

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="20"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2016"/> - * <input type="text" value="004"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing 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"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	<input type="checkbox"/> 19b-4(f)(5)
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(6)	<input checked="" type="checkbox"/> 19b-4(f)(6)
			<input type="checkbox"/> 19b-4(f)(3)		

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

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 action (limit 250 characters, required when Initial is checked *).

Proposed Rule Change to Adopt FINRA Rule 0151 (Coordination with the MSRB) and Amend FINRA Rule 0150 (Application of Rules to Exempted Securities Except Municipal Securities)

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 * <input type="text" value="Jeanette"/>	Last Name * <input type="text" value="Wingler"/>
Title * <input type="text" value="Assistant General Counsel"/>	
E-mail * <input type="text" value="jeanette.wingler@finra.org"/>	
Telephone * <input type="text" value="(202) 728-8013"/>	Fax <input type="text" value="(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 <input type="text" value="02/04/2016"/>	<input type="text" value="Senior Vice President and Deputy General Counsel"/>
By <input type="text" value="Patrice Gliniecki"/>	<input type="text" value="Patrice Gliniecki"/>
(Name *)	<input type="button" value="Patrice Gliniecki"/>

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 EFFF 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 *

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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, 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 “Exchange Act”),¹ Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to adopt FINRA Rule 0151 (Coordination with the MSRB) regarding coordination between FINRA and the Municipal Securities Rulemaking Board (“MSRB”), as required by the Exchange Act. FINRA also proposes to amend FINRA Rule 0150 to better align the language of the rule with the relevant language in the Exchange Act.

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

The filing of the proposed rule change with the SEC was authorized by the FINRA Board of Governors at its meeting on July 9, 2015 and by the Chief Legal Officer 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 and has requested that the Commission waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing. The operative date will be the date of filing of the proposed rule change.

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

Background

The proposed rule change would adopt FINRA Rule 0151 regarding coordination between FINRA and the MSRB. The proposed rule change would also amend FINRA Rule 0150 to better align the language of the rule with the relevant language in the Exchange Act.

Statutory Requirement

With respect to the proposed adoption of Rule 0151, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 added Section 15A(b)(15) to the Exchange Act.² Section 15A(b)(15) of the Exchange Act mandates that the rules of a national securities association require the association to: (i) request guidance from the MSRB in interpretation of the rules of the MSRB;³ and (ii) provide information to the MSRB about the enforcement actions and examinations of the association under 15 U.S.C. Section 780-4(b)(2)(E) so that the MSRB may assist in such enforcement actions and examinations and evaluate the ongoing effectiveness of the rules of the MSRB.

² 15 U.S.C. 780-3(b)(15).

³ Section 15B of the Exchange Act provides, among other things, that the MSRB shall adopt rules with respect to municipal securities transactions effected by brokers, dealers and municipal securities dealers and advice provided to or on behalf of municipal entities or obligated persons by brokers, dealers, municipal securities dealers, and municipal advisors with respect to municipal financial products, the issuance of municipal securities, and solicitations of municipal entities or obligated persons undertaken by brokers, dealers, municipal securities dealers and municipal advisors. 15 U.S.C. 780-4(b)(2).

With respect to the proposed amendments to Rule 0150, Section 15A(f) of the Exchange Act provides that “[n]othing in subsection (b)(6) or (b)(11) of [Section 15A] shall be construed to permit a registered securities association to make rules concerning any transaction by a registered broker or dealer in a municipal security.”⁴

Proposal

FINRA, a national securities association, is proposing to adopt Rule 0151 addressing coordination between FINRA and the MSRB to comply with the statutory requirement. Specifically, proposed Rule 0151 would state that FINRA will request guidance from the MSRB in interpretation of the rules of the MSRB. Proposed Rule 0151 would also state that FINRA will provide information to the MSRB about the enforcement actions and examinations pertaining to municipal securities brokers, municipal securities dealers, and municipal advisors conducted by FINRA regarding the Exchange Act and the rules and regulations thereunder and the rules of the MSRB, so that the MSRB may: (i) assist in such enforcement actions and examinations; and (ii) evaluate the ongoing effectiveness of the rules of the MSRB (collectively, “coordination”).

FINRA notes that the reference to “enforcement actions and examinations pertaining to municipal securities brokers, municipal securities dealers, and municipal advisors conducted by FINRA regarding the Exchange Act and the rules and regulations thereunder and the rules of the MSRB” in proposed Rule 0151 is intended as a non-substantive change from the statutory language in Section 15A(b)(15) of the Exchange Act,⁵ which instead includes a cross-reference to 15 U.S.C. Section 78o-4(b)(2)(E).

⁴ 15 U.S.C. 78o-3(f).

⁵ 15 U.S.C. 78o-3(b)(15).

FINRA proposes the change in the proposed rule for ease of reference and not to reflect any substantive change from the statutory requirement.

FINRA believes that proposed Rule 0151 reflects FINRA's current close coordination with the MSRB and satisfies the requirements of Section 15A(b)(15) of the Exchange Act.⁶ FINRA has regulatory responsibilities to, among other things, engage in surveillance of the securities markets, administer qualification examinations, perform examinations and investigations, and enforce the Exchange Act, the rules and regulations thereunder, the rules of FINRA, and the rules of the MSRB as to its member firms and their associated persons, for the protection of investors and in the public interest. These responsibilities extend to broker-dealers engaged in municipal securities activities and municipal advisory activities and persons associated with such firms.

FINRA is also proposing to amend Rule 0150 to better align the language of the rule with the relevant language in Section 15A(f) of the Exchange Act.⁷ Specifically, FINRA is proposing to amend Rule 0150(b) to provide that FINRA rules are not intended to be, and shall not be construed as, rules concerning transactions in municipal securities. FINRA notes that this change is consistent with the approach in NASD Rule 0114 (Effect on Transactions in Municipal Securities) which provided that FINRA rules shall not be construed to apply to transactions in municipal securities.⁸

⁶ 15 U.S.C. 78o-3(b)(15).

⁷ 15 U.S.C. 78o-3(f).

⁸ In 2008, FINRA incorporated NASD Rule 0114's statement that FINRA rules are not applicable to transactions in municipal securities into NASD Rule 0116 (Application of Rules of the Association to Exempted Securities), and transferred NASD Rule 0116, as amended, into the consolidated FINRA rulebook as Rule 0150. See SR-FINRA-2008-026.

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness and has requested that the Commission waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing. The operative date will be the date of filing of the proposed rule change.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁹ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change to adopt Rule 0151 will further the purposes of the Act by addressing coordination between FINRA and the MSRB, consistent with Section 15A(b)(15) under the Exchange Act.¹⁰ In addition, the proposed rule provides transparency to municipal securities brokers, municipal securities dealers, municipal advisors and investors regarding coordination between FINRA and the MSRB. FINRA also believes that the proposed amendments to Rule 0150(b) will further the purposes of the Act by better aligning the language of the rule with the relevant language in Section 15A(f) of the Exchange Act.¹¹

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

⁹ 15 U.S.C. 78o-3(b)(6).

¹⁰ 15 U.S.C. 78o-3(b)(15).

¹¹ 15 U.S.C. 78o-3(f).

Act. Under the proposed rule change, FINRA would adopt as part of its rulebook the statutory requirements for coordination with MSRB around rulemaking and enforcement and examination actions that seek to enhance FINRA's regulatory programs and the rulemaking of the MSRB. Given FINRA's responsibilities under the Exchange Act and the degree of coordination between FINRA and the MSRB, which reflects regulatory and market conditions, the proposed rule change is consistent with current practices and therefore would not at this time impose additional burdens or costs on FINRA or firms.

Furthermore, the proposed rule provides a benefit by providing transparency regarding coordination between FINRA and the MSRB.

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) or Section 19(b)(7)(D)**

The proposed rule change is effective upon filing pursuant to Section 19(b)(3) of the Act¹² and paragraph (f)(6) of Rule 19b-4 thereunder,¹³ 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 requests that the Commission waive the requirement that the rule change, by its terms, not become

¹² 15 U.S.C. 78s(b)(3).

¹³ 17 CFR 240.19b-4(f)(6).

operative for 30 days after the date of the filing as set forth in Rule 19b-4(f)(6)(iii),¹⁴ so that the proposed rule change may be implemented on the date of filing. FINRA believes that waiving the requirement is appropriate as Rule 0151 will address coordination between FINRA and the MSRB, consistent with Section 15A(b)(15) under the Exchange Act.¹⁵ In addition, FINRA believes that the proposed amendments to Rule 0150(b) will better align the language of the rule with the relevant language in Section 15A(f) of the Exchange Act.¹⁶ 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 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.

¹⁴ 17 CFR 240.19b-4(f)(6)(iii).

¹⁵ 15 U.S.C. 78o-3(b)(15).

¹⁶ 15 U.S.C. 78o-3(f).

¹⁷ 17 CFR 240.19b-4(f)(6).

¹⁸ 17 CFR 240.19b-4(f)(6)(iii).

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-FINRA-2016-004)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adopt FINRA Rule 0151 (Coordination with the MSRB) and Amend FINRA Rule 0150 (Application of Rules to Exempted Securities Except Municipal Securities)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on , Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. 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 adopt FINRA Rule 0151 (Coordination with the MSRB) regarding coordination between FINRA and the Municipal Securities Rulemaking Board (“MSRB”), as required by the Exchange Act. FINRA also proposes to amend FINRA

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

Rule 0150 to better align the language of the rule with the relevant language in the Exchange Act.

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

Background

The proposed rule change would adopt FINRA Rule 0151 regarding coordination between FINRA and the MSRB. The proposed rule change would also amend FINRA Rule 0150 to better align the language of the rule with the relevant language in the Exchange Act.

Statutory Requirement

With respect to the proposed adoption of Rule 0151, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 added Section 15A(b)(15) to the Exchange

Act.⁴ Section 15A(b)(15) of the Exchange Act mandates that the rules of a national securities association require the association to: (i) request guidance from the MSRB in interpretation of the rules of the MSRB;⁵ and (ii) provide information to the MSRB about the enforcement actions and examinations of the association under 15 U.S.C. Section 78o-4(b)(2)(E) so that the MSRB may assist in such enforcement actions and examinations and evaluate the ongoing effectiveness of the rules of the MSRB.

With respect to the proposed amendments to Rule 0150, Section 15A(f) of the Exchange Act provides that “[n]othing in subsection (b)(6) or (b)(11) of [Section 15A] shall be construed to permit a registered securities association to make rules concerning any transaction by a registered broker or dealer in a municipal security.”⁶

Proposal

FINRA, a national securities association, is proposing to adopt Rule 0151 addressing coordination between FINRA and the MSRB to comply with the statutory requirement. Specifically, proposed Rule 0151 would state that FINRA will request guidance from the MSRB in interpretation of the rules of the MSRB. Proposed Rule 0151 would also state that FINRA will provide information to the MSRB about the enforcement actions and examinations pertaining to municipal securities brokers,

⁴ 15 U.S.C. 78o-3(b)(15).

⁵ Section 15B of the Exchange Act provides, among other things, that the MSRB shall adopt rules with respect to municipal securities transactions effected by brokers, dealers and municipal securities dealers and advice provided to or on behalf of municipal entities or obligated persons by brokers, dealers, municipal securities dealers, and municipal advisors with respect to municipal financial products, the issuance of municipal securities, and solicitations of municipal entities or obligated persons undertaken by brokers, dealers, municipal securities dealers and municipal advisors. 15 U.S.C. 78o-4(b)(2).

⁶ 15 U.S.C. 78o-3(f).

municipal securities dealers, and municipal advisors conducted by FINRA regarding the Exchange Act and the rules and regulations thereunder and the rules of the MSRB, so that the MSRB may: (i) assist in such enforcement actions and examinations; and (ii) evaluate the ongoing effectiveness of the rules of the MSRB (collectively, “coordination”).

FINRA notes that the reference to “enforcement actions and examinations pertaining to municipal securities brokers, municipal securities dealers, and municipal advisors conducted by FINRA regarding the Exchange Act and the rules and regulations thereunder and the rules of the MSRB” in proposed Rule 0151 is intended as a non-substantive change from the statutory language in Section 15A(b)(15) of the Exchange Act,⁷ which instead includes a cross-reference to 15 U.S.C. Section 78o-4(b)(2)(E). FINRA proposes the change in the proposed rule for ease of reference and not to reflect any substantive change from the statutory requirement.

FINRA believes that proposed Rule 0151 reflects FINRA’s current close coordination with the MSRB and satisfies the requirements of Section 15A(b)(15) of the Exchange Act.⁸ FINRA has regulatory responsibilities to, among other things, engage in surveillance of the securities markets, administer qualification examinations, perform examinations and investigations, and enforce the Exchange Act, the rules and regulations thereunder, the rules of FINRA, and the rules of the MSRB as to its member firms and their associated persons, for the protection of investors and in the public interest. These responsibilities extend to broker-dealers engaged in municipal securities activities and municipal advisory activities and persons associated with such firms.

⁷ 15 U.S.C. 78o-3(b)(15).

⁸ 15 U.S.C. 78o-3(b)(15).

FINRA is also proposing to amend Rule 0150 to better align the language of the rule with the relevant language in Section 15A(f) of the Exchange Act.⁹ Specifically, FINRA is proposing to amend Rule 0150(b) to provide that FINRA rules are not intended to be, and shall not be construed as, rules concerning transactions in municipal securities. FINRA notes that this change is consistent with the approach in NASD Rule 0114 (Effect on Transactions in Municipal Securities) which provided that FINRA rules shall not be construed to apply to transactions in municipal securities.¹⁰

FINRA has filed the proposed rule change for immediate effectiveness and has requested that the Commission waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing. The operative date will be the date of filing of the proposed rule change.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹¹ which requires, among other things, that FINRA rules 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 to adopt Rule 0151 will further the purposes of the Act by addressing coordination between FINRA and the MSRB,

⁹ 15 U.S.C. 78o-3(f).

¹⁰ In 2008, FINRA incorporated NASD Rule 0114's statement that FINRA rules are not applicable to transactions in municipal securities into NASD Rule 0116 (Application of Rules of the Association to Exempted Securities), and transferred NASD Rule 0116, as amended, into the consolidated FINRA rulebook as Rule 0150. See SR-FINRA-2008-026.

¹¹ 15 U.S.C. 78o-3(b)(6).

consistent with Section 15A(b)(15) under the Exchange Act.¹² In addition, the proposed rule provides transparency to municipal securities brokers, municipal securities dealers, municipal advisors and investors regarding coordination between FINRA and the MSRB. FINRA also believes that the proposed amendments to Rule 0150(b) will further the purposes of the Act by better aligning the language of the rule with the relevant language in Section 15A(f) of the Exchange Act.¹³

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. Under the proposed rule change, FINRA would adopt as part of its rulebook the statutory requirements for coordination with MSRB around rulemaking and enforcement and examination actions that seek to enhance FINRA's regulatory programs and the rulemaking of the MSRB. Given FINRA's responsibilities under the Exchange Act and the degree of coordination between FINRA and the MSRB, which reflects regulatory and market conditions, the proposed rule change is consistent with current practices and therefore would not at this time impose additional burdens or costs on FINRA or firms.

Furthermore, the proposed rule provides a benefit by providing transparency regarding coordination between FINRA and the MSRB.

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.

¹² 15 U.S.C. 78o-3(b)(15).

¹³ 15 U.S.C. 78o-3(f).

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 Act¹⁴ and Rule 19b-4(f)(6) 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-2016-004 on the subject line.

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f)(6).

Paper Comments:

- Send paper comments in triplicate to Robert W. Errett, Deputy Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2016-004. 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-2016-004 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

Robert W. Errett
Deputy Secretary

¹⁶ 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.

* * * * *

0100. GENERAL STANDARDS

* * * * *

0150. Application of Rules to Exempted Securities Except Municipal Securities

(a) No change.

(b) The Rules [do not apply to transactions in, and business activities relating to,] are not intended to be, and shall not be construed as, rules concerning transactions in municipal securities.

(c) through (d) No change.

0151. Coordination with the MSRB

(a) FINRA will request guidance from the MSRB in interpretation of the rules of the MSRB. FINRA also will provide information to the MSRB about the enforcement actions and examinations pertaining to municipal securities brokers, municipal securities dealers, and municipal advisors conducted by FINRA regarding the Exchange Act and the rules and regulations thereunder and the rules of the MSRB, so that the MSRB may: (1) assist in such enforcement actions and examinations; and (2) evaluate the ongoing effectiveness of the rules of the MSRB.

* * * * *