

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 21	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2016 - * 021	Amendment No. (req. for Amendments *)
----------------	--	-----------------------------	---------------------------------------

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)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

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"/>
---	---

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposed Rule Change to Clarify the Application of FINRA Rule 2210 (Communications with the Public) to Debt Research Reports

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 * Philip	Last Name * Shaikun
Title * Vice President and Associate General Counsel	
E-mail * philip.shaikun@finra.org	
Telephone * (202) 728-8451	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 06/24/2016	Vice President and Associate General Counsel
By Philip Shaikun	
(Name *)	

Philip Shaikun, Philip.Shaikun@Finra.org

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 *

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”),¹ Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to clarify the application of FINRA Rule 2210 (“Communications with the Public”) to debt research reports as the result of approval of a new FINRA debt research conflict of interest rule.

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 Chief Legal Officer of FINRA authorized the filing of the proposed rule change with the SEC 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 SEC waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing. The implementation date for the proposed rule change will be July 16, 2016, to coincide with the effective date of FINRA Rule 2242.²

¹ 15 U.S.C. 78s(b)(1).

² See notes 3 and 4 for additional detail.

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

(a) Purpose

FINRA is proposing to make several conforming changes to FINRA Rule 2210 to expressly address its application to debt research reports in light of the Commission’s approval of a dedicated debt research conflict of interest rule. On July 16, 2015, the SEC approved a proposed rule change to adopt FINRA Rule 2242 to address conflicts of interest relating to the publication and distribution of debt research reports.³ Rule 2242 will be implemented on July 16, 2016.⁴ Until that rule becomes effective, FINRA’s research conflict of interest rules apply only to equity research as set forth in FINRA Rule 2241 (“Research Analysts and Research Reports”).

First, Rule 2210(b)(1)(A) requires an appropriately qualified registered principal to approve each “retail communication” before the earlier of its use or filing with FINRA’s Advertising Regulation Department. Both a debt and equity research report constitutes a “retail communication,” unless it is distributed or made available only to “institutional investors” as defined in Rule 2210(a)(4), in which case it would be considered an “institutional communication” not subject to the pre-use approval requirement.

³ See Securities Exchange Act Release No. 75472 (July 16, 2015), 80 FR 43528 (July 22, 2015) (Order Approving File No. SR-FINRA-2014-048). See also Regulatory Notice 15-31 (August 2015).

⁴ See Securities Exchange Act Release No.77158 (February 17, 2016), 81 FR 9065 (February 23, 2016) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2016-008), see also Securities Exchange Act Release No. 77726 (April 27, 2016), 81 FR 26593 (May 3, 2016) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2016-013).

Rule 2210(b)(1)(B) states that the pre-use approval requirement may be satisfied by a Supervisory Analyst approved pursuant to NYSE Rule 344 with respect to: (i) research reports on debt and equity securities; (ii) retail communications as described in Rule 2241(a)(11)(A); and (iii) other research that does not meet the definition of “research report” under Rule 2241(a)(11), provided that the Supervisory Analyst has technical expertise in the particular product areas. For dual FINRA and New York Stock Exchange members, this provision therefore broadly allows a Series 16 qualified Supervisory Analyst to satisfy the pre-use approval requirement with respect to any research-related communication, including those expressly excepted by the definition of “research report” under Rule 2241(a)(11)(A) or not otherwise captured by that definition of “research report” under the equity research rule.

The proposed rule change would clarify and streamline the scope of approval permitted by Supervisory Analysts to specifically reference the definitions of “research report” and “debt research report” in Rules 2241(a)(11) and 2242(a)(3), respectively. It also would add a specific reference to the exceptions under Rule 2242(a)(3)(A), thereby making express the references to debt research-related retail communications consistent with the references to equity research-related retail communications. The proposal maintains the ability for a Supervisory Analyst to approve other research communications – e.g., research on options – provided that the Supervisory Analyst has technical expertise in the product area and any other required registrations for such product.

Second, Rule 2210(b)(1)(D)(i) excepts from the pre-use approval requirement any retail communication that is excepted from the definition of “research report” under Rule 2241(a)(11)(A), unless the communication makes any financial or investment

recommendation. Those communications still must be supervised and reviewed in the same manner as correspondence pursuant to FINRA's supervision rules.⁵ FINRA adopted this exception due to concerns that the pre-use approval requirements for these types of research communications in some circumstances may have inhibited the flow of information to traders and other investors who base their investment decisions on timely market analysis.⁶ The proposed change would make this exception from the pre-use approval requirements consistent for debt and equity research communications.

Third, Rule 2210(d)(7) requires specific applicable disclosures in retail communications that include a recommendation of securities; however, the requirements do not apply to communications that meet the definition of an equity research report under Rule 2241(a), as long as the research report includes all the required disclosures under that rule. Similarly, Rule 2210(f)(2) requires specific applicable disclosures where an associated person recommends a security in a public appearance, but Rule 2210(f)(5) exempts from those disclosure requirements public appearances by an equity "research analyst" as defined in Rule 2241(a)(8), provided the research analyst makes all of the disclosures required under that rule. The basis for these exceptions is that the equity research rule has more extensive required disclosures in both research reports and public appearances than Rule 2210(d)(7) and (f)(2), respectively. New Rule 2242 requires similarly extensive corresponding disclosures in debt research reports and public appearances by debt research analysts. As such, FINRA believes it appropriate to similarly exempt debt research reports from the disclosure requirements of Rule

⁵ See FINRA Rules 3110(b) and 3110.06 through .09.

⁶ See Regulatory Notice 09-10 (February 2009).

2210(d)(7) and except public appearances by debt research analysts from the disclosure requirements of Rule 2210(f)(2) for consistency purposes.

Finally, the proposed rule change would also make technical changes to FINRA Rules 2210(d)(7) and (f)(5) to make the rule language more readable.⁷

As noted in Item 2 of this filing, 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. The implementation date for the proposed rule change will be July 16, 2016, to coincide with the effective date of FINRA Rule 2242.⁸

(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 the proposed rule change will promote consistent application of

⁷ FINRA notes that in 2014 the Commission approved a proposed rule change to exclude from the filing requirements in Rule 2210(c) equity research reports as defined in Rule 2241 that concern only securities that are listed on a national securities exchange, other than research reports required to be filed with the Commission pursuant to Section 24(b) of the Investment Company Act. See Securities Exchange Act Release No. 72480 (June 26, 2014), 79 FR 37796 (July 2, 2014) (Order Approving File No. SR-FINRA-2014-012). In connection with that filing, FINRA indicated that it would consider a similar exclusion for debt research reports if and when a debt research rule was approved. FINRA has not yet made a determination whether to propose such an exclusion.

⁸ See supra notes 3 and 4 for additional detail.

⁹ 15 U.S.C. 78o-3(b)(6).

the communications with the public rules and provide greater clarity to members and the public regarding FINRA's 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 brings clarity and consistency to FINRA rules without adding any burden on firms.

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 Act¹⁰ and paragraph (f)(6) of Rule 19b-4 thereunder,¹¹ 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 operative for 30 days after the date of the filing as set forth in

¹⁰ 15 U.S.C. 78s(b)(3).

¹¹ 17 CFR 240.19b-4(f)(6).

Rule 19b-4(f)(6)(iii),¹² so that the proposed rule change can become operative on July 16, 2016, to coincide with the effective date of FINRA Rule 2242. In accordance with Rule 19b-4(f)(6),¹³ 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.¹⁴

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.

¹² 17 CFR 240.19b-4(f)(6)(iii).

¹³ 17 CFR 240.19b-4(f)(6).

¹⁴ 17 CFR 240.19b-4(f)(6)(iii).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-FINRA-2016-021)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Clarify the Application of FINRA Rule 2210 (“Communications with the Public”) to Debt Research Reports

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 clarify the application of FINRA Rule 2210 (“Communications with the Public”) to debt research reports as the result of approval of a new FINRA debt research conflict of interest rule.

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

FINRA is proposing to make several conforming changes to FINRA Rule 2210 to expressly address its application to debt research reports in light of the Commission's approval of a dedicated debt research conflict of interest rule. On July 16, 2015, the SEC approved a proposed rule change to adopt FINRA Rule 2242 to address conflicts of interest relating to the publication and distribution of debt research reports.⁴ Rule 2242 will be implemented on July 16, 2016.⁵ Until that rule becomes effective, FINRA's

⁴ See Securities Exchange Act Release No. 75472 (July 16, 2015), 80 FR 43528 (July 22, 2015) (Order Approving File No. SR-FINRA-2014-048). See also Regulatory Notice 15-31 (August 2015).

⁵ See Securities Exchange Act Release No. 77158 (February 17, 2016), 81 FR 9065 (February 23, 2016) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2016-008), see also Securities Exchange Act Release No. 77726 (April 27, 2016), 81 FR 26593 (May 3, 2016) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2016-013).

research conflict of interest rules apply only to equity research as set forth in FINRA Rule 2241 (“Research Analysts and Research Reports”).

First, Rule 2210(b)(1)(A) requires an appropriately qualified registered principal to approve each “retail communication” before the earlier of its use or filing with FINRA’s Advertising Regulation Department. Both a debt and equity research report constitutes a “retail communication,” unless it is distributed or made available only to “institutional investors” as defined in Rule 2210(a)(4), in which case it would be considered an “institutional communication” not subject to the pre-use approval requirement.

Rule 2210(b)(1)(B) states that the pre-use approval requirement may be satisfied by a Supervisory Analyst approved pursuant to NYSE Rule 344 with respect to: (i) research reports on debt and equity securities; (ii) retail communications as described in Rule 2241(a)(11)(A); and (iii) other research that does not meet the definition of “research report” under Rule 2241(a)(11), provided that the Supervisory Analyst has technical expertise in the particular product areas. For dual FINRA and New York Stock Exchange members, this provision therefore broadly allows a Series 16 qualified Supervisory Analyst to satisfy the pre-use approval requirement with respect to any research-related communication, including those expressly excepted by the definition of “research report” under Rule 2241(a)(11)(A) or not otherwise captured by that definition of “research report” under the equity research rule.

The proposed rule change would clarify and streamline the scope of approval permitted by Supervisory Analysts to specifically reference the definitions of “research report” and “debt research report” in Rules 2241(a)(11) and 2242(a)(3), respectively. It

also would add a specific reference to the exceptions under Rule 2242(a)(3)(A), thereby making express the references to debt research-related retail communications consistent with the references to equity research-related retail communications. The proposal maintains the ability for a Supervisory Analyst to approve other research communications – e.g., research on options – provided that the Supervisory Analyst has technical expertise in the product area and any other required registrations for such product.

Second, Rule 2210(b)(1)(D)(i) excepts from the pre-use approval requirement any retail communication that is excepted from the definition of “research report” under Rule 2241(a)(11)(A), unless the communication makes any financial or investment recommendation. Those communications still must be supervised and reviewed in the same manner as correspondence pursuant to FINRA’s supervision rules.⁶ FINRA adopted this exception due to concerns that the pre-use approval requirements for these types of research communications in some circumstances may have inhibited the flow of information to traders and other investors who base their investment decisions on timely market analysis.⁷ The proposed change would make this exception from the pre-use approval requirements consistent for debt and equity research communications.

Third, Rule 2210(d)(7) requires specific applicable disclosures in retail communications that include a recommendation of securities; however, the requirements do not apply to communications that meet the definition of an equity research report under Rule 2241(a), as long as the research report includes all the required disclosures under that rule. Similarly, Rule 2210(f)(2) requires specific applicable disclosures where

⁶ See FINRA Rules 3110(b) and 3110.06 through .09.

⁷ See Regulatory Notice 09-10 (February 2009).

an associated person recommends a security in a public appearance, but Rule 2210(f)(5) excepts from those disclosure requirements public appearances by an equity “research analyst” as defined in Rule 2241(a)(8), provided the research analyst makes all of the disclosures required under that rule. The basis for these exceptions is that the equity research rule has more extensive required disclosures in both research reports and public appearances than Rule 2210(d)(7) and (f)(2), respectively. New Rule 2242 requires similarly extensive corresponding disclosures in debt research reports and public appearances by debt research analysts. As such, FINRA believes it appropriate to similarly except debt research reports from the disclosure requirements of Rule 2210(d)(7) and except public appearances by debt research analysts from the disclosure requirements of Rule 2210(f)(2) for consistency purposes.

Finally, the proposed rule change would also make technical changes to FINRA Rules 2210(d)(7) and (f)(5) to make the rule language more readable.⁸

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. The implementation date for the

⁸ FINRA notes that in 2014 the Commission approved a proposed rule change to exclude from the filing requirements in Rule 2210(c) equity research reports as defined in Rule 2241 that concern only securities that are listed on a national securities exchange, other than research reports required to be filed with the Commission pursuant to Section 24(b) of the Investment Company Act. See Securities Exchange Act Release No. 72480 (June 26, 2014), 79 FR 37796 (July 2, 2014) (Order Approving File No. SR-FINRA-2014-012). In connection with that filing, FINRA indicated that it would consider a similar exclusion for debt research reports if and when a debt research rule was approved. FINRA has not yet made a determination whether to propose such an exclusion.

proposed rule change will be July 16, 2016, to coincide with the effective date of FINRA Rule 2242.⁹

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹⁰ 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 the proposed rule change will promote consistent application of the communications with the public rules and provide greater clarity to members and the public regarding FINRA's 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 brings clarity and consistency to FINRA rules without adding any burden on firms.

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

⁹ See supra notes 4 and 5 for additional detail.

¹⁰ 15 U.S.C. 78o-3(b)(6).

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 Act¹¹ and Rule 19b-4(f)(6) thereunder.¹²

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-2016-021 on the subject line.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 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-2016-021. 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-2016-021 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Robert W. Errett
Deputy Secretary

¹³ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

* * * * *

2200. COMMUNICATIONS AND DISCLOSURES

2210. Communications with the Public

(a) No Change.

(b) Approval, Review and Recordkeeping

(1) Retail Communications

(A) No Change.

(B) The requirements of paragraph (b)(1)(A) may be met by a Supervisory Analyst approved pursuant to NYSE Rule 344 with respect to: (i) research reports on debt and equity securities as described in Rules 2241(a)(11) and 2242(a)(3); (ii) retail communications as described in Rules 2241(a)(11)(A) and 2242(a)(3)(A); and (iii) other research communications[that does not meet the definitions of “research report” under Rule 2241(a)(11)], provided that the Supervisory Analyst has technical expertise in the particular product area. A Supervisory Analyst may not approve a retail communication that requires a separate registration unless the Supervisory Analyst also has such other registration.

(C) No Change.

(D) The requirements of paragraph (b)(1)(A) shall not apply with regard to the following retail communications, provided that the member supervises and reviews such communications in the same manner as required for supervising and reviewing correspondence pursuant to Rules 3110(b) and 3110.06 through .09:

(i) any retail communication that is excepted from the definitions of “research report” pursuant to Rule 2241(a)(11)(A) or “debt research report” under Rule 2242(a)(3)(A), unless the communication makes any financial or investment recommendation;

(ii) through (iii) No Change.

(E) through (F) No Change.

(2) through (4) No Change.

(c) No Change.

(d) Content Standards

(1) through (6) No Change.

(7) Recommendations

(A) through (C) No Change.

(D)(i) This paragraph (d)(7) does not apply to any communication that meets the definition of “research report” for purposes of Rule 2241 or that meets the definition of “debt research report” for purposes of Rule 2242, and includes all of the [applicable] disclosures required by [that] Rule 2241 or 2242, as applicable.

(ii) No Change.

(8) through (9) No Change.

(e) No Change.

(f) Public Appearances

(1) through (4) No Change.

(5) Paragraph (f)(2) does not apply to any public appearance by a research analyst for purposes of Rule 2241 or by a debt research analyst for purposes of Rule 2242 that includes all of the [applicable] disclosures required by [that] Rule 2241 or 2242, as applicable. Paragraph (f)(2) also does not apply to a recommendation of investment company securities or variable insurance products; provided, however, that the associated person must have a reasonable basis for the recommendation.

(g) No Change.

* * * * *