

OMB APPROVAL

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

File No. SR - 2008 - 003

Amendment No.

Proposed Rule Change by Financial Industry Regulatory Authority
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial ☒	Amendment ☐	Withdrawal ☐	Section 19(b)(2) ☐	Section 19(b)(3)(A) ☒	Section 19(b)(3)(B) ☐
			Rule		
			☐ 19b-4(f)(1) ☐ 19b-4(f)(4)		
			☐ 19b-4(f)(2) ☐ 19b-4(f)(5)		
			☐ 19b-4(f)(3) ☒ 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).

Proposed rule change to extend through January 30, 2009, the pilot periods for the current rules regarding the use of multiple Market Participant Symbols in NASD Rules 4613A (with respect to the Alternative Display Facility) and 5140 (with respect to Trade Reporting Facilities).

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 Last Name
Title
E-mail
Telephone Fax

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 By
(Name)

(Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

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

Add

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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

Add

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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

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Exhibit 3 - Form, Report, or Questionnaire

Add

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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

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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

Add

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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”) (f/k/a National Association of Securities Dealers, Inc. (“NASD”)) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to extend through January 30, 2009, the current rules regarding the use of multiple Market Participant Symbols (“MPIDs”) in NASD Rules 4613A (with respect to the Alternative Display Facility (“ADF”)) and 5140 (with respect to Trade Reporting Facilities (“TRFs”)).

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

* * * * *

4613A. Character of Quotations

(a) No Change.

(b) Primary and Additional MPIDs

(1) The first Market Participant Identifier (“MPID”) issued to an NASD Market Participant shall be referred to as the NASD Market Participant’s “Primary MPID.” For a pilot period ending January 30[25], 2009[8], a Registered Reporting ADF ECN may request the use of Additional MPIDs for displaying

¹ 15 U.S.C. 78s(b)(1).

quotes/orders and reporting trades through TRACS for any ADF-Eligible Security (as defined in NASD Rule 4100A). A Registered Reporting ADF ECN that ceases to meet the obligations appurtenant to its Primary MPID in any security shall not be permitted to use Additional MPIDs for any purpose in that security. (c) through (d) No Change.

* * * * *

5140. Multiple MPIDs for Trade Reporting Facility Participants

For a pilot period ending on January 30[25], 2009[8], any Trade Reporting Facility Participant that wishes to use more than one Market Participant Symbol (“MPID”) for purposes of reporting trades to a Trade Reporting Facility must submit a written request to, and obtain approval from, NASD Operations for such additional MPID(s).

* * * * *

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

At its meeting on July 20, 2006, the Board of Governors of FINRA (then known as NASD) authorized the filing of the proposed rule change relating to NASD Rule 4613A(b) and IM-4613A-1 with the SEC. The proposed rule change relating to NASD Rule 5140 and IM-5140 has been approved by senior management of FINRA 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. The implementation date of the proposed rule change will be January 25, 2008.

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

(a) Purpose

(1) NASD Rule 4613A and IM-4613A-1

NASD Rule 4613A(b) (Character of Quotations) provides that a Registered Reporting ADF ECN may request additional MPIDs for displaying quotes and orders and reporting trades through the ADF trade reporting facility, TRACS, for any ADF-Eligible Security. Registered Reporting ADF ECNs that are permitted the use of additional MPIDs for displaying quotes and orders are subject to the same rules applicable to the member's first quotation (i.e., ECNs that display one or more additional quotes/orders are required to comply with all rules applicable to ECNs in their display of quotes/orders). Registered Reporting ADF ECNs are also prohibited from using an additional MPID to accomplish indirectly what they are prohibited from doing directly through their Primary MPID. In addition, FINRA staff retains full discretion to determine whether a bona fide regulatory and/or business need exists for being granted an additional MPID privilege and to limit or withdraw the additional MPID display privilege and any time. The procedures for requesting, and the restrictions surrounding the use of, multiple MPIDs are set forth in IM-4613A-1 (Procedures for Allocation of Multiple MPIDs).

The Commission approved NASD Rule 4613A(b) and IM-4613A-1 on a pilot basis on August 11, 2006.² By its terms, the initial pilot period expired on January 26,

² See Securities Exchange Act Release No. 54307 (August 11, 2006), 71 FR 47551 (August 17, 2006).

2007.³ On January 31, 2007, the Commission approved a one-year extension of the pilot period until January 25, 2008.⁴ FINRA believes that an additional one-year extension until January 30, 2009, will provide additional time to analyze the use of multiple MPIDs on the ADF. FINRA is not proposing any other changes to the pilot as this time.

(2) NASD Rule 5140 and IM-5140

NASD Rule 5140 (Multiple MPIDs for Trade Reporting Facility Participants) provides that any Trade Reporting Facility Participant that wishes to use more than one MPID for purposes of reporting trades to a TRF must submit a written request to, and obtain approval from, NASD Operations for such additional MPIDs. In addition, IM-5140 (Use of Multiple MPIDs) states that FINRA considers the issuance of, and trade reporting with, multiple MPIDs to be a privilege and not a right. A Trade Reporting Facility Participant must identify the purpose(s) and system(s) for which the multiple MPIDs will be used. If FINRA determines that the use of multiple MPIDs is detrimental to the marketplace, or that a Trade Reporting Facility Participant is using one or more additional MPIDs improperly or for other than the purpose(s) identified by the Participant, FINRA staff retains full discretion to limit or withdraw its grant of the additional MPID(s) to such Trade Reporting Facility Participant for purposes of reporting trades to a TRF. FINRA believes that Rule 5140 and IM-5140 are necessary to

³ The expiration of the pilot period coincided with the expiration of the ADF pilot period. See Securities Exchange Act Release No. 53699 (April 21, 2006), 71 FR 25271 (April 28, 2006). On January 26, 2007, the Commission approved a proposed rule change to make the ADF rules permanent. See Securities Exchange Act Release No. 55181 (January 26, 2007), 72 FR 5093 (February 2, 2007).

⁴ See Securities Exchange Act Release No. 55206 (January 31, 2007), 72 FR 5479 (February 6, 2007).

consolidate the process of issuing, and tracking the use of, multiple MPIDs used to report trades to TRFs.

The Commission approved NASD Rule 5140 on a pilot basis on November 6, 2006.⁵ By its terms, the pilot period expired on January 26, 2007. On January 31, 2007, the Commission approved a one-year extension of the pilot period until January 25, 2008.⁶ FINRA believes that an additional one-year extension until January 30, 2009, will provide additional time to analyze the use of multiple MPIDs on the TRFs. FINRA is not proposing any other changes to the pilot as this time.

As noted in Item 2 of this filing, FINRA is proposing to implement the proposed rule change on January 25, 2008.

(b) 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 interest. FINRA believes that the proposed rule change is consistent with these requirements because it will provide a process by which ECNs (in the case of ADF) and Trade Reporting Facility Participants (in the case of TRFs) can request, and FINRA can

⁵ See Securities Exchange Act Release No. 54715 (November 6, 2006), 71 FR 66354 (November 14, 2006); see also Securities Exchange Act Release No. 54715A (November 14, 2006), 71 FR 67183 (November 20, 2006) (correcting original approval order).

⁶ See Securities Exchange Act Release No. 55206 (January 31, 2007), 72 FR 5479 (February 6, 2007).

⁷ 15 U.S.C. 78o-3(b)(6).

properly allocate, the use of additional MPIDs for displaying quotes and orders through the ADF or reporting trades to a TRF.

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.

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 Act⁸ and paragraph (f)(6) of Rule 19b-4 thereunder,⁹ 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. 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),¹⁰ to prevent a lapse in the current pilots. In accordance

⁸ 15 U.S.C. 78s(b)(3).

⁹ 17 CFR 240.19b-4(f)(6).

¹⁰ 17 CFR 240.19b-4(f)(6)(iii).

with Rule 19b-4,¹¹ 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. If a waiver is granted by the Commission, the proposed rule change is effective upon filing pursuant to Section 19(b)(3) of the Act¹² and paragraph (f)(6) of Rule 19b-4 thereunder¹³ and will be implemented on January 25, 2008.

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

Not applicable.

9. Exhibits

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

¹¹ 17 CFR 240.19b-4.

¹² 15 U.S.C. 78s(b)(3).

¹³ 17 CFR 240.19b-4(f)(6).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-FINRA-2008-003)

Self-Regulatory Organizations: Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Extending the Pilot for the Use of Multiple MPIDs on the Trade Reporting Facilities and on the Alternative Display Facility

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”) (f/k/a National Association of Securities Dealers, Inc. (“NASD”)) 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,³ which renders the proposal effective upon receipt of this filing by the Commission.

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

FINRA is proposing to amend NASD Rules 4613A and 5140 to extend through January 30, 2009, the current rules regarding the use of multiple Market Participant Symbols (“MPIDs”) on the Alternative Display Facility (“ADF”) and on the Trade

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

Reporting Facilities (“TRFs”). Below is the text of the proposed rule change. Proposed new language is in italics; proposed deletions are in brackets.

* * * * *

4613A. Character of Quotations

(a) No Change.

(b) Primary and Additional MPIDs

(1) The first Market Participant Identifier (“MPID”) issued to an NASD Market Participant shall be referred to as the NASD Market Participant’s “Primary MPID.” For a pilot period ending January 30[25], 20099[8], a Registered Reporting ADF ECN may request the use of Additional MPIDs for displaying quotes/orders and reporting trades through TRACS for any ADF-Eligible Security (as defined in NASD Rule 4100A). A Registered Reporting ADF ECN that ceases to meet the obligations appurtenant to its Primary MPID in any security shall not be permitted to use Additional MPIDs for any purpose in that security.

(c) through (d) No Change.

* * * * *

5140. Multiple MPIDs for Trade Reporting Facility Participants

For a pilot period ending on January 30[25], 20099[8], any Trade Reporting Facility Participant that wishes to use more than one Market Participant Symbol (“MPID”) for purposes of reporting trades to a Trade Reporting Facility must submit a written request to, and obtain approval from, NASD Operations for such additional MPID(s).

* * * * *

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

(A) NASD Rule 4613A and IM-4613A-1

NASD Rule 4613A(b) (Character of Quotations) provides that a Registered Reporting ADF ECN may request additional MPIDs for displaying quotes and orders and reporting trades through the ADF trade reporting facility, TRACS, for any ADF-Eligible Security. Registered Reporting ADF ECNs that are permitted the use of additional MPIDs for displaying quotes and orders are subject to the same rules applicable to the member's first quotation (i.e., ECNs that display one or more additional quotes/orders are required to comply with all rules applicable to ECNs in their display of quotes/orders). Registered Reporting ADF ECNs are also prohibited from using an additional MPID to accomplish indirectly what they are prohibited from doing directly through their Primary MPID. In addition, FINRA staff retains full discretion to determine whether a bona fide regulatory and/or business need exists for being granted an additional MPID privilege and to limit or withdraw the additional MPID display privilege at any time. The

procedures for requesting, and the restrictions surrounding the use of, multiple MPIDs are set forth in IM-4613A-1 (Procedures for Allocation of Multiple MPIDs).

The Commission approved NASD Rule 4613A(b) and IM-4613A-1 on a pilot basis on August 11, 2006.⁴ By its terms, the initial pilot period expired on January 26, 2007.⁵ On January 31, 2007, the Commission approved a one-year extension of the pilot period until January 25, 2008.⁶ FINRA believes that an additional one-year extension until January 30, 2009, will provide additional time to analyze the use of multiple MPIDs on the ADF. FINRA is not proposing any other changes to the pilot as this time.

(B) NASD Rule 5140 and IM-5140

NASD Rule 5140 (Multiple MPIDs for Trade Reporting Facility Participants) provides that any Trade Reporting Facility Participant that wishes to use more than one MPID for purposes of reporting trades to a TRF must submit a written request to, and obtain approval from, NASD Operations for such additional MPIDs. In addition, IM-5140 (Use of Multiple MPIDs) states that FINRA considers the issuance of, and trade reporting with, multiple MPIDs to be a privilege and not a right. A Trade Reporting Facility Participant must identify the purpose(s) and system(s) for which the multiple MPIDs will be used. If FINRA determines that the use of multiple MPIDs is detrimental

⁴ See Securities Exchange Act Release No. 54307 (August 11, 2006), 71 FR 47551 (August 17, 2006).

⁵ The expiration of the pilot period coincided with the expiration of the ADF pilot period. See Securities Exchange Act Release No. 53699 (April 21, 2006), 71 FR 25271 (April 28, 2006). On January 26, 2007, the Commission approved a proposed rule change to make the ADF rules permanent. See Securities Exchange Act Release No. 55181 (January 26, 2007), 72 FR 5093 (February 2, 2007).

⁶ See Securities Exchange Act Release No. 55206 (January 31, 2007), 72 FR 5479 (February 6, 2007).

to the marketplace, or that a Trade Reporting Facility Participant is using one or more additional MPIDs improperly or for other than the purpose(s) identified by the Participant, FINRA staff retains full discretion to limit or withdraw its grant of the additional MPID(s) to such Trade Reporting Facility Participant for purposes of reporting trades to a TRF. FINRA believes that Rule 5140 and IM-5140 are necessary to consolidate the process of issuing, and tracking the use of, multiple MPIDs used to report trades to TRFs.

The Commission approved NASD Rule 5140 on a pilot basis on November 6, 2006.⁷ By its terms, the pilot period expired on January 26, 2007. On January 31, 2007, the Commission approved a one-year extension of the pilot period until January 25, 2008.⁸ FINRA believes that an additional one-year extension until January 30, 2009, will provide additional time to analyze the use of multiple MPIDs on the TRFs. FINRA is not proposing any other changes to the pilot as this time.

FINRA is proposing to implement the proposed rule change on January 25, 2008.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁹ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote

⁷ See Securities Exchange Act Release No. 54715 (November 6, 2006), 71 FR 66354 (November 14, 2006); see also Securities Exchange Act Release No. 54715A (November 14, 2006), 71 FR 67183 (November 20, 2006) (correcting original approval order).

⁸ See Securities Exchange Act Release No. 55206 (January 31, 2007), 72 FR 5479 (February 6, 2007).

⁹ 15 U.S.C. 78o-3(b)(6).

just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change is consistent with these requirements because it will provide a process by which ECNs (in the case of ADF) and Trade Reporting Facility Participants (in the case of TRFs) can request, and FINRA can properly allocate, the use of additional MPIDs for displaying quotes and orders through the ADF or reporting trades to a TRF.

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 Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹

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

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

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.

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-2008-003 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-FINRA-2008-003. 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 Web site (<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 inspection and copying in the Commission's Public Reference Room. 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-2008-003 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.¹²

Nancy M. Morris

Secretary

¹² 17 CFR 200.30-3(a)(12).