

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="26"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2012"/> - * <input type="text" value="009"/> Amendment No. (req. for Amendments *) <input type="text"/>
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Proposed Rule Change by Financial Industry Regulatory Authority
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input type="text"/> Date Expires * <input type="text"/>			Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).

Proposed Rule Change to Amend Section 4(c) of Schedule A to the FINRA By-Laws to Increase Qualification Examination Fees and Assess a Service Charge for Regulatory Element Continuing Education Sessions Taken Outside the United States

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 Senior Vice President and Deputy General Counsel
 (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 EFFS website.

Form 19b-4 Information (required)

Add Remove View

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)

Add Remove View

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

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 Remove 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 amend Section 4(c) of Schedule A to the FINRA By-Laws to (1) increase qualification examination fees, and (2) assess a service charge for any Regulatory Element Continuing Education (“Regulatory Element”) session taken in a test center located outside the territorial limits of the United States.

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

* * * * *

SCHEDULE A TO THE BY-LAWS OF THE CORPORATION

* * * * *

Section 4 – Fees

(a) and (b) No Change.

(c) The following fees shall be assessed to each individual who registers to take an examination as described below. These fees are in addition to the registration fee described in paragraph (b) and any other fees that the owner of an examination that FINRA administers may assess.

Series 4	Registered Options Principal	[\$90] <u>\$100</u>
Series 6	Investment Company Products/Variable Contracts Representative	[\$85] <u>\$95</u>
Series 7	General Securities Representative	[\$265] <u>\$290</u>

¹ 15 U.S.C. 78s(b)(1).

Series 9	General Securities Sales Supervisor — Options Module	[\$70] <u>\$75</u>
Series 10	General Securities Sales Supervisor — General Module	[\$110] <u>\$120</u>
Series 11	Assistant Representative — Order Processing	[\$70] <u>\$75</u>
Series 14	Compliance Official	[\$320] <u>\$335</u>
Series 16	Supervisory Analyst	[\$210] <u>\$230</u>
Series 17	Limited Registered Representative	[\$70] <u>\$75</u>
Series 22	Direct Participation Programs Representative	[\$85] <u>\$95</u>
Series 23	General Securities Principal Sales Supervisor Module	[\$85] <u>\$95</u>
Series 24	General Securities Principal	[\$105] <u>\$115</u>
Series 26	Investment Company Products/Variable Contracts Principal	[\$85] <u>\$95</u>
Series 27	Financial and Operations Principal	[\$105] <u>\$115</u>
Series 28	Introducing Broker-Dealer Financial and Operations Principal	[\$85] <u>\$95</u>
Series 37	Canada Module of S7 (Options Required)	[\$160] <u>\$175</u>
Series 38	Canada Module of S7 (No Options Required)	[\$160] <u>\$175</u>
Series 39	Direct Participation Programs Principal	[\$80] <u>\$90</u>
Series 42	Registered Options Representative	[\$65] <u>\$70</u>
Series 51	Municipal Fund Securities Limited Principal	[\$85] <u>\$95</u>
Series 52	Municipal Securities Representative	[\$95] <u>\$120</u>
Series 53	Municipal Securities Principal	[\$95] <u>\$105</u>
Series 55	Limited Representative — Equity Trader	[\$95] <u>\$105</u>
Series 62	Corporate Securities Limited Representative	[\$80] <u>\$90</u>
Series 72	Government Securities Representative	[\$95] <u>\$105</u>
Series 79	Investment Banking Qualification Examination	[\$265] <u>\$290</u>

Series 82	Limited Representative — Private Securities Offering	[\$80] <u>\$90</u>
Series 86	Research Analyst — Analysis	[\$160] <u>\$175</u>
Series 87	Research Analyst — Regulatory	[\$115] <u>\$125</u>
Series 99	Operations Professional	\$125

(1) No Change.

(2) There shall be an additional service charge of \$15.00 [in addition to those fees specified above] for any examination or Regulatory Element session taken in a [foreign] test center located outside the territorial limits of the United States.

(3) and (4) No Change.

(d) through (h) No Change.

* * * * *

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

At its meeting on December 8, 2011, the FINRA Board of Governors authorized the filing of the proposed rule change with the SEC. The proposed rule change also has been approved by executive 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. FINRA is proposing that the implementation date of the proposed rule change will be April 2, 2012. Specifically, the proposed examination fees would become effective for examination requests made in the Central Registration Depository (CRD[®]) on or after April 2, 2012.

In addition, the proposed foreign test center Regulatory Element session service charge would become effective for Regulatory Element sessions completed on or after April 2, 2012.

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

(a) Purpose

As discussed in further detail below, the proposed rule change amends Section 4(c) of Schedule A to the FINRA By-Laws to (1) increase qualification examination fees, and (2) assess a service charge for any Regulatory Element session taken in a test center located outside the territorial limits of the United States.

Qualification Examination Fees

NASD Rules 1021(a) and 1031(a) require that persons engaged, or to be engaged, in the investment banking or securities business of a FINRA member who are to function as principals or representatives register with FINRA in each category of registration appropriate to their functions as specified in NASD Rules 1022 and 1032.² Such individuals must pass an appropriate qualification examination before their registration can become effective. These mandatory qualification examinations cover a broad range of subjects regarding financial markets and products, individual responsibilities, securities industry rules, and regulatory structure. FINRA develops, maintains, and delivers all qualification examinations for individuals who are registered or seeking registration with FINRA. FINRA also administers and delivers examinations sponsored (i.e., developed) by the Municipal Securities Rulemaking Board ("MSRB"), the North

² See also NASD Rules 1041 and 1050 and FINRA Rule 1230(b)(6) regarding the qualification and registration requirements for Order Processing Assistant Representatives, Research Analysts and Operations Professionals, respectively.

American Securities Administrators Association, the National Futures Association, the Federal Deposit Insurance Corporation, and other self-regulatory organizations.

FINRA currently administers examinations via computer through the PROCTOR[®] system³ at testing centers operated by vendors under contract with FINRA. FINRA charges an examination fee to candidates for FINRA-sponsored and co-sponsored examinations to cover the development, maintenance, and delivery of these examinations. For qualification examinations sponsored by a FINRA client and administered by FINRA, FINRA charges a delivery fee that represents either a portion of or the entire examination fee for the examination.⁴

FINRA regularly conducts a comprehensive review of the examination fee structure, including an analysis of the costs associated with developing, administering, and delivering examinations. Based on the results of its review, FINRA may propose changes to better align the examination fee structure with the costs associated with the programs. In this regard, the most recent review revealed that certain operational costs have increased and, based on current information, will continue to increase over the next few years. In particular, these costs consist of (1) fees that vendors charge FINRA for delivering qualification examinations, and (2) PROCTOR maintenance and enhancement

³ PROCTOR is a computer system that is specifically designed for the administration and delivery of computer-based testing and training.

⁴ The delivery fee represents a portion of the entire examination fee when a FINRA client has established an additional fee for an examination that it sponsors. For example, the fee to take the Series 51 (Municipal Fund Securities Limited Principal) examination is currently \$145. Of this amount, \$85 is the FINRA administration and delivery fee, and \$60 is the development fee determined by the FINRA client, the MSRB. See MSRB Rule A-16.

expenses. FINRA believes that the proposed rule change will help to better align the examination program fees with these costs.

Therefore, FINRA is proposing to amend Section 4(c) of Schedule A to the FINRA By-Laws to increase the fees for the qualification examinations set forth in Section 4(c), except for the Series 99 Operations Professional examination, which was implemented in late 2011.⁵ The proposed fee changes are as follows:

Series 4	Registered Options Principal	From \$90 to \$100
Series 6	Investment Company Products/Variable Contracts Representative	From \$85 to \$95
Series 7	General Securities Representative	From \$265 to \$290
Series 9	General Securities Sales Supervisor — Options Module	From \$70 to \$75
Series 10	General Securities Sales Supervisor — General Module	From \$110 to \$120
Series 11	Assistant Representative — Order Processing	From \$70 to \$75
Series 14	Compliance Official	From \$320 to \$335
Series 16	Supervisory Analyst	From \$210 to \$230
Series 17	Limited Registered Representative	From \$70 to \$75
Series 22	Direct Participation Programs Representative	From \$85 to \$95
Series 23	General Securities Principal Sales Supervisor Module	From \$85 to \$95
Series 24	General Securities Principal	From \$105 to \$115

⁵ See Securities Exchange Act Release No. 64687 (June 16, 2011), 76 FR 36586 (June 22, 2011) (Order Approving Proposed Rule Change; File No. SR-FINRA-2011-013); Securities Exchange Act Release No. 65221 (August 30, 2011), 76 FR 55441 (September 7, 2011) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change; File No. SR-FINRA-2011-042).

Series 26	Investment Company Products/ Variable Contracts Principal	From \$85 to \$95
Series 27	Financial and Operations Principal	From \$105 to \$115
Series 28	Introducing Broker-Dealer Financial and Operations Principal	From \$85 to \$95
Series 37	Canada Module of S7 (Options Required)	From \$160 to \$175
Series 38	Canada Module of S7 (No Options Required)	From \$160 to \$175
Series 39	Direct Participation Programs Principal	From \$80 to \$90
Series 42	Registered Options Representative	From \$65 to \$70
Series 51	Municipal Fund Securities Limited Principal	From \$85 to \$95
Series 52	Municipal Securities Representative	From \$95 to \$120 ⁶
Series 53	Municipal Securities Principal	From \$95 to \$105
Series 55	Limited Representative — Equity Trader	From \$95 to \$105
Series 62	Corporate Securities Limited Representative	From \$80 to \$90
Series 72	Government Securities Representative	From \$95 to \$105
Series 79	Investment Banking Qualification Examination	From \$265 to \$290
Series 82	Limited Representative — Private Securities Offering	From \$80 to \$90
Series 86	Research Analyst — Analysis	From \$160 to \$175
Series 87	Research Analyst — Regulatory	From \$115 to \$125
Series 99	Operations Professional	\$125 (No change)

⁶ The \$25 fee increase for the Series 52 examination has two components: (1) \$15 of the fee increase is attributable to the MSRB's increase in the length of the examination in January 2011, see Securities Exchange Act Release No. 63310 (November 12, 2010), 75 FR 70760 (November 18, 2010) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change; File No. SR-MSRB-2010-12); and (2) \$10 of the fee increase is attributable to the increase in the costs associated with administering and delivering the examination.

Service Charge for Foreign Test Center Regulatory Element Sessions

FINRA assesses a service charge of \$15 for any qualification examination that is taken in a foreign test center (i.e., a test center located outside of the territorial limits of the United States) to help offset the higher fees that vendors charge FINRA for delivering qualification examinations in such locations. Vendors also charge FINRA higher fees for the delivery of Regulatory Element sessions in foreign test centers; however, all individuals are currently assessed the same amount for a Regulatory Element session regardless of where they take the session. Therefore, FINRA is proposing to assess a \$15 service charge for any Regulatory Element session taken in a foreign test center to more closely align the fee with the cost of such sessions.

Implementation

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness. FINRA is proposing that the implementation date of the proposed rule change will be April 2, 2012. Specifically, the proposed examination fees would become effective for examination requests made in the CRD system on or after April 2, 2012. In addition, the proposed foreign test center Regulatory Element session service charge would become effective for Regulatory Element sessions completed on or after April 2, 2012.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act,⁷ which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among

⁷ 15 U.S.C. 78o-3(b)(5).

members and issuers and other persons using any facility or system that FINRA operates or controls.

FINRA believes that the proposal constitutes an equitable allocation of fees as the qualification examination fees will be assessed only on those individuals who take qualification examinations and the service charge for foreign test center Regulatory Element sessions will be assessed only on those individuals who take such a session. In addition, all candidates who register for a particular qualification examination will be charged the same amount, and all individuals who take a Regulatory Element session in a foreign test center will be assessed the \$15 service charge.

FINRA further believes that the proposed qualification examination changes are reasonable because they will more closely align the overall examination program fees with the overall costs associated with the programs. In this regard, FINRA notes that the last time that it increased fees for any of the qualification examinations set forth in Schedule A to the FINRA By-Laws was January 2009.⁸ Since that time, vendor fees and the costs associated with the enhancement and maintenance of the PROCTOR system have increased and, based on current information, will continue to increase over the next few years. Specifically, FINRA has recently completed a significant technological upgrade of the PROCTOR system and is working on considerable enhancements to the software used to deliver examinations at testing centers, which is scheduled for operational release in 2013. These increased costs, coupled with the significant decrease

⁸ See Securities Exchange Act Release No. 59076 (December 10, 2008), 73 FR 76431 (December 16, 2008) (Order Approving Proposed Rule Change; File No. SR-FINRA-2008-053).

in the number of examinations taken during the past three years,⁹ has caused a divergence in the fees and costs associated with the examination programs.

To better align the fees and costs associated with the examination programs, FINRA is proposing a modest increase in examination fees. In this regard, FINRA notes that no examination fee will increase by more than \$25 and the majority of examination fees will increase by only \$10. Furthermore, to help control the overall costs of the qualification examination and Regulatory Element programs and thereby minimize fee increases, FINRA earlier this year instituted a fee for individuals who cancel or reschedule a qualification examination or Regulatory Element session three to 10 business days prior to the appointment date.¹⁰ This cancellation/rescheduling fee has helped to limit the amount of the proposed examination fee increases by allowing FINRA to (1) receive a lower examination delivery rate from one of its vendors, and (2) apply the revenue from the fee to help offset the expenses of the qualification examination programs.

With respect to the proposed service charge for foreign test center Regulatory Element sessions, FINRA believes that the service charge is reasonable because it helps to offset the higher delivery costs associated with such sessions. Specifically, vendors charge FINRA higher fees for delivering Regulatory Element sessions in a foreign test center than they do for delivering such sessions in a U.S. test center.

⁹ In 2009, the number of examinations administered and delivered by FINRA decreased by approximately 27 percent. Although examination volumes have increased modestly since that time, they have not returned to 2008 levels.

¹⁰ See Securities Exchange Act Release No. 64961 (July 26, 2011), 76 FR 45883 (August 1, 2011) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change; File No. SR-FINRA-2011-026).

Accordingly, FINRA believes that the proposed qualification examination fee changes and the service charge for foreign test center Regulatory Element sessions are equitably allocated and reasonable.

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)(ii) of the Act¹¹ and paragraph (f)(2) of Rule 19b-4 thereunder,¹² in that the proposed rule change is establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization.

¹¹ 15 U.S.C. 78s(b)(3)(A)(ii).

¹² 17 CFR 240.19b-4(f)(2).

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-2012-009)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Section 4(c) of Schedule A to the FINRA By-Laws to Increase Qualification Examination Fees and Assess a Service Charge for Regulatory Element Continuing Education Sessions Taken Outside the United States

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 “establishing or changing a due, fee or other charge” under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) 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 Section 4(c) of Schedule A to the FINRA By-Laws to (1) increase qualification examination fees, and (2) assess a service charge for any

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

Regulatory Element sessions taken in a test center located outside the territorial limits of the United States.

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

As discussed in further detail below, the proposed rule change amends Section 4(c) of Schedule A to the FINRA By-Laws to (1) increase qualification examination fees, and (2) assess a service charge for any Regulatory Element session taken in a test center located outside the territorial limits of the United States.

Qualification Examination Fees

NASD Rules 1021(a) and 1031(a) require that persons engaged, or to be engaged, in the investment banking or securities business of a FINRA member who are to function as principals or representatives register with FINRA in each category of registration

appropriate to their functions as specified in NASD Rules 1022 and 1032.⁵ Such individuals must pass an appropriate qualification examination before their registration can become effective. These mandatory qualification examinations cover a broad range of subjects regarding financial markets and products, individual responsibilities, securities industry rules, and regulatory structure. FINRA develops, maintains, and delivers all qualification examinations for individuals who are registered or seeking registration with FINRA. FINRA also administers and delivers examinations sponsored (i.e., developed) by the Municipal Securities Rulemaking Board (“MSRB”), the North American Securities Administrators Association, the National Futures Association, the Federal Deposit Insurance Corporation, and other self-regulatory organizations.

FINRA currently administers examinations via computer through the PROCTOR[®] system⁶ at testing centers operated by vendors under contract with FINRA. FINRA charges an examination fee to candidates for FINRA-sponsored and co-sponsored examinations to cover the development, maintenance, and delivery of these examinations. For qualification examinations sponsored by a FINRA client and administered by

⁵ See also NASD Rules 1041 and 1050 and FINRA Rule 1230(b)(6) regarding the qualification and registration requirements for Order Processing Assistant Representatives, Research Analysts and Operations Professionals, respectively.

⁶ PROCTOR is a computer system that is specifically designed for the administration and delivery of computer-based testing and training.

FINRA, FINRA charges a delivery fee that represents either a portion of or the entire examination fee for the examination.⁷

FINRA regularly conducts a comprehensive review of the examination fee structure, including an analysis of the costs associated with developing, administering, and delivering examinations. Based on the results of its review, FINRA may propose changes to better align the examination fee structure with the costs associated with the programs. In this regard, the most recent review revealed that certain operational costs have increased and, based on current information, will continue to increase over the next few years. In particular, these costs consist of (1) fees that vendors charge FINRA for delivering qualification examinations, and (2) PROCTOR maintenance and enhancement expenses. FINRA believes that the proposed rule change will help to better align the examination program fees with these costs.

Therefore, FINRA is proposing to amend Section 4(c) of Schedule A to the FINRA By-Laws to increase the fees for the qualification examinations set forth in Section 4(c), except for the Series 99 Operations Professional examination, which was implemented in late 2011.⁸ The proposed fee changes are as follows:

⁷ The delivery fee represents a portion of the entire examination fee when a FINRA client has established an additional fee for an examination that it sponsors. For example, the fee to take the Series 51 (Municipal Fund Securities Limited Principal) examination is currently \$145. Of this amount, \$85 is the FINRA administration and delivery fee, and \$60 is the development fee determined by the FINRA client, the MSRB. See MSRB Rule A-16.

⁸ See Securities Exchange Act Release No. 64687 (June 16, 2011), 76 FR 36586 (June 22, 2011) (Order Approving Proposed Rule Change; File No. SR-FINRA-2011-013); Securities Exchange Act Release No. 65221 (August 30, 2011), 76 FR 55441 (September 7, 2011) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change; File No. SR-FINRA-2011-042).

Series 4	Registered Options Principal	From \$90 to \$100
Series 6	Investment Company Products/Variable Contracts Representative	From \$85 to \$95
Series 7	General Securities Representative	From \$265 to \$290
Series 9	General Securities Sales Supervisor — Options Module	From \$70 to \$75
Series 10	General Securities Sales Supervisor — General Module	From \$110 to \$120
Series 11	Assistant Representative — Order Processing	From \$70 to \$75
Series 14	Compliance Official	From \$320 to \$335
Series 16	Supervisory Analyst	From \$210 to \$230
Series 17	Limited Registered Representative	From \$70 to \$75
Series 22	Direct Participation Programs Representative	From \$85 to \$95
Series 23	General Securities Principal Sales Supervisor Module	From \$85 to \$95
Series 24	General Securities Principal	From \$105 to \$115
Series 26	Investment Company Products/ Variable Contracts Principal	From \$85 to \$95
Series 27	Financial and Operations Principal	From \$105 to \$115
Series 28	Introducing Broker-Dealer Financial and Operations Principal	From \$85 to \$95
Series 37	Canada Module of S7 (Options Required)	From \$160 to \$175
Series 38	Canada Module of S7 (No Options Required)	From \$160 to \$175
Series 39	Direct Participation Programs Principal	From \$80 to \$90
Series 42	Registered Options Representative	From \$65 to \$70
Series 51	Municipal Fund Securities Limited Principal	From \$85 to \$95

Series 52	Municipal Securities Representative	From \$95 to \$120 ⁹
Series 53	Municipal Securities Principal	From \$95 to \$105
Series 55	Limited Representative — Equity Trader	From \$95 to \$105
Series 62	Corporate Securities Limited Representative	From \$80 to \$90
Series 72	Government Securities Representative	From \$95 to \$105
Series 79	Investment Banking Qualification Examination	From \$265 to \$290
Series 82	Limited Representative — Private Securities Offering	From \$80 to \$90
Series 86	Research Analyst — Analysis	From \$160 to \$175
Series 87	Research Analyst — Regulatory	From \$115 to \$125
Series 99	Operations Professional	\$125 (No change)

Service Charge for Foreign Test Center Regulatory Element Sessions

FINRA assesses a service charge of \$15 for any qualification examination that is taken in a foreign test center (i.e., a test center located outside of the territorial limits of the United States) to help offset the higher fees that vendors charge FINRA for delivering qualification examinations in such locations. Vendors also charge FINRA higher fees for the delivery of Regulatory Element sessions in foreign test centers; however, all individuals are currently assessed the same amount for a Regulatory Element session regardless of where they take the session. Therefore, FINRA is proposing to assess a \$15

⁹ The \$25 fee increase for the Series 52 examination has two components: (1) \$15 of the fee increase is attributable to the MSRB's increase in the length of the examination in January 2011, see Securities Exchange Act Release No. 63310 (November 12, 2010), 75 FR 70760 (November 18, 2010) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change; File No. SR-MSRB-2010-12); and (2) \$10 of the fee increase is attributable to the increase in the costs associated with administering and delivering the examination.

service charge for any Regulatory Element session taken in a foreign test center to more closely align the fee with the cost of such sessions.

Implementation

FINRA has filed the proposed rule change for immediate effectiveness. FINRA is proposing that the implementation date of the proposed rule change will be April 2, 2012. Specifically, the proposed examination fees would become effective for examination requests made in the CRD system on or after April 2, 2012. In addition, the proposed foreign test center Regulatory Element session service charge would become effective for Regulatory Element sessions completed on or after April 2, 2012.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act,¹⁰ 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.

FINRA believes that the proposal constitutes an equitable allocation of fees as the qualification examination fees will be assessed only on those individuals who take qualification examinations and the service charge for foreign test center Regulatory Element sessions will be assessed only on those individuals who take such a session. In addition, all candidates who register for a particular qualification examination will be charged the same amount, and all individuals who take a Regulatory Element session in a foreign test center will be assessed the \$15 service charge.

¹⁰ 15 U.S.C. 78q-3(b)(5).

FINRA further believes that the proposed qualification examination changes are reasonable because they will more closely align the overall examination program fees with the overall costs associated with the programs. In this regard, FINRA notes that the last time that it increased fees for any of the qualification examinations set forth in Schedule A to the FINRA By-Laws was January 2009.¹¹ Since that time, vendor fees and the costs associated with the enhancement and maintenance of the PROCTOR system have increased and, based on current information, will continue to increase over the next few years. Specifically, FINRA has recently completed a significant technological upgrade of the PROCTOR system and is working on considerable enhancements to the software used to deliver examinations at testing centers, which is scheduled for operational release in 2013. These increased costs, coupled with the significant decrease in the number of examinations taken during the past three years,¹² has caused a divergence in the fees and costs associated with the examination programs.

To better align the fees and costs associated with the examination programs, FINRA is proposing a modest increase in examination fees. In this regard, FINRA notes that no examination fee will increase by more than \$25 and the majority of examination fees will increase by only \$10. Furthermore, to help control the overall costs of the qualification examination and Regulatory Element programs and thereby minimize fee increases, FINRA earlier this year instituted a fee for individuals who cancel or

¹¹ See Securities Exchange Act Release No. 59076 (December 10, 2008), 73 FR 76431 (December 16, 2008) (Order Approving Proposed Rule Change; File No. SR-FINRA-2008-053).

¹² In 2009, the number of examinations administered and delivered by FINRA decreased by approximately 27 percent. Although examination volumes have increased modestly since that time, they have not returned to 2008 levels.

reschedule a qualification examination or Regulatory Element session three to 10 business days prior to the appointment date.¹³ This cancellation/rescheduling fee has helped to limit the amount of the proposed examination fee increases by allowing FINRA to (1) receive a lower examination delivery rate from one of its vendors, and (2) apply the revenue from the fee to help offset the expenses of the qualification examination programs.

With respect to the proposed service charge for foreign test center Regulatory Element sessions, FINRA believes that the service charge is reasonable because it helps to offset the higher delivery costs associated with such sessions. Specifically, vendors charge FINRA higher fees for delivering Regulatory Element sessions in a foreign test center than they do for delivering such sessions in a U.S. test center.

Accordingly, FINRA believes that the proposed qualification examination fee changes and the service charge for foreign test center Regulatory Element sessions are equitably allocated and reasonable.

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.

¹³ See Securities Exchange Act Release No. 64961 (July 26, 2011), 76 FR 45883 (August 1, 2011) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change; File No. SR-FINRA-2011-026).

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 Act¹⁴ and paragraph (f)(2) of Rule 19b-4 thereunder.¹⁵ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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-2012-009 on the subject line.

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f)(2).

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-2012-009. 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-2012-009 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.¹⁶

Elizabeth M. Murphy

Secretary

¹⁶ 17 CFR 200.30-3(a)(12).