

Corporate & Financial Weekly Digest

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[SEC Approves FINRA Rule Change Implementing Certain Regulatory Protections in the OTC Equity Securities Market](#)

On June 22, the Securities and Exchange Commission approved rule changes that the Financial Industry Regulatory Authority proposed in August 2009 that would extend certain of the rules that apply to National Market System securities to over-the-counter (OTC) equity securities. The new rules:

- prohibit FINRA members from displaying, ranking or accepting a bid or offer, order or indication of interest in an OTC equity security in an increment smaller than one cent where such bid or offer, order or indication of interest is one dollar or more per share;
- require that FINRA members implement policies and procedures to prevent displaying, locking or crossing quotations in an OTC equity security within the same inter-dealer quotation system;
- allow market-makers, alternative trading systems and electronic communications networks to charge undisplayed access fees and limit non-subscriber access and post-transaction fees in all OTC equity securities; and
- require a market-maker displaying price quotations in an inter-dealer quotation system to immediately display any customer limit order it receives that improves (1) the price of a bid or offer or (2) the size of its bid or offer by more than a de minimis amount, with certain exceptions.

The SEC Release No. 34-62359 is available [here](#).

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