

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 22	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2013 - * 014 Amendment No. (req. for Amendments *)
Filing 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 *	Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) ☐ Section 806(e)(2) ☐	
Exhibit 2 Sent As Paper Document ☐		Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) ☐
Exhibit 3 Sent As Paper Document ☐		
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). Proposed Rule Change Relating to the General Securities Sales Supervisor (Series 9/10) Registration Category		
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 action.		
First Name * Afshin Last Name * Atabaki Title * Associate General Counsel E-mail * afshin.atabaki@finra.org Telephone * (202) 728-8902 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. (Title *) Date 02/01/2013 By Stephanie M. Dumont (Name *) Senior Vice President and Director of Capital Markets Policy Stephanie Dumont, 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 EFFT website.	
Form 19b-4 Information * 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 * 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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies 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, security-based swap submission, or advance notice 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 View 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 Add Remove View 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 Add Remove View	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 the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “SEA”),¹ Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend NASD Rule 1022(g) (Limited Principal—General Securities Sales Supervisor) and NASD IM-1022-2 (Limited Principal—General Securities Sales Supervisor) to remove the restriction on General Securities Sales Supervisors from approving advertisements as defined in NASD Rule 2210 (Communications with the Public).

The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

At its meeting on February 11, 2009, the FINRA Board of Governors authorized the filing of the proposed rule change with the SEC. 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 and has requested that the SEC waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing, so FINRA can implement the proposed rule change on February 4, 2013.

¹ 15 U.S.C. 78s(b)(1).

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

(a) Purpose

Pursuant to NASD Rule 1022(g), if a principal's supervisory activities are limited solely to securities sales activities, the principal may register and qualify as a General Securities Sales Supervisor (Series 9/10) rather than separately register and qualify in multiple principal registration categories as may be applicable, such as registering and qualifying as a General Securities Principal (Series 24) and Registered Options Principal (Series 4) to supervise sales of corporate securities and options, respectively. A person registering as a General Securities Sales Supervisor must satisfy the General Securities Representative (Series 7) prerequisite registration and pass the appropriate qualification examinations for General Securities Sales Supervisors. In addition, General Securities Sales Supervisors are eligible to supervise security futures activities if they complete a firm-element continuing education program that addresses security futures products.² NASD IM-1022-2 explains the purpose of the General Securities Sales Supervisor registration category.

NASD Rule 1022(g) expressly prohibits a General Securities Sales Supervisor from performing any of the following activities: (1) supervision of the origination and structuring of underwritings; (2) supervision of market making commitments; (3) final approval of advertisements as defined in NASD Rule 2210; (4) supervision of the custody of firm or customer funds or securities for purposes of SEA Rule 15c3-3

² See NASD Rule 1022(g)(3).

(Customer Protection—Reserves and Custody of Securities);³ or (5) supervision of overall compliance with financial responsibility rules.⁴

While General Securities Sales Supervisors are currently prohibited from approving “advertisements” as defined in NASD Rule 2210, they may approve “sales literature”⁵ relating to most types of securities.⁶

³ 17 CFR 240.15c3-3.

⁴ In addition, General Securities Sales Supervisors cannot be included for purposes of satisfying the two-principal requirement under NASD Rule 1021(e)(1). See NASD Rule 1022(g)(2)(B).

⁵ NASD Rule 2210 currently defines the term “advertisement” as any material, other than an independently prepared reprint and institutional sales material, that is published, or used in any electronic or other public media, including any Web site, newspaper, magazine or other periodical, radio, television, telephone or tape recording, videotape display, signs or billboards, motion pictures, or telephone directories (other than routine listings). See NASD Rule 2210(a)(1). NASD Rule 2210 currently defines the term “sales literature” as any written or electronic communication, other than an advertisement, independently prepared reprint, institutional sales material and correspondence, that is generally distributed or made generally available to customers or the public, including circulars, research reports, performance reports or summaries, form letters, telemarketing scripts, seminar texts, reprints (that are not independently prepared reprints) or excerpts of any other advertisement, sales literature or published article, and press releases concerning a member’s products or services. See NASD Rule 2210(a)(2).

⁶ General Securities Sales Supervisors may not approve sales literature relating to options and security futures unless they have additional registrations or qualifications. A Registered Options Principal must approve sales literature relating to options. See FINRA Rule 2220(b)(1) (Options Communications) (currently in effect). Further, as discussed above, General Securities Sales Supervisors must complete a firm-element continuing education program that addresses security futures products to approve sales literature relating to security futures. See NASD Rule 1022(g)(3). In addition, the content of any equity research report that constitutes sales literature must be approved by a Research Principal or a Supervisory Analyst. See Notices to Members 04-81 (November 2004) and 07-04 (January 2007).

As part of the process of developing a new consolidated rulebook (“Consolidated FINRA Rulebook”),⁷ FINRA adopted NASD Rule 2210 as FINRA Rule 2210 (Communications with the Public).⁸ Among other changes from NASD Rule 2210, FINRA Rule 2210 combines the definitions of advertisement, sales literature and independently prepared reprint into a single category—retail communications,⁹ and it no longer defines advertisements as a separate category of communications. FINRA made this change because modes of communication have largely rendered obsolete the distinction between sales literature and advertisements. For example, information in a blast email sent to a thousand prospective customers currently would be considered sales literature, but the same information posted to a firm’s website would be considered an advertisement. Sales literature and advertisements generally are subject to the same content standards under NASD Rule 2210. Because FINRA has removed the distinction

⁷ The current FINRA rulebook consists of (1) FINRA Rules; (2) NASD Rules; and (3) rules incorporated from NYSE (“Incorporated NYSE Rules”) (together, the NASD Rules and Incorporated NYSE Rules are referred to as the “Transitional Rulebook”). While the NASD Rules generally apply to all FINRA members, the Incorporated NYSE Rules apply only to those members of FINRA that are also members of the NYSE (“Dual Members”). The FINRA Rules apply to all FINRA members, unless such rules have a more limited application by their terms. For more information about the rulebook consolidation process, see Information Notice, March 12, 2008 (Rulebook Consolidation Process).

⁸ FINRA Rule 2210 was approved by the Commission, but it is not yet effective. See Securities Exchange Act Release No. 66681 (March 29, 2012), 77 FR 20452 (April 4, 2012) (Notice of Filing of Amendment No. 3 and Order Granting Accelerated Approval of Proposed Rule Change; File No. SR-FINRA-2011-035). FINRA Rule 2210 will become effective on February 4, 2013. See Regulatory Notice 12-29 (June 2012).

⁹ The term “retail communication” is defined as any written (including electronic) communication that is distributed or made available to more than 25 retail investors within any 30 calendar-day period. See FINRA Rule 2210(a)(5).

between advertisements and sales literature in FINRA Rule 2210, FINRA is proposing to amend NASD Rule 1022(g) and NASD IM-1022-2 to remove the restriction on approving advertisements.¹⁰ Thus, the proposed rule change will allow General Securities Sales Supervisors to approve most types of retail communications.¹¹

As noted in Item 2, FINRA has filed the proposed rule change for immediate effectiveness. The implementation date will be February 4, 2013.

(b) 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 must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change is also consistent with the

¹⁰ FINRA had originally proposed to make these changes as part of the proposed consolidated registration and qualification rules. See Regulatory Notice 09-70 (December 2009).

¹¹ General Securities Sales Supervisors may not approve retail communications relating to options or security futures unless they have additional registrations or qualifications. A Registered Options Principal must approve retail communications relating to options. See FINRA Rule 2220(b)(1) (Options Communications) (effective February 4, 2013). Further, as discussed above, General Securities Sales Supervisors must complete a firm-element continuing education program that addresses security futures products to approve retail communications relating to security futures. See NASD Rule 1022(g)(3). In addition, the content of any equity research report that constitutes a retail communication must be approved by a Research Principal or a Supervisory Analyst. See Notices to Members 04-81 (November 2004) and 07-04 (January 2007). Finally, pursuant to MSRB Rule G-21 (Advertising), advertisements relating to municipal securities must be approved by a Municipal Securities Principal or a General Securities Principal.

¹² 15 U.S.C. 78o-3(b)(6).

provisions of Section 15A(g)(3) of the Act,¹³ which authorizes FINRA to prescribe standards of training, experience, and competence for persons associated with FINRA members. FINRA believes that the proposed rule change will further these purposes by maintaining consistency between the communications with the public rules and the registration and qualification rules, which will assist members and their associated persons in complying with these rules.

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.

The proposed rule change will reduce the burden on firms that may employ a General Securities Sales Supervisor by allowing such firms to more efficiently review and approve retail communications that do not require a specialized registration. The proposed rule change further will streamline the approval process by eliminating any need for a General Securities Principal to review some or all of a retail communication that a General Securities Sales Supervisor is competent to review.

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.

¹³ 15 U.S.C. 78o-3(g)(3).

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

The proposed rule change is effective upon filing pursuant to Section 19(b)(3) of the Act¹⁴ and paragraph (f)(6) of Rule 19b-4 thereunder,¹⁵ in that the proposed rule change does not significantly affect the protection of investors or the public interest; does not impose any significant burden on competition; and does not become operative for 30 days after filing or such shorter time as the Commission may designate.

FINRA believes that the proposed rule change is non-controversial and eligible to become effective immediately because the distinction between sales literature and advertisements, and consequently the restriction on General Securities Sales Supervisors from approving advertisements, is no longer meaningful based on the proposed rule change to FINRA Rule 2210.

FINRA requests that the Commission waive the requirement that the rule change, by its terms, not become operative for 30 days after the date of the filing as set forth in Rule 19b-4(f)(6)(iii),¹⁶ so FINRA can implement the proposed rule change on February 4, 2013, which is the effective date of FINRA Rule 2210. In accordance with Rule 19b-4(f)(6),¹⁷ FINRA submitted written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business

¹⁴ 15 U.S.C. 78s(b)(3).

¹⁵ 17 CFR 240.19b-4(f)(6).

¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

¹⁷ 17 CFR 240.19b-4(f)(6).

days prior to the date of filing, or such shorter time as the Commission may designate, as specified in Rule 19b-4(f)(6)(iii) under the Act.¹⁸

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

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

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

Exhibit 5. Text of the proposed rule change.

¹⁸ 17 CFR 240.19b-4(f)(6)(iii).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-FINRA-2013-014)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the General Securities Sales Supervisor (Series 9/10) Registration Category

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “SEA”)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. FINRA has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,³ which renders the proposal effective upon receipt of this filing by the Commission. 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 NASD Rule 1022(g) (Limited Principal—General Securities Sales Supervisor) and NASD IM-1022-2 (Limited Principal—General Securities Sales Supervisor) to remove the restriction on General Securities Sales Supervisors from approving advertisements as defined in NASD Rule 2210 (Communications with the Public).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

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

Pursuant to NASD Rule 1022(g), if a principal's supervisory activities are limited solely to securities sales activities, the principal may register and qualify as a General Securities Sales Supervisor (Series 9/10) rather than separately register and qualify in multiple principal registration categories as may be applicable, such as registering and qualifying as a General Securities Principal (Series 24) and Registered Options Principal (Series 4) to supervise sales of corporate securities and options, respectively. A person registering as a General Securities Sales Supervisor must satisfy the General Securities Representative (Series 7) prerequisite registration and pass the appropriate qualification examinations for General Securities Sales Supervisors. In addition, General Securities Sales Supervisors are eligible to supervise security futures activities if they complete a

firm-element continuing education program that addresses security futures products.⁴

NASD IM-1022-2 explains the purpose of the General Securities Sales Supervisor registration category.

NASD Rule 1022(g) expressly prohibits a General Securities Sales Supervisor from performing any of the following activities: (1) supervision of the origination and structuring of underwritings; (2) supervision of market making commitments; (3) final approval of advertisements as defined in NASD Rule 2210; (4) supervision of the custody of firm or customer funds or securities for purposes of SEA Rule 15c3-3 (Customer Protection—Reserves and Custody of Securities);⁵ or (5) supervision of overall compliance with financial responsibility rules.⁶

While General Securities Sales Supervisors are currently prohibited from approving “advertisements” as defined in NASD Rule 2210, they may approve “sales literature”⁷ relating to most types of securities.⁸

⁴ See NASD Rule 1022(g)(3).

⁵ 17 CFR 240.15c3-3.

⁶ In addition, General Securities Sales Supervisors cannot be included for purposes of satisfying the two-principal requirement under NASD Rule 1021(e)(1). See NASD Rule 1022(g)(2)(B).

⁷ NASD Rule 2210 currently defines the term “advertisement” as any material, other than an independently prepared reprint and institutional sales material, that is published, or used in any electronic or other public media, including any Web site, newspaper, magazine or other periodical, radio, television, telephone or tape recording, videotape display, signs or billboards, motion pictures, or telephone directories (other than routine listings). See NASD Rule 2210(a)(1). NASD Rule 2210 currently defines the term “sales literature” as any written or electronic communication, other than an advertisement, independently prepared reprint, institutional sales material and correspondence, that is generally distributed or made generally available to customers or the public, including circulars, research reports, performance reports or summaries, form letters, telemarketing scripts, seminar texts, reprints (that are not independently prepared reprints) or excerpts of

As part of the process of developing a new consolidated rulebook (“Consolidated FINRA Rulebook”),⁹ FINRA adopted NASD Rule 2210 as FINRA Rule 2210 (Communications with the Public).¹⁰ Among other changes from NASD Rule 2210, FINRA Rule 2210 combines the definitions of advertisement, sales literature and independently prepared reprint into a single category—retail communications,¹¹ and it no

any other advertisement, sales literature or published article, and press releases concerning a member’s products or services. See NASD Rule 2210(a)(2).

⁸ General Securities Sales Supervisors may not approve sales literature relating to options and security futures unless they have additional registrations or qualifications. A Registered Options Principal must approve sales literature relating to options. See FINRA Rule 2220(b)(1) (Options Communications) (currently in effect). Further, as discussed above, General Securities Sales Supervisors must complete a firm-element continuing education program that addresses security futures products to approve sales literature relating to security futures. See NASD Rule 1022(g)(3). In addition, the content of any equity research report that constitutes sales literature must be approved by a Research Principal or a Supervisory Analyst. See Notices to Members 04-81 (November 2004) and 07-04 (January 2007).

⁹ The current FINRA rulebook consists of (1) FINRA Rules; (2) NASD Rules; and (3) rules incorporated from NYSE (“Incorporated NYSE Rules”) (together, the NASD Rules and Incorporated NYSE Rules are referred to as the “Transitional Rulebook”). While the NASD Rules generally apply to all FINRA members, the Incorporated NYSE Rules apply only to those members of FINRA that are also members of the NYSE (“Dual Members”). The FINRA Rules apply to all FINRA members, unless such rules have a more limited application by their terms. For more information about the rulebook consolidation process, see Information Notice, March 12, 2008 (Rulebook Consolidation Process).

¹⁰ FINRA Rule 2210 was approved by the Commission, but it is not yet effective. See Securities Exchange Act Release No. 66681 (March 29, 2012), 77 FR 20452 (April 4, 2012) (Notice of Filing of Amendment No. 3 and Order Granting Accelerated Approval of Proposed Rule Change; File No. SR-FINRA-2011-035). FINRA Rule 2210 will become effective on February 4, 2013. See Regulatory Notice 12-29 (June 2012).

¹¹ The term “retail communication” is defined as any written (including electronic) communication that is distributed or made available to more than 25 retail investors within any 30 calendar-day period. See FINRA Rule 2210(a)(5).

longer defines advertisements as a separate category of communications. FINRA made this change because modes of communication have largely rendered obsolete the distinction between sales literature and advertisements. For example, information in a blast email sent to a thousand prospective customers currently would be considered sales literature, but the same information posted to a firm's website would be considered an advertisement. Sales literature and advertisements generally are subject to the same content standards under NASD Rule 2210. Because FINRA has removed the distinction between advertisements and sales literature in FINRA Rule 2210, FINRA is proposing to amend NASD Rule 1022(g) and NASD IM-1022-2 to remove the restriction on approving advertisements.¹² Thus, the proposed rule change will allow General Securities Sales Supervisors to approve most types of retail communications.¹³

FINRA has filed the proposed rule change for immediate effectiveness. The implementation date will be February 4, 2013.

¹² FINRA had originally proposed to make these changes as part of the proposed consolidated registration and qualification rules. See Regulatory Notice 09-70 (December 2009).

¹³ General Securities Sales Supervisors may not approve retail communications relating to options or security futures unless they have additional registrations or qualifications. A Registered Options Principal must approve retail communications relating to options. See FINRA Rule 2220(b)(1) (Options Communications) (effective February 4, 2013). Further, as discussed above, General Securities Sales Supervisors must complete a firm-element continuing education program that addresses security futures products to approve retail communications relating to security futures. See NASD Rule 1022(g)(3). In addition, the content of any equity research report that constitutes a retail communication must be approved by a Research Principal or a Supervisory Analyst. See Notices to Members 04-81 (November 2004) and 07-04 (January 2007). Finally, pursuant to MSRB Rule G-21 (Advertising), advertisements relating to municipal securities must be approved by a Municipal Securities Principal or a General Securities Principal.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹⁴ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change is also consistent with the provisions of Section 15A(g)(3) of the Act,¹⁵ which authorizes FINRA to prescribe standards of training, experience, and competence for persons associated with FINRA members. FINRA believes that the proposed rule change will further these purposes by maintaining consistency between the communications with the public rules and the registration and qualification rules, which will assist members and their associated persons in complying with these rules.

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.

The proposed rule change will reduce the burden on firms that may employ a General Securities Sales Supervisor by allowing such firms to more efficiently review and approve retail communications that do not require a specialized registration. The proposed rule change further will streamline the approval process by eliminating any

¹⁴ 15 U.S.C. 78o-3(b)(6).

¹⁵ 15 U.S.C. 78o-3(g)(3).

need for a General Securities Principal to review some or all of a retail communication that a General Securities Sales Supervisor is competent to review.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁶ and Rule 19b-4(f)(6) thereunder.¹⁷

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:

¹⁶ 15 U.S.C. 78s(b)(3)(A).

¹⁷ 17 CFR 240.19b-4(f)(6).

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-2013-014 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-2013-014. 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-2013-014 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.¹⁸

Elizabeth M. Murphy

Secretary

¹⁸ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Exhibit 5 shows the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

1000. MEMBERSHIP, REGISTRATION AND QUALIFICATION REQUIREMENTS

* * * * *

1020. Registration of Principals

* * * * *

1022. Categories of Principal Registration

(a) through (f) No Change.

(g) Limited Principal—General Securities Sales Supervisor

(1) No Change.

(2) A person registered in this category solely on the basis of having passed the Qualification Examination for Limited Principal—General Securities Sales Supervisor shall NOT be qualified to:

(A) through (B) No Change.

(C) perform for a member any or all of the following activities:

(i) supervision of the origination and structuring of underwritings;

(ii) supervision of market making commitments;

[(iii) final approval of advertisements as these are defined in Rule 2210;]

(iii)[(iv)] supervision of the custody of firm or customer funds [and/]or securities for purposes of SEC Rule 15c3-3; or

(iv)[(v)] supervision of overall compliance with financial responsibility rules for broker[/]-dealers promulgated pursuant to the provisions of the Act.

(3) No Change.

(h) No Change.

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IM-1022-2. Limited Principal—General Securities Sales Supervisor

Limited Principal—General Securities Sales Supervisor is an alternate category of registration designed to lessen the qualification burdens on principals of general securities firms who supervise sales. Without this category of limited registration, such principals could be required to separately qualify pursuant to the rules of the NASD, MSRB, NYSE and the options exchanges. While persons may continue to separately qualify with all relevant self-regulatory organizations, the Limited Principal—General Securities Sales Supervisor Examination permits qualification as a supervisor of sales of all securities by one examination. Persons registered as Limited Principals—General Securities Sales Supervisor may also qualify in any other category of principal registration. Persons who are already qualified in one or more categories of principal registration may supervise sales activities of all securities by also qualifying as Limited Principals—General Securities Sales Supervisor.

Functions that may be performed by Limited Principals—General Securities Sales Supervisors. Any person required to be registered as a principal who supervises sales activities in corporate, municipal and option securities, investment company products, variable contracts, direct participation programs, and security futures may be registered solely as a Limited Principal—General Securities Sales Supervisor. In addition to branch office managers, other persons such as regional and national sales managers may also be registered solely as Limited Principals—General Securities Sales Supervisor as long as they supervise only sales activities. Qualification as a General Securities Representative

is a prerequisite for registration as a Limited Principal—General Securities Sales Supervisor.

Functions that may not be performed by Limited Principals—General Securities Sales Supervisors. Certain functions may not be performed by persons registered solely as Limited Principal—General Securities Sales Supervisor. These include supervisory responsibility for the origination and structuring of underwritings, market-making, [final approval of advertising,] custody of firm or customer funds [and/]or securities for purposes of SEC Rule 15c3-3 and overall compliance with financial responsibility rules for broker[/]-dealers. Persons responsible for any of these activities are still required to qualify in the appropriate categories of principal registration. Moreover, persons qualified only as Limited Principals—General Securities Sales Supervisor are not included for purposes of the two principal requirements of Rule 1021(e)(1).

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