

Regulatory Notice

21-38

Regulation of Inter-dealer Quotation Systems

FINRA Announces Closure of the OTC Bulletin Board

Effective Date: November 8, 2021

Summary

On November 8, 2021, FINRA will cease operation of the OTC Bulletin Board (OTCBB)—a FINRA-operated inter-dealer quotation system—and delete the OTCBB-related rules from the FINRA rulebook.

Questions regarding this *Notice* should be directed to:

- ▶ Chris Stone, Vice President, Transparency Services (TS), at (202) 728-8457 or chris.stone@finra.org; and
- ▶ Randy Rivera, Director, TS, at (212) 858-5119 or randy.rivera@finra.org; or
- ▶ for legal and interpretive questions, Racquel Russell, Senior Vice President, Capital Markets, Office of General Counsel, at (202) 728-8363 or racquel.russell@finra.org.

Background and Discussion

As announced on August 6, 2021, in [Regulatory Notice 21-28](#), FINRA is closing the OTCBB, eliminating its related rules¹ and implementing new Rule 6439 (Requirements for Member Inter-Dealer Quotation Systems).²

FINRA has satisfied the conditions for closure of the OTCBB laid out in *Regulatory Notice 21-28*:

- ▶ Rule 6439 (except for Rule 6439(d)(1)(B)) has become effective;³
- ▶ the Securities and Exchange Commission (SEC) has granted FINRA's request set forth in the QEQS Request Letter;⁴ and
- ▶ FINRA has listed Eligible IDQs⁵ on the FINRA website.

The list of Eligible IDQs is available [here](#).

October 25, 2021

Notice Type

- ▶ Rule Amendment

Suggested Routing

- ▶ Compliance
- ▶ Legal
- ▶ Operations
- ▶ Systems
- ▶ Technology
- ▶ Trading and Market Making

Key Topics

- ▶ OTC Bulletin Board
- ▶ OTC Equity Security

Referenced Rules

- ▶ Regulatory Notice 21-28
- ▶ Rule 6439
- ▶ Rule 6500 Series
- ▶ Rule 7720
- ▶ Rule 9217

When the OTCBB ceases operation on November 8, 2021, FINRA will discontinue the Bulletin Board Dissemination Service (BBDS) data feed. Therefore, FINRA has amended the TDDS, ORF TRAQS User Guide, and ORF Web API specifications.⁶

Technical questions regarding these changes can be sent to FINRAProductManagement@FINRA.org at (866) 899-2107.

Endnotes

1. FINRA is deleting the text of the Rule 6500 Series (OTC Bulletin Board® Service), which governs the operation of the OTCBB; and Rule 7720 (OTC Bulletin Board Service), which sets forth the fees applicable to a member that displays quotations or trading interest in the OTCBB. FINRA also is amending Rule 9217 (Violations Appropriate for Disposition Under Plan Pursuant to SEA Rule 19d-1(c)(2)) to remove the reference to Rule 6550 (Transaction Reporting), which FINRA is deleting as part of the Rule 6500 Series.
2. *See Regulatory Notice 21-28*. Rule 6439 generally implements additional requirements for member inter-dealer quotation systems (IDQSs) in OTC Equity Securities and strengthens FINRA's oversight of quotation systems for OTC Equity Securities in light of the closure of the OTCBB.
3. Rule 6439 (except for Rule 6439(d)(1)(B)) became effective on October 1, 2021.
4. On June 21, 2021, the SEC granted FINRA's request set forth in FINRA's QEQS Request Letter. *See* letter from J. Matthew DeLesDernier, Assistant Secretary, SEC, to Robert Colby, Executive Vice President and Chief Legal Officer, FINRA (SEC QEQS Designation Letter).

See letter from Robert Colby, Executive Vice President and Chief Legal Officer, FINRA, to Emily Westerberg Russell, Chief Counsel, Division of Trading and Markets, SEC, dated June 16, 2021 (QEQS Request Letter).
5. An "Eligible IDQS" is a system that: (1) is an IDQS; (2) permits quotation updates on a real-time basis in OTC Equity Securities; and (3) FINRA has determined has in place written policies and procedures reasonably designed to comply with FINRA Rule 6439 before identifying it as an Eligible IDQS on the FINRA website. *See* SEC QEQS Designation Letter, *supra* note 4.
6. *See Technical Notice* (Upcoming Retirement of the OTC Bulletin Board (OTCBB)) (September 17, 2021).