

**MEMO# 27811**

December 24, 2013

## **SEC Approves FINRA's Proposed Consolidated Supervisory Rules**

[27811]

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TO: BROKER/DEALER ADVISORY COMMITTEE No. 59-13  
PRINCIPAL UNDERWRITERS WORKING GROUP RE: SEC APPROVES FINRA'S PROPOSED CONSOLIDATED SUPERVISORY RULES

The Securities and Exchange Commission has published an order approving FINRA's proposed rewrite of its supervisory rules. [1] The discussion in the Order is limited to a recitation of the various comment letters filed in connection with the proposal, including those filed by the ICI, and FINRA's response to such comments. The text of the revised rules, which remains the same as when it was filed by FINRA with the SEC in October 2013, is available on FINRA's website at: <http://www.finra.org/web/groups/industry/@ip/@reg/@rulfil/documents/rulefilings/p356077.pdf>.

According to the Order, FINRA will publish a regulatory notice within the next 90 days alerting members to the new rules' requirements and announcing their effective date, which will be no later than one year from the SEC's Order. Such notice may also include additional guidance from FINRA regarding the new rules' requirements. We will notify members when FINRA's regulatory notice is published. In the meantime, please note that, with one exception, FINRA did not adopt most of the substantive changes to the rules that the Institute sought to address the unique business of mutual fund underwriters. [2] The one change that FINRA agreed to was the elimination of a reference in the rules to the rules of the Municipal Securities Rulemaking Board (MSRB).

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### **endnotes**

[1] See Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order

Granting Approval of a Proposed Rule Change to Adopt Rules Regarding Supervision in the Consolidated FINRA Rulebook, as Modified by Amendment 1 (SEC Release No. 34-71179 (Dec. 23, 2013), which is available at: <http://www.sec.gov/rules/sro/finra/2013/34-71179.pdf> (the "Order").

[2] See Institute Memoranda Nos. [27412](#) (July 29, 2013) and [27642](#) (Oct. 17, 2013) summarizing the two comment letters the ICI filed with the SEC on FINRA's proposal. See, also, Institute Memorandum No. [27341](#) (June 28, 2013), which summarized FINRA's proposed amendments.

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