

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4File No.* SR - 2011 - * 049
Amendment No. (req. for Amendments *)Proposed Rule Change by Financial Industry Regulatory Authority
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934Initial * ☒ Amendment * ☐ Withdrawal ☐Section 19(b)(2) * ☐ Section 19(b)(3)(A) * ☒ Section 19(b)(3)(B) * ☐

Rule

Pilot ☐ Extension of Time Period
for Commission Action * ☐ Date Expires * ☒ 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, required when Initial is checked *).

Proposed Rule Change Relating to Aggregation of Activity of Affiliated Members for Purposes of FINRA/Nasdaq TRF
Fees and Credits**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 * Lisa Last Name * Horrigan
Title * Associate General Counsel
E-mail * lisa.horrigan@finra.org
Telephone * (202) 728-8190 Fax (202) 728-8264**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 09/13/2011

By Stephanie Dumont
(Name *)Senior Vice President and Director of Capital Markets
Policy

(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.

Stephanie Dumont,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information (required)

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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 (required)

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

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

☐

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 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

☐

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 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

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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”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend Rule 7630A (Aggregation of Activity of Affiliated Members) relating to the pricing schedule for the FINRA/NASDAQ Trade Reporting Facility (the “FINRA/NASDAQ TRF”) under the Rule 7600A Series.

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

* * * * *

**7000. CLEARING, TRANSACTION AND ORDER DATA REQUIREMENTS,
AND FACILITY CHARGES**

* * * * *

7600. CHARGES FOR TRADE REPORTING FACILITY SERVICES

**7600A. CHARGES FOR FINRA/NASDAQ TRADE REPORTING FACILITY
SERVICES**

* * * * *

7630A. Aggregation of Activity of Affiliated Members

(a) For purposes of applying any provision of the Rule 7600A Series that reflects a charge assessed, or credit provided, by the FINRA/Nasdaq Trade Reporting Facility, a member may request that the FINRA/Nasdaq Trade Reporting Facility aggregate its activity with the activity of its affiliates.

¹ 15 U.S.C. 78s(b)(1).

(1) A member requesting aggregation of affiliate activity shall be required to certify to FINRA the affiliate status of entities whose activity it seeks to aggregate prior to receiving approval for aggregation, and shall be required to inform FINRA immediately of any event that causes an entity to cease to be an affiliate. [In addition,] FINRA shall review available information regarding the entities and reserves the right to request additional information to verify the affiliate status of an entity. FINRA shall approve a request unless it determines that the certification is not accurate.

(2) If two or more members become affiliated on or prior to the sixteenth day of a month and submit the required request for aggregation on or prior to the twenty-second day of the month, an approval of the request by FINRA shall be deemed to be effective as of the first day of that month. If two or more members become affiliated after the sixteenth day of a month, or submit a request for aggregation after the twenty-second day of the month, an approval of the request by FINRA shall be deemed to be effective as of the first day of the next calendar month.

(b) through (c) 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 rule change.

FINRA has filed the proposed rule change for immediate effectiveness. The effective date and the implementation date will be the date of filing.

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

(a) Purpose

Rule 7630A allows affiliated members to aggregate their activity under certain provisions of the fee and credit schedule applicable to the FINRA/NASDAQ TRF that make fees and credits dependent upon the volume of their activity. For example, Rule 7620A caps fees for members with a daily average number of media/executing party trades during the month in excess of 2500. Affiliated members that might not qualify for the cap by themselves may be able to qualify by aggregating their activity.

Under Rule 7630A, a member may request that the FINRA/NASDAQ TRF aggregate its activity with the activity of its affiliates.² The rule defines an “affiliate” of the member as any wholly owned subsidiary, parent or sister (as those terms are defined under the rule) of the member that is also a member. Thus, the rule requires that one affiliated member own 100% of the voting interests in the other, or that they both be under the common control of a parent that owns 100% of each. A member requesting aggregation of affiliate activity under Rule 7630A is required to certify the affiliate status of entities whose activity it seeks to aggregate and immediately to provide notice of any event that causes an entity to cease to be an affiliate. A review of information regarding

² The rule is administered by The NASDAQ OMX Group, Inc. (“NASDAQ”), in its capacity as the “Business Member” and operator of the FINRA/NASDAQ TRF on behalf of FINRA. FINRA’s oversight of this function performed by the Business Member is conducted through an annual assessment and review of TRF operations by an outside independent audit firm.

the entities is conducted, and the member may be requested to provide additional information to verify the affiliate status of an entity. A request will be approved unless it is determined that the member's certification is not accurate.³ FINRA is proposing to clarify Rule 7630A by describing the process for review and approval in proposed paragraph (a)(1). However, FINRA is not proposing any changes to this process.

In addition, FINRA is proposing to adopt a stated policy with respect to the timing of recognition of aggregation requests. Because bills for the FINRA/NASDAQ TRF are prepared on a monthly basis, recognizing an affiliation in the middle of a month would require a complex proration of members' bills. Accordingly, it has been the FINRA/NASDAQ TRF's practice to recognize an affiliation request either at the beginning of the month in which the affiliation occurs or at the beginning of the following month. FINRA is proposing to adopt new paragraph (a)(2) of Rule 7630A, which provides that if two or more members become affiliated on or prior to the sixteenth day of a month and submit a request for aggregation on or prior to the twenty-second day of the month, approval of the request shall be deemed effective as of the first day of that month. Thus, for example, if one member acquires another, the acquisition is completed by June 16, and the members file a request for aggregation by June 22, approval of the request would allow the members to aggregate all activity during June. This would be the case regardless of the time required to review and approve the request. However, if members become affiliated after the sixteenth day of the month, or do not submit a request for aggregation until after the twenty-second day of the month, the request would not be recognized until the following month.

³ In the event of an inaccurate certification, FINRA would investigate whether the member had violated FINRA rules and would take appropriate disciplinary action.

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness. The effective date and the implementation date will be the date of filing.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15(b)(6) of the Act,⁴ 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, by adopting a clear policy with respect to the meaning, administration and enforcement of Rule 7630A, will promote members' understanding of the parameters of the rule and enhance the efficiency of its administration.

FINRA further believes that the proposed rule change is consistent with Section 15A(b)(5) of the Act,⁵ which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls. All similarly situated members are subject to the same fee structure, and access to the FINRA/NASDAQ TRF is offered on fair and non-discriminatory terms. The proposed rule change is reasonable because it establishes a standard for recognition of aggregation requests that is easy to administer and that reflects the need to review and approve aggregation requests while avoiding the complexities associated with proration of the

⁴ 15 U.S.C. 78o-3(b)(6).

⁵ 15 U.S.C. 78o-3(b)(5).

bills of members that affiliate during the course of a month. The proposed rule change is equitable because all members seeking to aggregate their activity are subject to the same parameters, in accordance with a commonsense standard that recognizes an affiliation as of the month's beginning closest in time to when the affiliation occurs, provided the members submit a timely request.

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)(A) of the Act⁶ and paragraph (f)(1) of Rule 19b-4 thereunder,⁷ in that the proposed rule change is a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule.

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

The proposed rule change is based on a proposed rule change recently filed by

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(1).

NASDAQ. See Securities Exchange Act Release No. 64885 (July 14, 2011), 76 FR 43364 (July 20, 2011) (Notice of Filing and Immediate Effectiveness; File No. SR-NASDAQ-2011-093).

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-2011-049)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Aggregation of Activity of Affiliated Members for Purposes of FINRA/Nasdaq TRF Fees and Credits

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 and II below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as “constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule” under Section 19(b)(3)(A)(i) of the Act³ and Rule 19b-4(f)(1) thereunder,⁴ 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 Rule 7630A (Aggregation of Activity of Affiliated Members) relating to the pricing schedule for the FINRA/NASDAQ Trade Reporting Facility (the “FINRA/NASDAQ TRF”) under the Rule 7600A Series.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(i).

⁴ 17 CFR 240.19b-4(f)(1).

The text of the proposed rule change is available on FINRA's website 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

Rule 7630A allows affiliated members to aggregate their activity under certain provisions of the fee and credit schedule applicable to the FINRA/NASDAQ TRF that make fees and credits dependent upon the volume of their activity. For example, Rule 7620A caps fees for members with a daily average number of media/executing party trades during the month in excess of 2500. Affiliated members that might not qualify for the cap by themselves may be able to qualify by aggregating their activity.

Under Rule 7630A, a member may request that the FINRA/NASDAQ TRF aggregate its activity with the activity of its affiliates.⁵ The rule defines an "affiliate" of

⁵ The rule is administered by The NASDAQ OMX Group, Inc. ("NASDAQ"), in its capacity as the "Business Member" and operator of the FINRA/NASDAQ TRF on behalf of FINRA. FINRA's oversight of this function performed by the Business Member is conducted through an annual assessment and review of TRF operations by an outside independent audit firm.

the member as any wholly owned subsidiary, parent or sister (as those terms are defined under the rule) of the member that is also a member. Thus, the rule requires that one affiliated member own 100% of the voting interests in the other, or that they both be under the common control of a parent that owns 100% of each. A member requesting aggregation of affiliate activity under Rule 7630A is required to certify the affiliate status of entities whose activity it seeks to aggregate and immediately to provide notice of any event that causes an entity to cease to be an affiliate. A review of information regarding the entities is conducted, and the member may be requested to provide additional information to verify the affiliate status of an entity. A request will be approved unless it is determined that the member's certification is not accurate.⁶ FINRA is proposing to clarify Rule 7630A by describing the process for review and approval in proposed paragraph (a)(1). However, FINRA is not proposing any changes to this process.

In addition, FINRA is proposing to adopt a stated policy with respect to the timing of recognition of aggregation requests. Because bills for the FINRA/NASDAQ TRF are prepared on a monthly basis, recognizing an affiliation in the middle of a month would require a complex proration of members' bills. Accordingly, it has been the FINRA/NASDAQ TRF's practice to recognize an affiliation request either at the beginning of the month in which the affiliation occurs or at the beginning of the following month. FINRA is proposing to adopt new paragraph (a)(2) of Rule 7630A, which provides that if two or more members become affiliated on or prior to the sixteenth day of a month and submit a request for aggregation on or prior to the twenty-second day of the month, approval of the request shall be deemed effective as of the first day of that

⁶ In the event of an inaccurate certification, FINRA would investigate whether the member had violated FINRA rules and would take appropriate disciplinary action.

month. Thus, for example, if one member acquires another, the acquisition is completed by June 16, and the members file a request for aggregation by June 22, approval of the request would allow the members to aggregate all activity during June. This would be the case regardless of the time required to review and approve the request. However, if members become affiliated after the sixteenth day of the month, or do not submit a request for aggregation until after the twenty-second day of the month, the request would not be recognized until the following month.

FINRA has filed the proposed rule change for immediate effectiveness. The effective date and the implementation date will be the date of filing.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15(b)(6) of the Act,⁷ 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, by adopting a clear policy with respect to the meaning, administration and enforcement of Rule 7630A, will promote members' understanding of the parameters of the rule and enhance the efficiency of its administration.

FINRA further believes that the proposed rule change is consistent with Section 15A(b)(5) of the Act,⁸ which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among members and

⁷ 15 U.S.C. 78o-3(b)(6).

⁸ 15 U.S.C. 78o-3(b)(5).

issuers and other persons using any facility or system that FINRA operates or controls. All similarly situated members are subject to the same fee structure, and access to the FINRA/NASDAQ TRF is offered on fair and non-discriminatory terms. The proposed rule change is reasonable because it establishes a standard for recognition of aggregation requests that is easy to administer and that reflects the need to review and approve aggregation requests while avoiding the complexities associated with proration of the bills of members that affiliate during the course of a month. The proposed rule change is equitable because all members seeking to aggregate their activity are subject to the same parameters, in accordance with a commonsense standard that recognizes an affiliation as of the month's beginning closest in time to when the affiliation occurs, provided the members submit a timely request.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁹ and paragraph (f)(1) of Rule 19b-4 thereunder.¹⁰ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(1).

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.

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-2011-049 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-FINRA-2011-049. 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 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 website viewing and printing 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-2011-049 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.¹¹

Elizabeth M. Murphy

Secretary

¹¹ 17 CFR 200.30-3(a)(12).