

OMB APPROVAL

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

File No. SR - 2009 - 082

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)

Pilot ☐ Extension of Time Period
for Commission Action ☐ Date Expires

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 Relating to Reporting of Trade Cancellations to FINRA

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

Add

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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

Remove

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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

Remove

View

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

Add

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View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to (1) amend FINRA trade reporting rules to permit members to report trade cancellations after 5:15 p.m. Eastern Time on trade date to the FINRA/Nasdaq Trade Reporting Facility (“FINRA/Nasdaq TRF”) and the OTC Reporting Facility (“ORF”); and (2) make certain conforming changes to the rules relating to the submission of trade cancellations to the Alternative Display Facility (“ADF”). The amendments proposed herein are identical to the current rules relating to the FINRA/NYSE Trade Reporting Facility (“FINRA/NYSE TRF”) and would make FINRA rules governing the submission of trade cancellations consistent across the “FINRA Facilities.”²

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

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6000. QUOTATION AND TRANSACTION REPORTING FACILITIES

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6200. ALTERNATIVE DISPLAY FACILITY

* * * * *

6280. Transaction Reporting

¹ 15 U.S.C. 78s(b)(1).

² The ADF, FINRA/Nasdaq TRF, FINRA/NYSE TRF and ORF are collectively referred to herein as the “FINRA Facilities.”

* * * * *

6282. Transactions Reported by Members to TRACS

(a) through (i) No Change.

(j) Reporting Cancelled Trades

(1) No Change.

(2) Deadlines for Reporting Cancelled Trades

(A) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled at or before 4:00 p.m. on the date of execution, the member responsible under paragraph (j)(1) shall [use its best efforts to report the cancellation not later than 6:30 p.m. on the date of execution, and otherwise it shall report the cancellation on the following business day by 6:30 p.m.] report the cancellation within 90 seconds of the time the trade is cancelled.

(B) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled after 4:00 p.m., but before 6:30 p.m. on the date of execution, the member responsible under paragraph (j)(1) shall use its best efforts to report the cancellation not later than 6:30 p.m. on the date of execution, and otherwise it shall report the cancellation on the following business day by 6:30 p.m.

(C) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled at or after 6:30 p.m. on the date of execution, the member responsible under paragraph (j)(1) shall report the cancellation on the following business day by 6:30 p.m.

~~[(B)]~~ (D) For trades executed outside the hours of 9:30 a.m. [and] to 4:00 p.m. Eastern Time and cancelled prior to 6:30 p.m. on the date of execution, the member responsible under paragraph (j)(1) shall [use its best efforts to] report the cancellation [not later than] by 6:30 p.m. [on the date of execution, and otherwise it shall report the cancellation on the following business day by 6:30 p.m].

(E) For trades executed outside the hours of 9:30 a.m. to 4:00 p.m. Eastern Time and cancelled at or after 6:30 p.m. on the date of execution, the member responsible under paragraph (j)(1) shall report the cancellation on the following business day by 6:30 p.m.

(F) For any trade cancelled on any date after the date of execution, the member responsible under paragraph (j)(1) shall report the cancellation (i) by 6:30 p.m. on the date of cancellation if the trade is cancelled before 6:30 p.m., or (ii) by 6:30 p.m. on the following business day if the trade is cancelled at or after 6:30 p.m.

(C) redesignated as (G)

6300. TRADE REPORTING FACILITIES

6300A. FINRA/NASDAQ TRADE REPORTING FACILITY

* * * * *

6380A. Transaction Reporting

(a) through (f) No Change.

(g) Reporting Cancelled Trades

(1) No Change.

(2) Deadlines for Reporting Cancelled Trades

(A) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled at or before [5:13:30] 4:00 p.m. on the date of execution, the member responsible under paragraph (g)(1) shall report the cancellation within 90 seconds of the time the trade is cancelled.

(B) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled after [5:13:30] 4:00 p.m., but before [5:15] 8:00 p.m. on the date of execution, the member responsible under paragraph (g)(1) shall use its best efforts to report the cancellation not later than [5:15] 8:00 p.m. on the date of execution, and otherwise it shall report the cancellation on the following business day by 8:00 p.m.

(C) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled at or after [5:15] 8:00 p.m. on the date of execution, the member responsible under paragraph (g)(1) shall report the cancellation on the following business day by 8:00 p.m.

(D) No Change.

(E) For trades executed outside the hours of 9:30 a.m. to 4:00 p.m. Eastern Time and cancelled at or after 8:00 p.m. on the date of execution, the member responsible under paragraph (g)(1) shall report the cancellation on the following business day by 8:00 p.m.

(F) through (G) No Change.

(h) No Change.

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6300B. FINRA/NYSE TRADE REPORTING FACILITY

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6380B. Transaction Reporting

(a) through (e) No Change.

(f) Reporting Cancelled Trades

(1) No Change.

(2) Deadlines for Reporting Cancelled Trades

(A) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled at or before 4:00 p.m. on the date of execution, the member responsible under paragraph (f)(1) shall report the cancellation within 90 seconds of the time the trade is cancelled.

(B) No Change.

(C) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled at or after 8:00 p.m. on the date of execution, the member responsible under paragraph (f)(1) shall report the cancellation on the following business day by 8:00 p.m.

(D) No Change.

(E) For trades executed outside the hours of 9:30 a.m. to 4:00 p.m. Eastern Time and cancelled at or after 8:00 p.m. on the date of execution, the member responsible under paragraph (f)(1) shall report the cancellation on the following business day by 8:00 p.m.

(F) For any trade cancelled on any date after the date of execution, the member responsible under paragraph (f)(1) shall report the

cancellation (i) by 8:00 p.m. on the date of cancellation if the trade is cancelled before [6:30] 8:00 p.m., or (ii) by 8:00 p.m. on the following business day if the trade is cancelled at or after 8:00 p.m.

(G) No Change.

(g) through (h) No Change.

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6600. OTC REPORTING FACILITY

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6620. Reporting Transactions in OTC Equity Securities

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6622. Transaction Reporting

(a) through (e) No Change.

(f) Reporting Cancelled Trades

(1) No Change.

(2) Deadlines for Reporting Cancelled Trades

(A) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled at or before [5:13:30] 4:00 p.m. on the date of execution, the member responsible under paragraph (f)(1) shall report the cancellation within 90 seconds of the time the trade is cancelled.

(B) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled after [5:13:30] 4:00 p.m., but before [5:15] 8:00 p.m. on the date of execution, the member responsible under paragraph (f)(1) shall use its best efforts to report the cancellation not later than [5:15] 8:00

p.m. on the date of execution, and otherwise it shall report the cancellation on the following business day by 8:00 p.m.

(C) For trades executed between 9:30 a.m. and 4:00 p.m. Eastern Time and cancelled at or after [5:15] 8:00 p.m. on the date of execution, the member responsible under paragraph (f)(1) shall report the cancellation on the following business day by 8:00 p.m.

(D) No Change.

(E) For trades executed outside the hours of 9:30 a.m. to 4:00 p.m. Eastern Time and cancelled at or after 8:00 p.m. on the date of execution, the member responsible under paragraph (f)(1) shall report the cancellation on the following business day by 8:00 p.m.

(F) through (G) No Change.

(g) No Change.

* * * * *

(b) Not applicable.

(c) Not applicable.

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

The proposed rule change was 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 will announce the effective date of the proposed rule change in a Regulatory Notice. FINRA is proposing that the implementation date will be between 45 and 90 days following the date of Commission approval.

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

(a) Purpose

FINRA rules require members to report the cancellation of any over-the-counter trade that was previously submitted to a FINRA Facility within certain prescribed time periods.³ For example, if a trade executed during normal market hours (i.e., 9:30 a.m. to 4:00 p.m. Eastern Time) is canceled during normal market hours on trade date, the cancellation must be reported to FINRA within 90 seconds.⁴

The rules governing the reporting of trade cancellations to the FINRA/Nasdaq TRF and ORF are based on the traditional 5:15 p.m. “media” cut-off time (i.e., for the submission of trades for public dissemination purposes) and prohibit the reporting of trade cancellations after 5:15 p.m. on trade date.⁵ In other words, although the FINRA/Nasdaq TRF and ORF are open until 8:00 p.m., if a member does not report a trade cancellation by 5:15 p.m. on trade date, then the member must wait until the next day to report the cancellation. This means that trade cancellations are not submitted to the Securities Information Processors (“SIPs”) by the FINRA/Nasdaq TRF or to the Trade Data Dissemination Service (“TDDS”) feed by the ORF after 5:15 p.m. on trade date, and the high price/low price/last sale price calculations for the day are not updated

³ See Rules 6282(j), 6380A(g), 6380B(f) and 6622(f).

⁴ See Rules 6380A(g)(2)(A), 6380B(f)(2)(A) and 6622(f)(2)(A).

FINRA notes that currently, the ADF rules do not contain a 90-second reporting requirement for trade cancellations. As described more fully below, FINRA is proposing to amend the ADF rules to conform to the rules for the other FINRA Facilities in this regard.

⁵ See Rules 6380A(g)(2) and 6622(f)(2).

after 5:15 p.m.⁶ By contrast, the rules relating to the ADF and FINRA/NYSE TRF do not include a 5:15 p.m. cut-off. Cancellations on trade date can be reported to these two facilities until the time they close (6:30 p.m. for the ADF and 8:00 p.m. for the FINRA/NYSE TRF),⁷ and the SIPs update the high/low/last calculations accordingly.

FINRA is proposing to amend Rules 6380A(g)(2) and 6622(f)(2) relating to the FINRA/Nasdaq TRF and the ORF, respectively, to eliminate the 5:15 p.m. cut-off and to allow members to submit reports of trade cancellations on trade date until the close of the facilities at 8:00 p.m. As a result of the proposed rule change, reports of trade cancellations submitted to the FINRA/Nasdaq TRF and ORF until 8:00 p.m. on trade date will update the high/low/last calculations for the day. The text of the proposed amendments is identical to the text of current Rule 6380B(f)(2) relating to the FINRA/NYSE TRF.⁸

⁶ Market participants historically have relied on the high/low/last calculations provided by the SIPs, e.g., some market data vendors would “lock in” high/low/last for the day in their data products at the 5:15 p.m. media cut-off time, and mutual fund companies would set their daily fund net asset values based on the last sale price as of the 5:15 p.m. media cut off. FINRA does not believe that market participants today rely on the high/low/last calculations provided by the SIPs to the degree they once did. For example, today many market participants buy closing price data directly from the primary listing market for the issue. However, FINRA is requesting that the SEC specifically solicit comment on the industry’s reliance on the high/low/last calculation provided by the SIPs and/or TDDS, and in turn, the relevance of the 5:15 p.m. media cut-off today.

⁷ See Rules 6282(j)(2) and 6380B(f)(2).

⁸ FINRA is proposing to make a technical change to Rule 6380B(f)(2)(F) relating to the FINRA/NYSE TRF. Pursuant to SR-NASD-2007-037, FINRA proposed to amend its trade reporting rules to extend the closing time of the FINRA/NYSE TRF from 6:30 p.m. to 8:00 p.m. Eastern Time. See Securities Exchange Act Release No. 55916 (June 15, 2007), 72 FR 34499 (June 22, 2007) (notice of filing and immediate effectiveness of SR-NASD-2007-037). However, FINRA inadvertently neglected to propose to replace a reference to 6:30 p.m. with 8:00

FINRA also is proposing to amend Rule 6282(j)(2) relating to the ADF to conform to Rule 6380B(f)(2) relating to the FINRA/NYSE TRF. Among other changes, the proposed amendments to Rule 6282(j)(2) will provide that if a normal market hours trade is cancelled during market hours on trade date, the cancellation must be reported within 90 seconds.⁹

FINRA believes that the proposed rule change will promote more consistent trade reporting by members by conforming the reporting requirements applicable to trade cancellations across FINRA Facilities. Additionally, the proposed rule change will enhance market transparency by eliminating systematically imposed delays in the reporting of trade cancellations to the FINRA/Nasdaq TRF and ORF.¹⁰

As noted in Item 2 of this filing, FINRA will announce the effective date of the

p.m. in Rule 6380B(f)(2)(F) and is proposing to make that change in this filing.

FINRA also is proposing technical changes, where necessary, to clarify that references to “before 4:00 p.m.” mean “at or before 4:00 p.m.” and references to “after 6:30 p.m.” (or 8:00 p.m., as applicable) mean “at or after 6:30 p.m.” (or 8:00 p.m., as applicable) to close any inadvertent gaps in the rules.

⁹ FINRA recently filed a proposed rule change to reduce the 90-second reporting requirement to 30 seconds. See Securities Exchange Act Release No. 60960 (November 6, 2009), 74 FR 59272 (November 17, 2009) (notice of filing of SR-FINRA-2009-061). The proposed 30-second reporting requirement also would apply to trade cancellations. Depending on the timing of Commission approval of these filings, FINRA will file an amendment or separate filing, as necessary, to make conforming changes.

¹⁰ FINRA notes that where a proposed rule change strictly proposes to make conforming changes to the rules applicable to one FINRA Facility that are identical to existing rules applicable to one or more other FINRA Facilities, FINRA typically would file such proposed rule change for immediate effectiveness under Section (b)(3)(A) of the Act. However, because the conforming changes proposed herein for the FINRA/Nasdaq TRF and ORF will impact the high/low/last calculations, FINRA is filing under Section (b)(2) of the Act to provide members and other interested parties an opportunity to comment.

proposed rule change in a Regulatory Notice. FINRA is proposing that the implementation date will be between 45 and 90 days following the date of Commission approval.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹¹ 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, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change will enhance market transparency and promote more consistent trade reporting by members.

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

FINRA does not consent at this time to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.¹²

¹¹ 15 U.S.C. 78o-3(b)(6).

¹² 15 U.S.C. 78s(b)(2).

7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

Not applicable.

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-FINRA-2009-082)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change Relating to Reporting of Trade Cancellations to FINRA

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on, Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. 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 (1) amend FINRA trade reporting rules to permit members to report trade cancellations after 5:15 p.m. Eastern Time on trade date to the FINRA/Nasdaq Trade Reporting Facility (“FINRA/Nasdaq TRF”) and the OTC Reporting Facility (“ORF”); and (2) make certain conforming changes to the rules relating to the submission of trade cancellations to the Alternative Display Facility (“ADF”). The amendments proposed herein are identical to the current rules relating to the FINRA/NYSE Trade Reporting Facility (“FINRA/NYSE TRF”) and would make FINRA rules governing the submission of trade cancellations consistent across the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

“FINRA Facilities.”³

The text of the proposed rule change is available on FINRA’s Web site at <http://www.finra.org>, at the principal office of FINRA and at the Commission’s Public Reference Room.

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

In its filing with the Commission, FINRA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

FINRA rules require members to report the cancellation of any over-the-counter trade that was previously submitted to a FINRA Facility within certain prescribed time periods.⁴ For example, if a trade executed during normal market hours (i.e., 9:30 a.m. to 4:00 p.m. Eastern Time) is canceled during normal market hours on trade date, the cancellation must be reported to FINRA within 90 seconds.⁵

³ The ADF, FINRA/Nasdaq TRF, FINRA/NYSE TRF and ORF are collectively referred to herein as the “FINRA Facilities.”

⁴ See Rules 6282(j), 6380A(g), 6380B(f) and 6622(f).

⁵ See Rules 6380A(g)(2)(A), 6380B(f)(2)(A) and 6622(f)(2)(A).

FINRA notes that currently, the ADF rules do not contain a 90-second reporting requirement for trade cancellations. As described more fully below, FINRA is proposing to amend the ADF rules to conform to the rules for the other FINRA

The rules governing the reporting of trade cancellations to the FINRA/Nasdaq TRF and ORF are based on the traditional 5:15 p.m. “media” cut-off time (i.e., for the submission of trades for public dissemination purposes) and prohibit the reporting of trade cancellations after 5:15 p.m. on trade date.⁶ In other words, although the FINRA/Nasdaq TRF and ORF are open until 8:00 p.m., if a member does not report a trade cancellation by 5:15 p.m. on trade date, then the member must wait until the next day to report the cancellation. This means that trade cancellations are not submitted to the Securities Information Processors (“SIPs”) by the FINRA/Nasdaq TRF or to the Trade Data Dissemination Service (“TDDS”) feed by the ORF after 5:15 p.m. on trade date, and the high price/low price/last sale price calculations for the day are not updated after 5:15 p.m.⁷ By contrast, the rules relating to the ADF and FINRA/NYSE TRF do not include a 5:15 p.m. cut-off. Cancellations on trade date can be reported to these two facilities until the time they close (6:30 p.m. for the ADF and 8:00 p.m. for the FINRA/NYSE TRF),⁸ and the SIPs update the high/low/last calculations accordingly.

Facilities in this regard.

⁶ See Rules 6380A(g)(2) and 6622(f)(2).

⁷ Market participants historically have relied on the high/low/last calculations provided by the SIPs, e.g., some market data vendors would “lock in” high/low/last for the day in their data products at the 5:15 p.m. media cut-off time, and mutual fund companies would set their daily fund net asset values based on the last sale price as of the 5:15 p.m. media cut off. FINRA does not believe that market participants today rely on the high/low/last calculations provided by the SIPs to the degree they once did. For example, today many market participants buy closing price data directly from the primary listing market for the issue. However, FINRA is requesting that the SEC specifically solicit comment on the industry’s reliance on the high/low/last calculation provided by the SIPs and/or TDDS, and in turn, the relevance of the 5:15 p.m. media cut-off today.

⁸ See Rules 6282(j)(2) and 6380B(f)(2).

FINRA is proposing to amend Rules 6380A(g)(2) and 6622(f)(2) relating to the FINRA/Nasdaq TRF and the ORF, respectively, to eliminate the 5:15 p.m. cut-off and to allow members to submit reports of trade cancellations on trade date until the close of the facilities at 8:00 p.m. As a result of the proposed rule change, reports of trade cancellations submitted to the FINRA/Nasdaq TRF and ORF until 8:00 p.m. on trade date will update the high/low/last calculations for the day. The text of the proposed amendments is identical to the text of current Rule 6380B(f)(2) relating to the FINRA/NYSE TRF.⁹

FINRA also is proposing to amend Rule 6282(j)(2) relating to the ADF to conform to Rule 6380B(f)(2) relating to the FINRA/NYSE TRF. Among other changes, the proposed amendments to Rule 6282(j)(2) will provide that if a normal market hours trade is cancelled during market hours on trade date, the cancellation must be reported within 90 seconds.¹⁰

⁹ FINRA is proposing to make a technical change to Rule 6380B(f)(2)(F) relating to the FINRA/NYSE TRF. Pursuant to SR-NASD-2007-037, FINRA proposed to amend its trade reporting rules to extend the closing time of the FINRA/NYSE TRF from 6:30 p.m. to 8:00 p.m. Eastern Time. See Securities Exchange Act Release No. 55916 (June 15, 2007), 72 FR 34499 (June 22, 2007) (notice of filing and immediate effectiveness of SR-NASD-2007-037). However, FINRA inadvertently neglected to propose to replace a reference to 6:30 p.m. with 8:00 p.m. in Rule 6380B(f)(2)(F) and is proposing to make that change in this filing.

FINRA also is proposing technical changes, where necessary, to clarify that references to “before 4:00 p.m.” mean “at or before 4:00 p.m.” and references to “after 6:30 p.m.” (or 8:00 p.m., as applicable) mean “at or after 6:30 p.m.” (or 8:00 p.m., as applicable) to close any inadvertent gaps in the rules.

¹⁰ FINRA recently filed a proposed rule change to reduce the 90-second reporting requirement to 30 seconds. See Securities Exchange Act Release No. 60960 (November 6, 2009), 74 FR 59272 (November 17, 2009) (notice of filing of SR-FINRA-2009-061). The proposed 30-second reporting requirement also would apply to trade cancellations. Depending on the timing of Commission approval of these filings, FINRA will file an amendment or separate filing, as necessary, to

FINRA believes that the proposed rule change will promote more consistent trade reporting by members by conforming the reporting requirements applicable to trade cancellations across FINRA Facilities. Additionally, the proposed rule change will enhance market transparency by eliminating systematically imposed delays in the reporting of trade cancellations to the FINRA/Nasdaq TRF and ORF.¹¹

FINRA will announce the effective date of the proposed rule change in a Regulatory Notice. FINRA is proposing that the implementation date will be between 45 and 90 days following the date of Commission approval.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹² 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, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change will enhance market transparency and promote more consistent trade reporting by members.

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

make conforming changes.

¹¹ FINRA notes that where a proposed rule change strictly proposes to make conforming changes to the rules applicable to one FINRA Facility that are identical to existing rules applicable to one or more other FINRA Facilities, FINRA typically would file such proposed rule change for immediate effectiveness under Section (b)(3)(A) of the Act. However, because the conforming changes proposed herein for the FINRA/Nasdaq TRF and ORF will impact the high/low/last calculations, FINRA is filing under Section (b)(2) of the Act to provide members and other interested parties an opportunity to comment.

¹² 15 U.S.C. 78o-3(b)(6).

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2009-082 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Florence E. Harmon, Deputy

Secretary, Securities and Exchange Commission, 100 F Street, NE,
Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2009-082. 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, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2009-082 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.¹³

Florence E. Harmon

Deputy Secretary

¹³ 17 CFR 200.30-3(a)(12).