

Text of Amended Rules

New language is underlined; deletions are in brackets.¹

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5000. SECURITIES OFFERING AND TRADING STANDARDS AND PRACTICES

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5200. QUOTATION AND TRADING OBLIGATIONS AND PRACTICES

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5260. Prohibition on Transactions, Publication of Quotations, or Publication of Indications of Interest During Trading Halts

(a) No member or person associated with a member shall, directly or indirectly, effect any transaction or publish a quotation, a priced bid and/or offer, an unpriced indication of interest (including “bid wanted” and “offer wanted” and name only indications), or a bid or offer accompanied by a modifier to reflect unsolicited customer interest, in any security as to which a trading halt is currently in effect, except as permitted under the Regulation NMS Plan to Address Extraordinary Market Volatility. If FINRA closes trading in a security pursuant to its authority under Rule 6120(a)(3), members would not be prohibited from trading through other markets for which trading is not halted.

(b) No Change.

¹ Note that in addition to the amendments adopted pursuant to proposed rule changes SR-FINRA-2013-011 and SR-FINRA-2013-016, which are described in *Regulatory Notice 13-12*, this also shows the amendments to Rule 6121 that were approved by the SEC pursuant to SR-FINRA-2011-054 and are effective on April 8, 2013. See Securities Exchange Act Release No. 67090 (May 31, 2012), 77 FR 33531 (June 6, 2012) (Approval Order; File No. SR-FINRA-2011-054) and Securities Exchange Act Release No. 68778 (January 31, 2013), 78 FR 8668 (February 6, 2013) (Notice of Filing and Immediate Effectiveness; File No. SR-FINRA-2013-011).

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6000. QUOTATION AND TRANSACTION REPORTING FACILITIES

6100. QUOTING AND TRADING IN NMS STOCKS

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6121. Trading Halts Due to Extraordinary Market Volatility

Pursuant to the procedures set forth in Rule 6120(b), FINRA shall halt all trading otherwise than on an exchange in any NMS stock, as defined in Rule 600(b)(47) of SEC Regulation NMS, if other major securities markets initiate market-wide trading halts in response to their rules or extraordinary market conditions or if otherwise directed by the Securities and Exchange Commission. Members must halt quoting and trading otherwise than on an exchange in any NMS stock as of the time the market-wide trading halt is publicly disseminated.

••• Supplementary Material: -----

.01 Trading Pauses

(a) The Regulation NMS Plan to Address Extraordinary Market Volatility (Plan) sets forth the circumstances under which the Primary Listing Exchange shall declare a Trading Pause for an NMS Stock. The Plan expressly provides that no trades in an NMS Stock shall occur during a Trading Pause. The Plan also sets forth the circumstances under which trading in an NMS Stock can resume after a Trading Pause. FINRA may permit the resumption of trading otherwise than on an exchange in such NMS Stock if trading has commenced on at least one other national securities exchange. The provisions of this paragraph (a) shall be in effect during a pilot period to coincide with the pilot period for the Plan (including any extensions to the pilot period for the Plan).

(b) For any Tier 1 or Tier 2 NMS Stock for which the Plan has not yet been implemented, [I]f a primary listing market has issued an individual stock trading pause under its Rules, FINRA will halt trading otherwise than on an exchange in that security until trading has resumed on the primary listing market. If, however, trading has not resumed on the primary listing market and ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor or the primary listing market has issued notice that it cannot resume trading for a reason other than a significant imbalance, FINRA may permit the resumption of trading otherwise than on an exchange in such stock if trading has commenced on at least one other national securities exchange. Upon implementation of the Plan for any Tier 1 or Tier 2 NMS Stock, this paragraph (b) will cease to apply to that security and paragraph (a) will apply to that security.[(b)] The provisions of [Supplementary Material .01 of this Rule] this paragraph (b) shall be in effect during a pilot period set to end [on the earlier of the initial date of operations of the Regulation NMS Plan to Address Extraordinary Market Volatility or February 4, 2014] upon implementation of Phase II of the Plan. [During the pilot, the provisions in paragraph (a) above shall be in effect with respect to all NMS stocks, other than rights and warrants, covered by the trading pause pilot rules of a primary listing market.]

(c) For purposes of this Supplementary Material .01, the following terms shall have the meanings as set forth in the Regulation NMS Plan to Address Extraordinary Market Volatility: “NMS Stock,” “Phase II,” “Primary Listing Exchange,” “Tier 1,” “Tier 2” and “Trading Pause.”

.02 Market-wide Circuit Breakers in NMS Stocks

(a) In the event of a Level 1, Level 2 or Level 3 Market Decline, as determined by a primary listing market and publicly disseminated, FINRA shall halt trading otherwise than on an exchange in all NMS stocks and shall not permit the resumption of trading for the time periods specified by the primary listing market, except as otherwise provided below.

(b) For purposes of this Rule, a Market Decline means a decline in the value of the S&P 500® Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing value of the S&P 500® Index for the immediately preceding trading day.

(c) (1) If trading is halted in all NMS stocks for a Level 1 or a Level 2 Market Decline, FINRA will halt trading otherwise than on an exchange in all NMS stocks until trading has resumed on the primary listing market. If, however, the primary listing market does not reopen a security within 15 minutes following the end of the 15-minute halt period, FINRA may permit the resumption of trading otherwise than on an exchange in that security if trading in the security has commenced on at least one other national securities exchange.

(2) If a Level 3 Market Decline occurs at any time during the trading day, FINRA shall halt trading otherwise than on an exchange in all NMS stocks until the primary listing market opens the next trading day.

(d) The provisions of Supplementary Material .02 of this Rule shall be in effect during a pilot period to coincide with the pilot period for the Regulation NMS Plan to Address Extraordinary Market Volatility unless the pilot is either extended or approved permanently.

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6190. Compliance with Regulation NMS Plan to Address Extraordinary Market Volatility

(a) A member that is a trading center in an NMS Stock shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the requirements of the Regulation NMS Plan to Address Extraordinary Market Volatility (Plan) and specifically to prevent:

(1) the execution of trades at prices that are below the Lower Price Band or above the Upper Price Band for an NMS Stock, except as permitted under the Plan;

(2) the display of offers below the Lower Price Band and bids above the Upper Price Band for an NMS Stock; and

(3) the execution of trades in an NMS Stock during a Trading Pause; however, bids and offers may be displayed during a Trading Pause, as permitted under the Plan.

(b) This Rule shall be in effect during a pilot period to coincide with the pilot period for the Plan (including any extensions to the pilot period for the Plan).

••• Supplementary Material: -----

.01 For purposes of this Rule, the following terms shall have the meanings as set forth in the Regulation NMS Plan to Address Extraordinary Market Volatility: “Lower Price Band,” “NMS Stock,” “trading center,” “Trading Pause” and “Upper Price Band.”

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11000. UNIFORM PRACTICE CODE

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11800. CLOSE-OUT PROCEDURES

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11892. Clearly Erroneous Transactions in Exchange-Listed Securities

(a) through (b) No Change.

••• Supplementary Material: -----

.01 No Change.

.02 The amendments set forth in File No. SR-FINRA-2010-032 and the provisions of Supplementary Material .03 of this Rule shall be in effect during a pilot period set to end on [February 4, 2013] September 30, 2013. If the pilot is not extended or approved as permanent by [February 4, 2013]September 30, 2013, the version of this Rule prior to SR-FINRA-2010-032 shall be in effect, and the provisions of Supplementary Material .03 of this Rule shall be null and void.

.03 Securities Subject to Limit Up-Limit Down Plan. For purposes of this Supplementary Material .03, the phrase “Limit Up-Limit Down Plan” or “Plan” shall mean the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of SEC Regulation NMS.

(a) The provisions of Rule 11892 paragraphs (a) and (b) and Supplementary Material .01 above shall govern all over-the-counter transactions in exchange-listed securities reported to a FINRA system, such as a FINRA TRF or ADF, including transactions in securities subject to the Plan, other than as set forth below.

(b) If as a result of a member’s technology or systems issue any transaction reported to a FINRA system, such as a FINRA TRF or ADF, occurs outside of the applicable price bands disseminated pursuant to the Plan, a FINRA officer, acting on his

or her own motion or at the request of a member, shall review and deem such transaction clearly erroneous, subject to the certification requirement of paragraph (c) below. Absent extraordinary circumstances, any such action of the FINRA officer shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the FINRA officer must be taken by no later than the start of normal market hours on the trading day following the date on which the execution(s) under review occurred. Each member involved in the transaction shall be notified as soon as practicable by FINRA, and a member aggrieved by the action may appeal such action in accordance with Rule 11894. In the event that a single plan processor experiences a technology or systems issue that prevents the dissemination of price bands, FINRA will make the determination of whether to deem transactions clearly erroneous based on Rule 11892 paragraphs (a) and (b) and Supplementary Material .01 above.

(c) A member requesting review of a transaction pursuant to the above paragraph must certify, in the manner and form prescribed by FINRA, that the subject transaction(s) occurring outside of the applicable price bands disseminated pursuant to the Plan is the result of the member's bona fide technological or systems issue.

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