OTS Rules, including NYSE Rule 132B, will no longer be in the NYSE Rulebook after the OATS Rules are extended to all NMS stocks on November 28, 2011,⁴ FINRA is amending the definitions of “Index Arbitrage Trade” and “Program Trade” in paragraphs (f) and (m) of FINRA Rule 7410 to refer to new NYSE Rule 7410 rather than NYSE Rule 132B.

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness and has requested that the SEC waive the requirement that the

³ See Securities Exchange Act Release No. 65523 (October 7, 2011); 76 FR 64154 (October 17, 2011).

⁴ FINRA began phasing in the extension of the OATS Rules to all NMS stocks on October 17, 2011. See Securities Exchange Act Release No. 65442 (September 29, 2011); 76 FR 61773 (October 5, 2011). The phase-in will be completed on November 28, 2011. See OATS Reporting Technical Specifications, at ii (ed. May 3, 2011). The NYSE is phasing out the OTS requirements on the same timetable as FINRA is phasing in the OATS requirements. See Securities Exchange Act Release No. 65523, n.16 (October 7, 2011); 76 FR 64154, 64156 n.16 (October 17, 2011).

proposed rule change not become operative for 30 days after the date of the filing, such that FINRA can implement the proposed rule change immediately.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁵ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes the proposed rule change will provide greater clarity to members and the public regarding FINRA's rules by updating the cross-references to the new NYSE rule. FINRA also believes that the proposed rule change will promote the harmonization of industry rules by ensuring that the definitions of "Program Trade" and "Index Arbitrage Trade" in the OATS Rules will remain consistent with the analogous definitions in the NYSE rules.

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.

⁵ 15 U.S.C. 78q-3(b)(6).

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) of the Act⁶ and paragraph (f)(6) of Rule 19b-4 thereunder,⁷ 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 or such shorter time as the Commission may designate. FINRA requests that the Commission waive the requirement that the rule change, by its terms, not become operative for 30 days after the date of the filing as set forth in Rule 19b-4(f)(6)(iii).⁸ FINRA believes that, because NYSE Rule 7410 is already effective, allowing the cross-reference to the appropriate NYSE rule to take effect immediately will reduce confusion regarding the applicable NYSE rule definition. In accordance with Rule 19b-4(f)(6),⁹ 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, or such shorter time as the Commission may designate, as specified in Rule 19b-4(f)(6)(iii) under the Act.¹⁰

⁶ 15 U.S.C. 78s(b)(3).

⁷ 17 CFR 240.19b-4(f)(6).

⁸ 17 CFR 240.19b-4(f)(6)(iii).

⁹ 17 CFR 240.19b-4(f)(6).

¹⁰ 17 CFR 240.19b-4(f)(6)(iii).

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

The proposed rule change is necessitated by the NYSE's deletion of NYSE Rule 132B and the transfer of definitions in NYSE Rule 132B to NYSE Rule 7410.

9. Exhibits

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

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-FINRA-2011-066)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Order Audit Trail System Definitions of Index Arbitrage Trade and Program Trade

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”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II 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 the definitions of “Index Arbitrage Trade” and “Program Trade” in FINRA Rule 7410 (Definitions) to reflect the deletion of NYSE Rule 132B and the adoption of NYSE Rule 7410.⁴

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

⁴ See Securities Exchange Act Release No. 65523 (October 7, 2011); 76 FR 64154 (October 17, 2011).

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

FINRA is filing the proposed rule change to update the definitions of "Index Arbitrage Trade" and "Program Trade" found in FINRA Rule 7410.

The definitions of "Index Arbitrage Trade" and "Program Trade" in FINRA Rule 7410(f) and (m), respectively, incorporate by reference the definitions of "index arbitrage" and "program trading" in NYSE Rule 132B. In connection with the extension of FINRA's Order Audit Trail System ("OATS") rules ("OATS Rules") to all NMS stocks, the NYSE filed with the SEC a proposed rule change to delete NYSE Rules 132A, 132B, and 132C (the NYSE's Order Tracking System, or OTS, Rules) and to adopt, with minor conforming changes, the text of the FINRA Rule 7400 Series, the

OATS Rules.⁵ As part of that rule change, the NYSE relocated its definitions of “index arbitrage” and “program trading” from NYSE Rule 132B.10 to NYSE Rule 7410(g) and (m). Because the OTS Rules, including NYSE Rule 132B, will no longer be in the NYSE Rulebook after the OATS Rules are extended to all NMS stocks on November 28, 2011,⁶ FINRA is amending the definitions of “Index Arbitrage Trade” and “Program Trade” in paragraphs (f) and (m) of FINRA Rule 7410 to refer to new NYSE Rule 7410 rather than NYSE Rule 132B.

FINRA has filed the proposed rule change for immediate effectiveness and has requested that the SEC waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing, such that FINRA can implement the proposed rule change immediately.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁷ 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

⁵ See Securities Exchange Act Release No. 65523 (October 7, 2011); 76 FR 64154 (October 17, 2011).

⁶ FINRA began phasing in the extension of the OATS Rules to all NMS stocks on October 17, 2011. See Securities Exchange Act Release No. 65442 (September 29, 2011); 76 FR 61773 (October 5, 2011). The phase-in will be completed on November 28, 2011. See OATS Reporting Technical Specifications, at ii (ed. May 3, 2011). The NYSE is phasing out the OTS requirements on the same timetable as FINRA is phasing in the OATS requirements. See Securities Exchange Act Release No. 65523, n.16 (October 7, 2011); 76 FR 64154, 64156 n.16 (October 17, 2011).

⁷ 15 U.S.C. 78q-3(b)(6).

interest. FINRA believes the proposed rule change will provide greater clarity to members and the public regarding FINRA's rules by updating the cross-references to the new NYSE rule. FINRA also believes that the proposed rule change will promote the harmonization of industry rules by ensuring that the definitions of "Program Trade" and "Index Arbitrage Trade" in the OATS Rules will remain consistent with the analogous definitions in the NYSE rules.

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

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 Act⁸ and Rule 19b-4(f)(6) thereunder.⁹

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)(6).

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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or 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. Please include File Number SR-FINRA-2011-066 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-2011-066. 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-2011-066 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.¹⁰

Elizabeth M. Murphy

Secretary

¹⁰ 17 CFR 200.30-3(a)(12).