

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 31		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2025 - * 015 Amendment No. (req. for Amendments *)	
Filing 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"/>		Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	
		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 checked="" 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"/>			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"/>		
<b>Description</b> Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>Proposed Rule Change to Amend FINRA Rules 5220, 5320, 6220, 6272, 6279, 6320A, 6320B, and 7620A to Conform to the New Definition of "Round Lot" Adopted by the Commission under Regulation NMS</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 action. First Name * Adrian Last Name * Stepanian Title * Assistant General Counsel E-mail * adrian.stepanian@finra.org Telephone * (646) 315-7275 Fax					
<b>Signature</b> 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 12/03/2025 (Title *) By Robert McNamee Vice President & Associate General Counsel (Name *) <div>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.</div> <div>Robert.McNamee@finra.org Digitally signed by Robert.McNamee@finra.org Date: 2025.12.03 15:26:38 -05'00'</div>					

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549			
For complete Form 19b-4 instructions please refer to the EDFS website.			
<div>Form 19b-4 Information *</div> <div><div>AddRemoveView</div><div>FINRA-2025-015 19b-4.docx</div></div>			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.
<div>Exhibit 1 - Notice of Proposed Rule Change *</div> <div><div>AddRemoveView</div><div>FINRA-2025-015 Exhibit 1.docx</div></div>			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)
<div>Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *</div> <div><div>AddRemoveView</div></div>			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)
<div>Exhibit 2- Notices, Written Comments, Transcripts, Other Communications</div> <div><div>AddRemoveView</div></div>			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. <div><input type="checkbox"/> Exhibit Sent As Paper Document</div>
<div>Exhibit 3 - Form, Report, or Questionnaire</div> <div><div>AddRemoveView</div></div>			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. <div><input type="checkbox"/> Exhibit Sent As Paper Document</div>
<div>Exhibit 4 - Marked Copies</div> <div><div>AddRemoveView</div></div>			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.
<div>Exhibit 5 - Proposed Rule Text</div> <div><div>AddRemoveView</div><div>FINRA-2025-015 Exhibit 5.docx</div></div>			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
<div>Partial Amendment</div> <div><div>AddRemoveView</div></div>			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 the Proposed Rule Change**

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”),<sup>1</sup> the Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend FINRA Rules 5220, 5320, 6220, 6272, 6279, 6320A, 6320B, and 7620A to conform to the new definition of “round lot” adopted by the Commission under Regulation NMS.

The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

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

The Chief Legal Officer of FINRA authorized the filing of the proposed rule change with the SEC 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, so 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

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

## Background

In 2020, the Commission adopted amendments to Regulation NMS to modernize the information provided within the national market system for NMS stocks.<sup>2</sup> Prior to the MDI Rule amendments to Regulation NMS, “round lot” was not defined in the Exchange Act or SEC rules. Instead, exchange rules typically defined a round lot as 100 shares, but also allowed the exchange, or the primary listing exchange for the security, discretion to define it otherwise.<sup>3</sup> Among other things, the MDI Rule amended Rule 600(b) of Regulation NMS to add a new definition of “round lot” that assigns each NMS stock a round lot size based on the stock’s average closing price. In light of delays in the implementation of the MDI Rule, including the new definition of “round lot,” on September 18, 2024, the Commission adopted further amendments to Regulation NMS that, among other things, revised and accelerated the implementation of the new round lot definition under Rule 600(b)(93) to implement the new round lot definition on November 3, 2025, the first business day of November 2025.<sup>4</sup> As adopted under the 2024 NMS Amendments, the new definition of “round lot” in Rule 600(b)(93) of Regulation NMS assigns each NMS stock a round lot size based on the stock’s average closing price on the

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<sup>2</sup> See Securities Exchange Act Release No. 90610 (December 9, 2020), 86 FR 18596 (April 9, 2021) (File No. S7-03-02) (the “Market Data Infrastructure Rule” or “MDI Rule”).

<sup>3</sup> See 2024 NMS Amendments, *infra* note 4, 89 FR 81620, 81625 n.66. In practice, very few NMS stocks have a round lot size other than 100 shares. See 2024 NMS Amendments, *infra* note 4, 89 FR 81620, 81625 n.67 and accompanying text.

<sup>4</sup> See Regulation NMS: Minimum Pricing Increments, Access Fees, and Transparency of Better Priced Orders, Securities Exchange Act Release No. 101070 (September 18, 2024), 89 FR 81620 (October 8, 2024) (File No. S7-30-22) (the “2024 NMS Amendments”).

primary listing exchange during the prior Evaluation Period, ranging from 100 shares for NMS stocks priced \$250.00 or less to one share for NMS stocks priced \$10,000.01 or more.<sup>5</sup>

Several FINRA rules use the term “normal unit of trading” as the equivalent to the term “round lot” as used in exchange rules. As described in greater detail below, FINRA is proposing to amend these rules to conform to the new definition of “round lot” for NMS stocks under Regulation NMS.<sup>6</sup>

#### Conforming Changes to FINRA Rules

FINRA Rule 5220 (Offers at Stated Prices) provides that no member shall make an offer to buy from or sell to any person any security at a stated price unless such member is prepared to purchase or sell, as the case may be, at such price and under such conditions as are stated at the time of such offer to buy or sell. Supplementary Material .01 to Rule 5220 (Firmness of Quotations) discusses the expectations for making a “firm

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<sup>5</sup> See 17 CFR 242.600(b)(93). The “Evaluation Period,” as defined in Rule 600(b)(93)(iii) of Regulation NMS, means (i) all trading days in March for the round lot assigned on the first business day of May and (ii) all trading days in September for the round lot assigned on the first business day of November, during which the average closing price of an NMS stock on the primary listing exchange shall be measured by the primary listing exchange to determine the round lot for each NMS stock. Under Rule 600(b)(93)(iv), the round lot assigned is operative on (i) the first business day of May for the March Evaluation Period and continues through the last business day of October for the calendar year and (ii) the first business day of November for the September Evaluation Period and continues through the last business day of April of the next calendar year. Under Rule 600(b)(93)(ii), any security that becomes an NMS stock during an operative period is assigned a round lot of 100 shares.

<sup>6</sup> The new definition of “round lot” in Rule 600(b)(93) of Regulation NMS applies only to NMS stocks. The proposed conforming changes to FINRA rules are similarly limited to NMS stocks and do not affect the normal unit of trading as it may be applied to any other type of security.

trading market” in a security, noting that a member “is expected at least to buy or sell a normal unit of trading in the quoted stock at its then prevailing quotations unless clearly designated as not firm or firm for less than a normal unit of trading when supplied by the member.” The proposed rule change would add a new sentence to Supplementary Material .01 to Rule 5220 to clarify that for purposes of Rule 5220, a “normal unit of trading” for an NMS stock means the “round lot” assigned to such NMS stock pursuant to Rule 600(b) of SEC Regulation NMS.

FINRA Rule 5320 (Prohibition Against Trading Ahead of Customer Orders) provides that, except as provided in Rule 5320, a member that accepts and holds an order in an equity security from its own customer or a customer of another broker-dealer without immediately executing the order is prohibited from trading that security on the same side of the market for its own account at a price that would satisfy the customer order, unless it immediately thereafter executes the customer order up to the size and at the same or better price at which it traded for its own account. Among other things, Supplementary Material .05 to Rule 5320 (Odd Lot and Bona Fide Error Transaction Exceptions) provides an exception from these obligations for a member’s proprietary trade that is “to offset a customer order that is in an amount less than a normal unit of trading[.]” The proposed rule change would add a new sentence to Supplementary Material .05 to Rule 5320 to clarify that, for purposes of Rule 5320, a “normal unit of trading” for an NMS stock means the “round lot” assigned to such NMS stock pursuant to Rule 600(b) of SEC Regulation NMS.

The FINRA Rule 6200 Series (Alternative Display Facility) sets forth rules governing the operation of the FINRA Alternative Display Facility (“ADF”), which

provides members with a facility for the display of quotations, the reporting of trades, and the comparison of trades in NMS stocks. FINRA Rule 6220 (Definitions) defines specified terms used in the ADF rules, including to define a “normal unit of trading” to mean “100 shares of a security unless, with respect to a particular security, the market where the security is listed determines that a normal unit of trading shall constitute other than 100 shares.” The proposed rule change would amend the definition of “normal unit of trading” in Rule 6220 to mean the “round lot” assigned to a security pursuant to Rule 600(b) of SEC Regulation NMS.<sup>7</sup>

The FINRA Rule 6300 Series (Trade Reporting Facilities) sets forth the rules governing the operation of the FINRA/Nasdaq Trade Reporting Facilities and the FINRA/NYSE Trade Reporting Facility (collectively, the “TRFs”), which provide members with a mechanism for the reporting of transactions in NMS stocks effected otherwise than on an exchange. FINRA Rules 6320(A) (Definitions) and 6320(B) (Definitions) define specified terms used in the FINRA/Nasdaq TRF and FINRA/NYSE TRF rules, respectively, including “normal unit of trading,” which means “100 shares of a security unless, with respect to a particular security, FINRA determines that a normal unit of trading shall constitute other than 100 shares.” The proposed rule change would amend the definitions of “normal unit of trading” in both Rule 6320(A) and Rule 6320(B)

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<sup>7</sup> FINRA Rule 6272 (Character of Quotations) includes a duplicative definition of “normal unit of trading.” See Rule 6272(a)(1). For clarity, the proposed rule change would delete the definition in Rule 6272, as the definitions in Rule 6220 apply to the entirety of the Rule 6200 Series. Similarly, FINRA 6279 (Alternative Trading Systems) prohibits the provision of a reserved-size function unless the size of the order displayed through the ADF is “100 shares or greater.” The proposed rule change would amend Rule 6279 to prohibit a reserved-size function unless the size of the order displayed through the ADF is a normal unit of trading or greater.

to mean the “round lot” assigned to a security pursuant to Rule 600(b) of SEC Regulation NMS.

FINRA Rule 7620A (FINRA/Nasdaq Trade Reporting Facility Reporting Fees) sets forth the charges to be paid by participants for use of the FINRA/Nasdaq TRFs. Under Rule 7620A, participants must complete attestations to qualify for the ATS Market Maker Media/Contra Party Cap and the ATS Market Maker Combined Media Activity Cap. Both attestations include a statement that the participant will “display a quotation size of at least one normal unit of trading (specific for each security)” in each symbol traded on an alternative trading system registered pursuant to Regulation ATS. The proposed rule change would add a new sentence to Supplementary Material .01 to Rule 7620A, which sets forth the definitions of specified terms used in the rule, to clarify that for purposes of Rule 7620A, a “normal unit of trading” means the “round lot” assigned to a security pursuant to Rule 600(b) of SEC Regulation NMS.

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 proposed rule change not become operative for 30 days after the date of the filing, so 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,<sup>8</sup> which requires, among other things, that FINRA rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a

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



free and open market and national market system, and, in general, to protect investors and the public interest, and Section 15A(b)(11) of the Act,<sup>9</sup> which requires among other things that FINRA rules include provisions governing the form and content of quotations relating to securities sold otherwise than on a national securities exchange which may be distributed or published by any member or person associated with a member, and the persons to whom such quotations may be supplied. FINRA believes the proposed rule change will reduce confusion and provide greater clarity to members and the public by conforming the term “normal unit of trading” as used in FINRA rules with respect to NMS stocks to the new definition of “round lot” as adopted by the Commission in Regulation NMS.

**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. The proposed rule change conforms FINRA rules to requirements established under Regulation NMS.

**Economic Impact Assessment**

FINRA has undertaken an economic impact assessment, as set forth below, to analyze the potential economic impacts of the proposed rule change, including anticipated costs, benefits, and distributional and competitive effects, relative to current baseline.

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<sup>9</sup> 15 U.S.C. 78o-3(b)(11).

### Regulatory Need

The proposed rule change would conform FINRA rules with amendments to the definition of “round lot” under Rule 600(b)(93) of Regulation NMS, minimizing potential confusion and helping industry participants implement the SEC’s new definition of “round lot.”

### Economic Baseline

The economic baseline for the proposed rule change consists of current FINRA Rules 5220, 5320, 6220, 6272, 6279, 6320A, 6320B, and 7620A, as well as the amendments to Rule 600 of Regulation NMS adopted by the SEC.

### Economic Impacts

The proposed changes to FINRA rules conform the term “normal unit of trading” as used in FINRA rules with respect to NMS stocks to the new definition of “round lot” as adopted by the SEC in Regulation NMS. The proposed changes do not impose any burdens on industry beyond those that industry must incur to implement the SEC’s final rules pertaining to the new definition.

**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) or Section 19(b)(7)(D)**

The proposed rule change is effective upon filing pursuant to Section 19(b)(3) of the Act<sup>10</sup> and paragraph (f)(6) of Rule 19b-4 thereunder,<sup>11</sup> 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),<sup>12</sup> so FINRA can implement the proposed rule change immediately to make the proposed conforming changes to FINRA rules.

In accordance with Rule 19b-4(f)(6),<sup>13</sup> 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.<sup>14</sup>

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

As discussed in detail above, the proposed rule change is consistent with, and

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<sup>10</sup> 15 U.S.C. 78s(b)(3).

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

<sup>12</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>13</sup> 17 CFR 240.19b-4(f)(6).

<sup>14</sup> 17 CFR 240.19b-4(f)(6)(iii).

would implement the new definition of “round lot” adopted by, the Commission in the 2024 NMS Amendments.

**9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**

Not applicable.

**10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act**

Not applicable.

**11. Exhibits**

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

Exhibit 5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-FINRA-2025-015)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend FINRA Rules 5220, 5320, 6220, 6272, 6279, 6320A, 6320B, and 7620A to Conform to the New Definition of “Round Lot” Adopted by the Commission under Regulation NMS

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 , the 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. 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,<sup>3</sup> 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 FINRA Rules 5220, 5320, 6220, 6272, 6279, 6320A, 6320B, and 7620A to conform to the new definition of “round lot” adopted by the Commission under Regulation NMS.

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

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

<sup>3</sup> 17 CFR 240.19b-4(f)(6).

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

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

In 2020, the Commission adopted amendments to Regulation NMS to modernize the information provided within the national market system for NMS stocks.<sup>4</sup> Prior to the MDI Rule amendments to Regulation NMS, "round lot" was not defined in the Exchange Act or SEC rules. Instead, exchange rules typically defined a round lot as 100 shares, but also allowed the exchange, or the primary listing exchange for the security, discretion to define it otherwise.<sup>5</sup> Among other things, the MDI Rule amended Rule 600(b) of Regulation NMS to add a new definition of "round lot" that assigns each NMS stock a

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<sup>4</sup> See Securities Exchange Act Release No. 90610 (December 9, 2020), 86 FR 18596 (April 9, 2021) (File No. S7-03-02) (the "Market Data Infrastructure Rule" or "MDI Rule").

<sup>5</sup> See 2024 NMS Amendments, *infra* note 6, 89 FR 81620, 81625 n.66. In practice, very few NMS stocks have a round lot size other than 100 shares. See 2024 NMS Amendments, *infra* note 6, 89 FR 81620, 81625 n.67 and accompanying text.

round lot size based on the stock's average closing price. In light of delays in the implementation of the MDI Rule, including the new definition of "round lot," on September 18, 2024, the Commission adopted further amendments to Regulation NMS that, among other things, revised and accelerated the implementation of the new round lot definition under Rule 600(b)(93) to implement the new round lot definition on November 3, 2025, the first business day of November 2025.<sup>6</sup> As adopted under the 2024 NMS Amendments, the new definition of "round lot" in Rule 600(b)(93) of Regulation NMS assigns each NMS stock a round lot size based on the stock's average closing price on the primary listing exchange during the prior Evaluation Period, ranging from 100 shares for NMS stocks priced \$250.00 or less to one share for NMS stocks priced \$10,000.01 or more.<sup>7</sup>

Several FINRA rules use the term "normal unit of trading" as the equivalent to the term "round lot" as used in exchange rules. As described in greater detail below, FINRA

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<sup>6</sup> See Regulation NMS: Minimum Pricing Increments, Access Fees, and Transparency of Better Priced Orders, Securities Exchange Act Release No. 101070 (September 18, 2024), 89 FR 81620 (October 8, 2024) (File No. S7-30-22) (the "2024 NMS Amendments").

<sup>7</sup> See 17 CFR 242.600(b)(93). The "Evaluation Period," as defined in Rule 600(b)(93)(iii) of Regulation NMS, means (i) all trading days in March for the round lot assigned on the first business day of May and (ii) all trading days in September for the round lot assigned on the first business day of November, during which the average closing price of an NMS stock on the primary listing exchange shall be measured by the primary listing exchange to determine the round lot for each NMS stock. Under Rule 600(b)(93)(iv), the round lot assigned is operative on (i) the first business day of May for the March Evaluation Period and continues through the last business day of October for the calendar year and (ii) the first business day of November for the September Evaluation Period and continues through the last business day of April of the next calendar year. Under Rule 600(b)(93)(ii), any security that becomes an NMS stock during an operative period is assigned a round lot of 100 shares.

is proposing to amend these rules to conform to the new definition of “round lot” for NMS stocks under Regulation NMS.<sup>8</sup>

Conforming Changes to FINRA Rules

FINRA Rule 5220 (Offers at Stated Prices) provides that no member shall make an offer to buy from or sell to any person any security at a stated price unless such member is prepared to purchase or sell, as the case may be, at such price and under such conditions as are stated at the time of such offer to buy or sell. Supplementary Material .01 to Rule 5220 (Firmness of Quotations) discusses the expectations for making a “firm trading market” in a security, noting that a member “is expected at least to buy or sell a normal unit of trading in the quoted stock at its then prevailing quotations unless clearly designated as not firm or firm for less than a normal unit of trading when supplied by the member.” The proposed rule change would add a new sentence to Supplementary Material .01 to Rule 5220 to clarify that for purposes of Rule 5220, a “normal unit of trading” for an NMS stock means the “round lot” assigned to such NMS stock pursuant to Rule 600(b) of SEC Regulation NMS.

FINRA Rule 5320 (Prohibition Against Trading Ahead of Customer Orders) provides that, except as provided in Rule 5320, a member that accepts and holds an order in an equity security from its own customer or a customer of another broker-dealer without immediately executing the order is prohibited from trading that security on the same side of the market for its own account at a price that would satisfy the customer

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<sup>8</sup> The new definition of “round lot” in Rule 600(b)(93) of Regulation NMS applies only to NMS stocks. The proposed conforming changes to FINRA rules are similarly limited to NMS stocks and do not affect the normal unit of trading as it may be applied to any other type of security.



order, unless it immediately thereafter executes the customer order up to the size and at the same or better price at which it traded for its own account. Among other things, Supplementary Material .05 to Rule 5320 (Odd Lot and Bona Fide Error Transaction Exceptions) provides an exception from these obligations for a member's proprietary trade that is "to offset a customer order that is in an amount less than a normal unit of trading[.]" The proposed rule change would add a new sentence to Supplementary Material .05 to Rule 5320 to clarify that, for purposes of Rule 5320, a "normal unit of trading" for an NMS stock means the "round lot" assigned to such NMS stock pursuant to Rule 600(b) of SEC Regulation NMS.

The FINRA Rule 6200 Series (Alternative Display Facility) sets forth rules governing the operation of the FINRA Alternative Display Facility ("ADF"), which provides members with a facility for the display of quotations, the reporting of trades, and the comparison of trades in NMS stocks. FINRA Rule 6220 (Definitions) defines specified terms used in the ADF rules, including to define a "normal unit of trading" to mean "100 shares of a security unless, with respect to a particular security, the market where the security is listed determines that a normal unit of trading shall constitute other than 100 shares." The proposed rule change would amend the definition of "normal unit of trading" in Rule 6220 to mean the "round lot" assigned to a security pursuant to Rule 600(b) of SEC Regulation NMS.<sup>9</sup>

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<sup>9</sup> FINRA Rule 6272 (Character of Quotations) includes a duplicative definition of "normal unit of trading." See Rule 6272(a)(1). For clarity, the proposed rule change would delete the definition in Rule 6272, as the definitions in Rule 6220 apply to the entirety of the Rule 6200 Series. Similarly, FINRA 6279 (Alternative Trading Systems) prohibits the provision of a reserved-size function unless the size of the order displayed through the ADF is "100 shares or greater." The proposed rule change would amend Rule 6279 to prohibit a reserved-size function

The FINRA Rule 6300 Series (Trade Reporting Facilities) sets forth the rules governing the operation of the FINRA/Nasdaq Trade Reporting Facilities and the FINRA/NYSE Trade Reporting Facility (collectively, the “TRFs”), which provide members with a mechanism for the reporting of transactions in NMS stocks effected otherwise than on an exchange. FINRA Rules 6320(A) (Definitions) and 6320(B) (Definitions) define specified terms used in the FINRA/Nasdaq TRF and FINRA/NYSE TRF rules, respectively, including “normal unit of trading,” which means “100 shares of a security unless, with respect to a particular security, FINRA determines that a normal unit of trading shall constitute other than 100 shares.” The proposed rule change would amend the definitions of “normal unit of trading” in both Rule 6320(A) and Rule 6320(B) to mean the “round lot” assigned to a security pursuant to Rule 600(b) of SEC Regulation NMS.

FINRA Rule 7620A (FINRA/Nasdaq Trade Reporting Facility Reporting Fees) sets forth the charges to be paid by participants for use of the FINRA/Nasdaq TRFs. Under Rule 7620A, participants must complete attestations to qualify for the ATS Market Maker Media/Contra Party Cap and the ATS Market Maker Combined Media Activity Cap. Both attestations include a statement that the participant will “display a quotation size of at least one normal unit of trading (specific for each security)” in each symbol traded on an alternative trading system registered pursuant to Regulation ATS. The proposed rule change would add a new sentence to Supplementary Material .01 to Rule 7620A, which sets forth the definitions of specified terms used in the rule, to clarify that

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unless the size of the order displayed through the ADF is a normal unit of trading or greater.

for purposes of Rule 7620A, a “normal unit of trading” means the “round lot” assigned to a security pursuant to Rule 600(b) of SEC Regulation NMS.

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, so 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,<sup>10</sup> which requires, among other things, that FINRA rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and national market system, and, in general, to protect investors and the public interest, and Section 15A(b)(11) of the Act,<sup>11</sup> which requires among other things that FINRA rules include provisions governing the form and content of quotations relating to securities sold otherwise than on a national securities exchange which may be distributed or published by any member or person associated with a member, and the persons to whom such quotations may be supplied. FINRA believes the proposed rule change will reduce confusion and provide greater clarity to members and the public by conforming the term “normal unit of trading” as used in FINRA rules with respect to NMS stocks to the new definition of “round lot” as adopted by the Commission in Regulation NMS.

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<sup>10</sup> 15 U.S.C. 78o-3(b)(6).

<sup>11</sup> 15 U.S.C. 78o-3(b)(11).

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. The proposed rule change conforms FINRA rules to requirements established under Regulation NMS.

Economic Impact Assessment

FINRA has undertaken an economic impact assessment, as set forth below, to analyze the potential economic impacts of the proposed rule change, including anticipated costs, benefits, and distributional and competitive effects, relative to current baseline.

Regulatory Need

The proposed rule change would conform FINRA rules with amendments to the definition of "round lot" under Rule 600(b)(93) of Regulation NMS, minimizing potential confusion and helping industry participants implement the SEC's new definition of "round lot."

Economic Baseline

The economic baseline for the proposed rule change consists of current FINRA Rules 5220, 5320, 6220, 6272, 6279, 6320A, 6320B, and 7620A, as well as the amendments to Rule 600 of Regulation NMS adopted by the SEC.

Economic Impacts

The proposed changes to FINRA rules conform the term "normal unit of trading" as used in FINRA rules with respect to NMS stocks to the new definition of "round lot"

as adopted by the SEC in Regulation NMS. The proposed changes do not impose any burdens on industry beyond those that industry must incur to implement the SEC's final rules pertaining to the new definition.

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 Act<sup>12</sup> and Rule 19b-4(f)(6) thereunder.<sup>13</sup>

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 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.

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<sup>12</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>13</sup> 17 CFR 240.19b-4(f)(6).

#### 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-2025-015 on the subject line.

##### Paper Comments:

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

All submissions should refer to File Number SR-FINRA-2025-015. 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 filing will be available for inspection and copying at the principal office of FINRA. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR-FINRA-2025-015 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>14</sup>

Jill M. Peterson  
Assistant Secretary

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<sup>14</sup> 17 CFR 200.30-3(a)(12).

## EXHIBIT 5

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

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### 5200. QUOTATION AND TRADING OBLIGATIONS AND PRACTICES

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#### 5220. Offers at Stated Prices

No Change.

#### • • • Supplementary Material: -----

**.01 Firmness of Quotations.** Members and persons associated with members in the over-the-counter market make trading decisions and set prices for customers upon the basis of telephone and electronic quotations, including quotations displayed in an inter-dealer quotation system. In some instances a dealer's quotations, purportedly firm, are, in fact, so qualified upon further inquiry as to constitute "backing away" by the quoting dealer. Further, dealers who publish quotations in inter-dealer quotation systems have been found to be unwilling to make firm bids or offers upon inquiry in such a way as to pose a question as to the validity of the quotations originally published. Such "backing away" from quotations disrupts the normal operation of the over-the-counter market.

Members, of course, change inter-dealer quotations constantly in the course of trading, but under normal circumstances where the member is making a "firm trading market" in any security, it is expected at least to buy or sell a normal unit of trading in the quoted stock at its then prevailing quotations unless clearly designated as not firm or firm for less than a normal unit of trading when supplied by the member. However, if at the time an order for the purchase or sale of the quoted security is presented, the member is



in the process of effecting a transaction in such quoted security, and immediately after the completion of such transaction, communicates a revised quotation size, such member shall not be obligated to purchase or sell the quoted security in an amount greater than such revised quotation size.

In order to ensure the integrity of quotations, every member has an obligation to correctly identify the nature of its quotations when they are supplied to others. In addition, each member furnishing quotations must ensure that it is adequately staffed to respond to inquiries during the normal business hours of such member.

It shall be deemed inconsistent with Rules 2010 (Standards of Commercial Honor and Principles of Trade) and 5220 (Offers at Stated Prices) if a member fails to fulfill its obligations as outlined above.

For the purposes of this Rule, (1) the term “inter-dealer quotation system” is as defined in Rule 6420 and (2) a “normal unit of trading” for an NMS stock shall mean the “round lot” assigned to such NMS stock pursuant to Rule 600(b) of SEC Regulation NMS.

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#### **5300. HANDLING OF CUSTOMER ORDERS**

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#### **5320. Prohibition Against Trading Ahead of Customer Orders**

(a) through (b) No Change.

• • • **Supplementary Material:** -----

.01 through .04 No Change.

**.05 Odd Lot and Bona Fide Error Transaction Exceptions.** The obligations under this Rule shall not apply to a member's proprietary trade that is (1) to offset a customer order that is in an amount less than a normal unit of trading; or (2) to correct a bona fide error. Members are required to demonstrate and document the basis upon which a transaction meets the bona fide error exception. For purposes of this Rule, a "normal unit of trading" for an NMS stock shall mean the "round lot" assigned to such NMS stock pursuant to Rule 600(b) of SEC Regulation NMS.

.06 through .08 No Change.

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## **6200. ALTERNATIVE DISPLAY FACILITY**

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### **6220. Definitions**

(a) Unless the context requires otherwise, the terms used in the Rule 6200 and Rule 7100 Series shall have the meanings below. Terms not specifically defined below shall have the meaning in the FINRA By-Laws and rules and Rule 600 of SEC Regulation NMS.

(1) through (8) No Change.

(9) "Normal unit of trading" means [100 shares of a security unless, with respect to a particular security, the market where the security is listed determines that a normal unit of trading shall constitute other than 100 shares]the "round lot" assigned to a security pursuant to Rule 600(b) of SEC Regulation NMS.

(10) through (15) No Change.

(b) No Change.

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## **6272. Character of Quotations**

### **(a) Quotation Requirements and Obligations**

A member registered as a Registered Reporting ADF Market Maker shall engage in a course of dealings for its own account to assist in the maintenance, insofar as reasonably practicable, of fair and orderly markets in accordance with this Rule.

#### **(1) Two-Sided Quote Obligation.**

For each ADF-eligible security for which a member is a Registered Reporting ADF Market Maker, the member shall be willing to buy and sell such security for its own account on a continuous basis during regular market hours and shall enter and maintain a two-sided trading interest (“Two-Sided Obligation”), subject to the procedures for excused withdrawal set forth in Rule 6275.

Interest eligible to be considered as part of the Registered Reporting ADF Market Maker’s Two-Sided Obligation shall have a displayed quotation size of at least one normal unit of trading (or a larger multiple thereof); provided, however, that a Registered Reporting ADF Market Maker may augment its Two-Sided Obligation size to display limit orders priced at the same price as the Two-Sided Obligation. [Unless otherwise designated, a “normal unit of trading” shall be 100 shares.] After an execution against its Two-Sided Obligation, a Registered Reporting ADF Market Maker must ensure that additional trading interest exists to satisfy its Two-Sided Obligation either by immediately entering new interest to

comply with this obligation to maintain continuous two-sided quotations or by identifying existing interest on the ADF that will satisfy this obligation.

(2) through (4) No Change.

(b) through (d) No Change.

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#### **6279. Alternative Trading Systems**

(a) through (b) No Change.

(c) When a FINRA member attempts to access electronically an ATS or ECN-displayed order by sending an order that is larger than the ATS' or ECN's ADF-displayed size and the ATS or ECN is displaying the order on a reserved size basis, the FINRA member that operates the ATS or ECN shall execute such delivered order:

(1) through (2) No Change.

No Registered Reporting ADF ECN operating through the ADF pursuant to this Rule is permitted to provide a reserved-size function unless the size of the order displayed through the ADF is [100 shares] a normal unit of trading or greater. For purposes of this Rule, the term "reserved size" shall mean that a customer entering an order into an ATS or ECN has authorized the ATS or ECN to display publicly part of the full size of the customer's order with the remainder held in reserve on an undisplayed basis to be displayed in whole or in part as the displayed part is executed.

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#### **6300. TRADE REPORTING FACILITIES**

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#### **6320A. Definitions**

(a) For purposes of the Rule 6300A Series, unless the context requires otherwise:

(1) through (6) No Change.

(7) “Normal unit of trading” means [100 shares of a security unless, with respect to a particular security, FINRA determines that a normal unit of trading shall constitute other than 100 shares]the “round lot” assigned to a security pursuant to Rule 600(b) of SEC Regulation NMS.

(8) through (13) No Change.

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#### **6320B. Definitions**

(a) For purposes of the Rule 6300B Series, unless the context requires otherwise:

(1) through (6) No Change.

(7) “Normal unit of trading” means [100 shares of a security unless, with respect to a particular security, FINRA determines that a normal unit of trading shall constitute other than 100 shares]the “round lot” assigned to a security pursuant to Rule 600(b) of SEC Regulation NMS.

(8) through (13) No Change.

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#### **7600. DATA PRODUCTS AND CHARGES FOR TRADE REPORTING FACILITY SERVICES**

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#### **7620A. FINRA/Nasdaq Trade Reporting Facility Reporting Fees**

No Change.

• • • **Supplementary Material:** -----

**.01** For purposes of this Rule, the terms below shall have the following meanings.

“Comparison/Accept” shall mean transactions that are subject to the ACT Comparison process.

“Non-Comparison/Accept (Non-Match/Compare)” shall mean transactions that are not subject to the ACT Comparison process and may be submitted as “Media” and “Non-Media,” clearing and non-clearing, AGU, QSR, one-sided and “Internalized cross” trade reports.

“Internalized cross” shall mean cross trades where a single party is on both sides of a trade report.

“Executing Party (EP)” shall mean the member with the trade reporting obligation under FINRA rules.

“Contra Party or Contra (CP)” shall mean the member on the contra side of a trade report.

“Media” reports shall mean reports of transactions submitted for public dissemination.

“Non-Media” reports shall mean reports of transactions not submitted for public dissemination.

“Normal unit of trading” shall mean the “round lot” assigned to a security pursuant to Rule 600(b) of SEC Regulation NMS.

“Retail Participant” shall mean a participant in the FINRA/Nasdaq Trade Reporting Facility for which substantially all of its trade reporting activity on the FINRA/Nasdaq Trade Reporting Facility comprises Retail Orders.

“Retail Order” shall mean an order that originates from a natural person, provided that, prior to submission, no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other

computerized methodology. An order from a “natural person” can include orders on behalf of accounts that are held in a corporate legal form, such as an Individual Retirement Account, Corporation, or a Limited Liability Corporation that has been established for the benefit of an individual or group of related family members, provided that the order is submitted by an individual.

**.02** through **.03** No Change.

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