

Corporate & Financial Weekly Digest

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SEC Approves New FINRA Consolidated Rule Regarding Short Sale Delivery Requirements

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The Securities and Exchange Commission recently approved the Financial Industry and Regulatory Authority's proposal to adopt NASD Rule 3210, with a few changes, as FINRA Rule 4320 in the Consolidated FINRA Rulebook. New FINRA Rule 4320 applies short sale delivery requirements to equity securities not covered by Regulation SHO's close-out requirements. The Rule, among other things, clarifies the borrowing requirements for clearing agency participants that sell short non-reporting threshold securities for which a fail to deliver position has not been closed out in the requisite time. FINRA will apply all interpretive positions issued by the SEC and its staff regarding the parallel provisions of Regulation SHO to FINRA Rule 4320.

Click [here](#) to read the FINRA Regulatory Notice 10-35.

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