

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 10		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2025 - * 001 Amendment No. (req. for Amendments *) 1	
Filing by Financial Industry Regulatory Authority Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934					
Initial * <input type="checkbox"/>		Amendment * <input checked="" type="checkbox"/>		Withdrawal <input type="checkbox"/>	
Pilot <input type="checkbox"/>		Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	
		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)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>			Section 806(e)(2) * <input type="checkbox"/>		
			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>		
Exhibit 2 Sent As Paper Document <input type="checkbox"/>			Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div></div>					
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 * Ilana Last Name * Reid Title * Associate General Counsel E-mail * ilana.reid@finra.org Telephone * (202) 728-8268 Fax					
Signature Pursuant to the requirements of the Securities Exchange of 1934, Financial Industry Regulatory Authority has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. Date 06/12/2025 (Title *) By Philip Shaikun Vice President & Associate General Counsel (Name *) NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed. Philip Shaikun Digitally signed by Philip Shaikun Date: 2025.06.12 16:22:17 -04'00'					

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced 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 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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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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FINRA-2025-001 Partial A-1 Exhibit 4.

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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FINRA-2025-001 Partial A-1 Exhibit 5.

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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FINRA-2025-001 Partial A-1.docx

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 March 25, 2025, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change, SR-FINRA-2025-001, to exempt certain business development companies (“BDCs”) from FINRA Rule 5130 (Restrictions on the Purchase and Sale of Initial Equity Public Offerings) and from paragraph (b) (Spinning) of FINRA Rule 5131 (New Issue Allocations and Distributions) (“Proposal”).¹

The Commission published the Proposal for public comment in the Federal Register on March 31, 2025, and received two comments in response.² Both commenters expressed general support for the Proposal, one of which suggested that the Proposal should be expanded.³

FINRA is submitting by separate letter its response to comments on the Proposal contemporaneously with this Partial Amendment No. 1. As discussed in FINRA’s response to comments, FINRA has determined to make the following amendment on the Proposal.

The Proposal would extend the general exemptions under Rule 5130(c) and, by reference, Rule 5131(b)(2) to non-traded BDCs, thus treating them more similarly to traded BDCs and to investment companies registered under the Investment Company Act of 1940 (“Investment Company Act”), both of which are exempt under paragraphs (c)(5) and (c)(1) of Rule 5130, respectively, and under Rule 5131(b) by reference.⁴

ICI suggested that the Proposal be expanded to cover private BDCs due to the similarities between private and non-traded BDCs. ICI asserted that similar to non-traded BDCs, it is “difficult, if not impossible” for private BDCs to satisfy the representation requirements of Rule 5130 and 5131.⁵ ICI also noted that “beneficial shareholders in a

¹ See Securities Exchange Act Release No. 102723 (March 25, 2025), 90 FR 14284 (March 31, 2025) (Notice of Filing of File No. SR-FINRA-2025-001).

² See letter from Kevin Ercoline, Assistant General Counsel, Investment Company Institute, to Vanessa Countryman, Secretary, SEC, dated April 21, 2025 (“ICI”) and letter from Anya Coverman, President and CEO, Institute for Portfolio Alternatives, to Jill M. Peterson, Assistant Secretary, SEC, dated April 21, 2025 (“IPA”).

³ ICI.

⁴ In the Proposal and herein, “traded BDC” refers to a BDC with registered shares under the Securities Act of 1933 (“Securities Act”) that is publicly traded on a national securities exchange, “non-traded BDC” refers to a BDC with registered shares under the Securities Act that is not publicly traded, and “private BDC” refers to a BDC that is offered in a private placement. The term “BDC” refers generally to all types of BDCs.

⁵ ICI.

private BDC can be widely dispersed with shares purchased through an intermediary.”⁶ In addition, ICI noted that private BDCs are subject to “extensive regulation by the SEC under the 1940 Act” and pointed out that privately offered closed-end funds could avail themselves of the exemption for investment companies registered under the Investment Company Act,⁷ but under the Proposal, privately offered BDCs could not.⁸ In addition, ICI stated that extending the exemption to private BDCs would not impact the integrity of the public offering process because private BDCs are subject to the same investment limitations under Section 55(a) of the Investment Company Act as non-traded BDCs, and are therefore unlikely to be formed for the purpose of investing in new issues.

In response to ICI’s comments FINRA is amending the Proposal to exempt all BDCs, as that term is defined in Section 2(a)(48) of the Investment Company Act, provided that the BDC was not formed or maintained for the specific purpose of permitting restricted persons to invest in new issues. FINRA generally agrees that extending the exemption to private BDCs would not impact the integrity of the public offering process because private BDCs are subject to extensive regulation under the Investment Company Act, including the same investment limitations as non-traded BDCs.

FINRA has determined to amend Rule 5130(c)(12) in Partial Amendment No. 1 to remove “the shares of which are registered under the Securities Act” and replace that phrase with “provided that the business development company was not formed or maintained for the specific of permitting restricted persons to invest in new issues” to extend the proposed exemption to all types of BDCs, including private BDCs. FINRA believes that, for purposes of this exemption, the express requirement that the BDC was not formed or maintained for the specific purpose of permitting restricted persons to invest in new issues would further preserve the integrity of the public offering process. FINRA notes that similar language currently appears in the exemption for foreign investment companies.⁹ FINRA also proposes a conforming change in Partial Amendment No. 1 to add “or maintained” to Rule 5130(c)(6)(C) to make clear that a foreign investment company cannot be formed or maintained for the purpose of circumventing the prohibition.

FINRA believes that the Proposal, as modified by Partial Amendment No. 1, is consistent with the provisions of Section 15A(b)(6) of the Securities Exchange Act of 1934 (“Exchange Act”),¹⁰ which requires, among other things, that FINRA rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and

⁶ ICI.

⁷ See FINRA Rule 5130(c)(1).

⁸ ICI.

⁹ See Rule 5130(c)(6)(C).

¹⁰ 15 U.S.C. 78o-3(b)(6).

equitable principles of trade, and, in general, to protect investors and the public interest. Expanding the proposed exemption to include private BDCs would increase access to investment options and maintain the integrity of the public offering process without diminishing investor protection. The Proposal as modified would allow non-traded and private BDCs to more easily invest in new issues and thus diversify their portfolios. This will benefit investors in both non-traded and private BDCs and promote capital formation by giving more investors access to IPOs. By expanding access to IPOs through highly regulated entities, the Proposal as modified would maintain the integrity of the public offering process while facilitating vibrant capital markets. Further, FINRA believes that the proposed condition that, for purposes of this exemption, the BDC cannot be formed or maintained for the purpose of circumventing the prohibition in Rule 5130 or 5131(b), will further mitigate the unlikely risk that an otherwise restricted or covered person may invest in a non-traded or private BDC for the purpose of investing in new issues.

With this Partial Amendment No. 1, FINRA is including Exhibit 4, which reflects changes to the text of the proposed rule change pursuant to this Partial Amendment No. 1, marked to show the changes to the text as proposed in the Proposal, and Exhibit 5, which reflects all proposed changes to the current rule text, as amended by this Partial Amendment No. 1.

FINRA requests the Commission to find good cause pursuant to Section 19(b)(2) of the Exchange Act¹¹ for approving the Proposal, as modified by Partial Amendment No. 1, prior to the 30th day after its publication in the Federal Register. Because FINRA believes the Proposal as modified would promote capital formation while maintaining the protections that Rules 5130 and 5131(b) are designed to provide (*i.e.*, maintaining the integrity of the public offering process and investor confidence in the capital markets), FINRA requests the Commission to accelerate the effectiveness of the proposed rule change, as modified by Partial Amendment No. 1, prior to the 30th day after its publication in the Federal Register.

¹¹ 15 U.S.C. 78s(b)(2).

Exhibit 4

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

* * * * *

5100. SECURITIES OFFERINGS, UNDERWRITING AND COMPENSATION

* * * * *

5130. Restrictions on the Purchase and Sale of Initial Equity Public Offerings

(a) through (b) No Change.

(c) General Exemptions

The general prohibitions in paragraph (a) of this Rule shall not apply to sales to and purchases by the following accounts or persons, whether directly or through accounts in which such persons have a beneficial interest:

(1) through (5) No Change.

(6) An investment company organized under the laws of a foreign jurisdiction, provided that:

(A) through (B) No Change.

(C) the investment company was not formed or maintained for the specific purpose of permitting restricted persons to invest in new issues;

(7) through (11) No Change.

(12) A business development company as that term is defined in Section 2(a)(48) of the Investment Company Act [the shares of which are registered under the Securities Act]provided that the business development company was not

formed or maintained for the specific purpose of permitting restricted persons to invest in new issues.

(d) through (j) No Change.

* * * * *

Exhibit 5

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

* * * * *

5000. SECURITIES OFFERING AND TRADING STANDARDS AND PRACTICES

5100. SECURITIES OFFERINGS, UNDERWRITING AND COMPENSATION

* * * * *

5130. Restrictions on the Purchase and Sale of Initial Equity Public Offerings

(a) through (b) No Change.

(c) General Exemptions

The general prohibitions in paragraph (a) of this Rule shall not apply to sales to and purchases by the following accounts or persons, whether directly or through accounts in which such persons have a beneficial interest:

(1) through (5) No Change.

(6) An investment company organized under the laws of a foreign jurisdiction, provided that:

(A) through (B) No Change.

(C) the investment company was not formed or maintained for the specific purpose of permitting restricted persons to invest in new issues;

(7) through (9) No Change.

(10) A tax exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code; [or]

(11) A church plan under Section 414(e) of the Internal Revenue Code[.];

or

(12) A business development company as that term is defined in Section 2(a)(48) of the Investment Company Act provided that the business development company was not formed or maintained for the specific purpose of permitting restricted persons to invest in new issues.

(d) through (j) No Change.

5131. New Issue Allocations and Distributions

(a) No Change.

(b) Spinning

(1) No Change.

(2) The prohibitions in this paragraph shall not apply to allocations of shares of a new issue to any account described in Rule 5130(c)(1) through (3) and (5) through ([11]12), or to any other account in which the beneficial interests of executive officers and directors of the company and persons materially supported by such executive officers and directors in the aggregate do not exceed 25% of such account.

(c) through (f) No Change.

* * * * *