

**Proposed Rule Text**

Proposed new language is underlined; proposed deletions are in brackets.<sup>1</sup>

**FINRA RULES**

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**1000. MEMBER APPLICATION AND ASSOCIATED PERSON REGISTRATION**

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**1200. REGISTRATION AND QUALIFICATION**

**1210. Registration Requirements**

No Change.

**••• Supplementary Material: -----**

.01 to .04 No Change.

**.05 Rules of Conduct for Taking FINRA Qualification Examinations and Confidentiality of**

**Examinations.** Associated persons taking the SIE examination or a representative or principal

FINRA examination shall be subject to the [SIE]FINRA Qualification Examinations Rules of

Conduct. [Associated persons taking any representative or principal examination shall be subject

to the Rules of Conduct for representative and principal examinations.] A violation of the

[SIE]FINRA Qualification Examinations Rules of Conduct [or the Rules of Conduct for

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<sup>1</sup> The proposed changes to Rules 9522, 9524, 9525 and 9559 reflect changes to the versions of these rules that were effective on May 7, 2020. Temporary versions of these rules have been effective since May 8, 2020. See Securities Exchange Act Release No. 88917 (May 20, 2020), 85 FR 31832 (May 27, 2020) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2020-015); Securities Exchange Act Release No. 89055 (June 12, 2020), 85 FR 36928 (June 18, 2020) (Notice of Filing and Immediate Effectiveness of SR-FINRA-2020-017); Securities Exchange Act Release No. 89423 (July 29, 2020), 85 FR 47278 (August 4, 2020) (Notice of Filing and Immediate Effectiveness of SR-FINRA-2020-022). These rules will revert back to their former state at the conclusion of the temporary relief period and any extension thereof.

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representative and principal examinations] by an associated person shall be deemed to be a violation of Rule 2010. If FINRA determines that an associated person has violated the [SIE]FINRA Qualification Examinations Rules of Conduct [or the Rules of Conduct for representative and principal examinations], the associated person may [forfeit the results of the examination and may] be subject to disciplinary action by FINRA or an expedited proceeding pursuant to Rule 9560, and may forfeit the results of the examination, may be prohibited from taking any FINRA qualification examination (permanently or temporarily), and may be subject to any fitting sanction.

Individuals taking the SIE examination or other FINRA qualification examination who are not associated persons shall agree to be subject to the [SIE]FINRA Qualification Examinations Rules of Conduct. If FINRA determines that such individuals [cheated on the SIE]violated the FINRA Qualification Examinations Rules of Conduct or that they misrepresented their qualifications to the public subsequent to passing the SIE examination or other FINRA qualification examination, they may be subject to an expedited proceeding pursuant to Rule 9560, and they may forfeit the results of the examination and may be prohibited from [retaking the SIE]taking any FINRA qualification examination (permanently or temporarily).

FINRA considers all of its qualification examinations content to be highly confidential. The removal of examination content from an examination center, reproduction, disclosure, receipt from or passing to any person, or use for study purposes of any portion of such qualification examination or any other use that would compromise the effectiveness of the examinations and the use in any manner and at any time of the questions or answers to the examinations shall be prohibited and shall be deemed to be a violation of Rule 2010. An applicant cannot receive

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assistance while taking the examination and shall certify that no assistance was given to or received by him or her during the examination.

A person who is prohibited, in a disciplinary proceeding pursuant to the Rule 9200 or Rule 9300 Series or an expedited proceeding pursuant to Rule 9560, from taking any FINRA qualification examination fails to meet the qualification requirements for associating with a member firm in any registered or unregistered capacity, during the time that the prohibition is in effect.

.06 to .11 No Change.

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**9000. CODE OF PROCEDURE**

**9100. APPLICATION AND PURPOSE**

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**9120. Definitions**

**(a) “Adjudicator”**

The term “Adjudicator” means:

(1) a body, board, committee, group, or natural person that presides over a proceeding and renders a decision;

(2) a body, board, committee, group, or natural person that presides over a proceeding and renders a recommended or proposed decision which is acted upon by an Adjudicator described in paragraph (a)(1) of this Rule; or

(3) a natural person who serves on a body, board, committee, or group described in paragraphs (a)(1) or (2) of this Rule.

The term includes a Review Subcommittee as defined in paragraph ([aa]bb) of this Rule, a Subcommittee as defined in paragraph ([cc]dd) of this Rule, an Extended Proceeding

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Committee as defined in paragraph (l) of this Rule, [and] a Statutory Disqualification Committee as defined in paragraph ([bb]cc) of this Rule, and a Qualifications Committee as defined in paragraph (z) of this Rule.

(b) through (y) No Change.

**(z) “Qualifications Committee”**

The term “Qualifications Committee” means a Subcommittee of the National Adjudicatory Council that makes a recommended decision to grant or deny a written request for relief from the qualification requirements of FINRA to the National Adjudicatory Council pursuant to the Rule 9520 Series.

**(z) through (dd) renumbered as (aa) through (ee).**

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**9500. OTHER PROCEEDINGS**

**9520. Eligibility Proceedings**

**9521. Purpose and Definitions**

**(a) Purpose**

The Rule 9520 Series sets forth procedures for a person to become or remain associated with a member, notwithstanding the existence of a statutory disqualification as defined in Article III, Section 4 of the FINRA By-Laws and for a current member, [or] person associated with a member or other person to obtain relief from the eligibility or qualification requirements of the FINRA By-Laws and FINRA rules. Such actions hereinafter are referred to as “eligibility proceedings.”

**(b) Definitions**

(1) The term “Application” means FINRA’s Form MC-400 for [individuals]disqualified persons or Form MC-400A for disqualified members, filed with the Department of [Registration and Disclosure (“RAD”)]Credentialing, Registration, Education and Disclosure (“CRED”).

(2) through (3) No Change.

(4) The term “sponsoring member” means the member or applicant for membership pursuant to Rule 1013 that is sponsoring the association or continued association of a disqualified person or a person who fails to meet the qualification requirements in Rule 1210.05 to be admitted, readmitted, or permitted to continue in association.

## **9522. Initiation of Eligibility Proceeding; Member Regulation Consideration**

### **(a) Initiation by FINRA**

#### **(1) Issuance of Notice of Disqualification, [or] Ineligibility or Failure to Meet the Rule 1210.05 Qualification Requirements**

If FINRA staff has reason to believe that a disqualification exists, [or] that a member or person associated with a member otherwise fails to meet the eligibility requirements of FINRA or that a person associated with a member fails to meet the qualification requirements in Rule 1210.05, FINRA staff shall issue a written notice to the member or applicant for membership under Rule 1013. The notice shall specify the grounds for such disqualification, [or] ineligibility or failure to meet the Rule 1210.05 qualification requirements. FINRA staff shall not issue such written notice to members or applicants for membership under Rule 1013 with respect to disqualifications arising solely from findings or orders specified in Section 15(b)(4)(D), (E), or (H) of the

Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, unless the member or applicant for membership under Rule 1013 is required to file an application pursuant to a Regulatory Notice entitled “Eligibility Proceedings: Amendments to FINRA Rule 9520 Series to Establish Procedures Applicable to Firms and Associated Persons Subject to Certain Statutory Disqualifications” (the “SD Regulatory Notice”).

**(2) Notice Regarding a Disqualified Member**

No Change.

**(3) Notice Regarding an Associated Person Who Is a Disqualified Person**

A notice issued regarding a disqualified person to a member or applicant for membership under Rule 1013 shall state that such member or applicant for membership may file an application on behalf of itself and such person or, in the case of a matter set forth in Rule 9522(e)(1), a written request for relief, within ten business days after service of the notice. If the member fails to file the application or, where appropriate, the written request for relief, within the 10-day period, the registration of the disqualified person shall be revoked, and the member or applicant for membership under Rule 1013 shall cease to associate with the disqualified person, unless the Department of Member Regulation grants an extension for good cause shown.

**(4) Notice Regarding an Associated Person Who Fails to Meet the Rule**

**1210.05 Qualification Requirements**

A notice issued regarding an associated person who fails to meet the Rule 1210.05 qualification requirements to a member or applicant for membership under Rule 1013 shall state that such member or applicant for membership under Rule 1013 may file a written request for relief, as set forth in Rule 9522(e)(2), within 30 days after service of

the notice. If the member or applicant for membership under Rule 1013 fails to file the written request for relief within the 30-day period, the registration of the person who fails to meet the Rule 1210.05 qualification requirements shall be revoked and the member or applicant for membership under Rule 1013 shall cease to associate with the person, unless the Department of Member Regulation grants an extension for good cause shown.

**([4]5) Service**

No Change.

**(b) Obligation of Member to Initiate Proceeding**

(1) A member shall file an application or, in the case of a matter set forth in Rule 9522(e)(1) or (e)(2), a written request for relief, with [RAD]CRED, if the member determines prior to receiving a notice under paragraph (a) that:

(A) it has become a disqualified member;

(B) a person associated with such member or whose association is proposed by an applicant for membership under Rule 1013 has become a disqualified person; [or]

(C) the member or applicant for membership under Rule 1013 wishes to sponsor the association of a person who is a disqualified person[.];

(D) a person associated with such member or whose association is proposed by an applicant for membership under Rule 1013 fails to meet the qualification requirements in Rule 1210.05 and, where appropriate, the member or applicant for membership under Rule 1013 seeks to obtain relief from the prohibition of that person from taking any FINRA qualification examination; or

(E) the member or applicant for membership under Rule 1013 wishes to sponsor the association of a person who has failed to meet the qualification requirements of Rule 1210.05 and, where appropriate, obtain relief from the prohibition of that person from taking any FINRA qualification examination.

(2) No Change.

**(c) Withdrawal of Application or Written Request for Relief**

A member may withdraw its application or written request for relief prior to a hearing by filing a written notice with [RAD]CRED pursuant to Rules 9135, 9136, and 9137. A member may withdraw its application after the start of a hearing but prior to the issuance of a decision by the National Adjudicatory Council by filing a written notice with [RAD]CRED and the Office of General Counsel pursuant to Rules 9135, 9136, and 9137.

(d) No Change.

**(e) Member Regulation Consideration**

**(1) Eligibility Matters that may be Approved by the Department of Member Regulation without the Filing of an Application**

The Department of Member Regulation, as it deems consistent with the public interest and the protection of investors, is authorized to approve a written request for relief from the eligibility requirements by a disqualified member or a sponsoring member without the filing of an application by such disqualified member or sponsoring member if a disqualified member or disqualified person is subject to one or more of the following conditions but is not otherwise subject to disqualification:

(A) through (C) No Change.



**(2) Qualification Matters that may be Approved by the Department of Member Regulation after the Filing of a Written Request for Relief**

The Department of Member Regulation, as it deems consistent with the public interest and the protection of investors, is authorized to approve a written request for relief from the Rule 1210.05 qualification requirements by a sponsoring member. The Department of Member Regulation may approve a written request for relief, and, if relief is granted, impose conditions on the sponsoring member or person who fails to meet the Rule 1210.05 qualification requirements.

**([2]3) Eligibility Matters that may be Approved by the Department of Member Regulation after the Filing of an Application**

The Department of Member Regulation, as it deems consistent with the public interest and the protection of investors, is authorized to approve an application filed by a disqualified member or sponsoring member if the disqualified member or disqualified person is subject to one or more of the following conditions but is not otherwise subject to disqualification (other than a matter set forth in paragraph (e)(1)):

(A) through (F) No Change.

**([3]4) Rights of Disqualified Member, Sponsoring Member, Disqualified Person, Person Who Fails to Meet the Rule 1210.05 Qualification Requirements and Department of Member Regulation**

(A) In the event the Department of Member Regulation does not approve a written request for relief from the eligibility requirements pursuant to paragraph (e)(1), the disqualified member or sponsoring member may file an application, and such member shall have the right to proceed under Rule 9523 or 9524, as

applicable. The Department of Member Regulation may require a disqualified member or sponsoring member to file an application with [RAD]CRED, notwithstanding the provisions of paragraph (e)(1).

(B) In the event the Department of Member Regulation does not approve a written request for relief from the Rule 1210.05 qualification requirements pursuant to paragraph (e)(2), the sponsoring member shall have the right to proceed under Rule 9524.

([B]C) In the event the Department of Member Regulation does not approve an application pursuant to paragraph (e)([2]3), the disqualified member or sponsoring member shall have the right to proceed under Rule 9523 or 9524, as applicable.

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## **9524. National Adjudicatory Council Consideration**

### **(a) Hearing Panel Consideration**

#### **(1) Appointment of Hearing Panel**

When the disqualified member, sponsoring [firm]member, or applicant requests a hearing, the National Adjudicatory Council or the Review Subcommittee shall appoint a Hearing Panel composed of two or more members, who shall be current or former members of the National Adjudicatory Council, [or] the Statutory Disqualification Committee (for a hearing on an application for relief), or the Qualifications Committee (for a hearing on a written request for relief pursuant to Rule 9522(b)(1) in the case of a matter set forth in Rule 9522(e)(2)), or former Directors or Governors. The Hearing Panel shall conduct a hearing and recommend a decision on the request for relief.

(2) No Change.

**(3) Transmission of Documents**

(A) Upon receipt of an application or, if applicable, a written request for relief pursuant to Rule 9522(b)(1) in the case of a matter set forth in Rule 9522(e)(2), [RAD]CRED shall gather all of the information necessary to process the application or the written request for relief, including (i) [RAD]CRED records for the disqualified member, sponsoring member, [and/or] disqualified person[,] or person who fails to meet the Rule 1210.05 qualification requirements, as the case may be, and the proposed supervisor; and (ii) all of the information submitted by the disqualified member or sponsoring member in support of the application or the written request for relief. [RAD]CRED will prepare an index of these documents, and simultaneously provide this index and copies of the documents to the disqualified member or sponsoring member, as the case may be, the Office of the General Counsel, and the Department of Member Regulation. Such documents shall be served on the disqualified member or sponsoring member, as the case may be, by mail, facsimile, or overnight courier as soon as practicable. The Department of Member Regulation shall serve its recommendation and its supporting documents on the Office of General Counsel and the disqualified member or sponsoring member, as the case may be, within [ten]10 business days of the hearing, unless the Parties agree otherwise. The disqualified member or sponsoring member, as the case may be, shall serve its documents on the Office of General Counsel and the Department of Member Regulation within [ten]10 business days of the hearing, unless the Parties agree

otherwise. The Office of General Counsel shall forward all documents transmitted to it pursuant to this paragraph (a)(3) to the Hearing Panel.

(B) Not less than [ten]10 business days before the hearing, the Department of Member Regulation, which shall act as a Party in the eligibility proceeding, and the disqualified member or sponsoring member, as the case may be, shall serve proposed exhibit and witness lists on each other and the Office of General Counsel. The exhibit and witness lists shall be served by facsimile or overnight courier.

(C) No Change.

**(4) Rights of Disqualified Member, Sponsoring Member, Disqualified Person, Person Who Fails to Meet the Rule 1210.05 Qualification Requirements, and Department of Member Regulation**

The disqualified member, sponsoring member, [and/or] disqualified person[,]or person who fails to meet the Rule 1210.05 qualification requirements, as the case may be, and[,]the Department of Member Regulation, shall be entitled to be heard in person, to be represented by an attorney, and to submit any relevant evidence.

(5) No Change.

**(6) Recordation of Hearing**

The hearing shall be recorded and a transcript prepared by a court reporter. The disqualified member, sponsoring member, [and/or] disqualified person[,]or person who fails to meet the Rule 1210.05 qualification requirements, as the case may be, may purchase a copy of the transcript from the court reporter at prescribed rates. A witness may purchase a copy of the transcript of his or her own testimony from the court reporter

at prescribed rates. Proposed corrections to the transcript may be submitted by affidavit to the Hearing Panel within a reasonable time determined by the Hearing Panel. Upon notice to the participants in the hearing, the Hearing Panel may order corrections to the transcript as requested or sua sponte.

**(7) Record**

The record shall consist of:

(A) the notice issued pursuant to Rule 9522(a), if applicable;

(B) all documents relied upon in issuing the notice under Rule 9522(a), if applicable;

(C) the application for relief filed pursuant to Rule 9522(b), if applicable;

(D) the written request for relief filed pursuant to Rule 9522(b) in the case of a matter set forth in Rule 9522(e)(2), if applicable;

([D]E) any other submissions by the disqualified member, sponsoring member, [and/or] disqualified person, or person who fails to meet the Rule 1210.05 qualification requirements, as the case may be, and the Department of Member Regulation;

([E]F) any evidence considered at the hearing; and

([F]G) the transcript of the hearing and any corrections thereto.

(8) through (9) No Change.

**(10) Recommendation**

On the basis of the record, the Hearing Panel shall present a recommended decision in writing on the [request]application for relief to the Statutory Disqualification Committee or on the written request for relief filed pursuant to Rule 9522(b) in the case

of a matter set forth in Rule 9522(e)(2) to the Qualifications Committee. After considering the record and recommendation of the Hearing Panel, the Statutory Disqualification Committee or the Qualifications Committee shall present its recommended decision in writing to the National Adjudicatory Council.

**(b) Decision**

**(1) Decision of the National Adjudicatory Council**

After considering all matters presented in the application or request for relief, the Statutory Disqualification Committee's or Qualifications Committee's recommended decision, the public interest, and the protection of investors, the National Adjudicatory Council may grant or deny the request for relief, and, if relief is granted, impose conditions on the disqualified member, sponsoring member, [and/or] disqualified person[,] or person who fails to meet the Rule 1210.05 qualification requirements, as the case may be. At any time prior to the issuance of its recommendation, the National Adjudicatory Council may order the Parties to supplement the record with any additional information that the National Adjudicatory Council deems necessary. Alternatively, the National Adjudicatory Council may remand the eligibility proceeding. The National Adjudicatory Council shall prepare a proposed written decision pursuant to paragraph (b)(2).

**(2) Contents of Decision**

In proceedings that concern a statutory disqualification or other failure to meet the eligibility requirements, [T]the decision shall include:

(A) through (C) No Change.

In proceedings that concern a person who fails to meet the Rule 1210.05 qualification requirements, the decision shall include:

(A) a description of the origin of the proceeding and the nature of the person's failure to meet the Rule 1210.05 qualification requirements;

(B) a description of the prospective employment requested to be engaged in, and the qualifications that are required to engage in that employment; and

(C) a statement in support of the disposition of the request for relief, which, if granted, includes a description of the FINRA qualification examinations that the person must pass, if any, and any conditions that are imposed on the sponsoring member or the person who fails to meet the Rule 1210.05 qualification requirements.

**(3) Issuance of Decision After Expiration of Call for Review Period**

The National Adjudicatory Council shall provide its proposed written decision to the FINRA Board. The FINRA Board may call the eligibility proceeding for review pursuant to Rule 9525. If the FINRA Board does not call the eligibility proceeding for review, the proposed written decision of the National Adjudicatory Council shall become final, and the National Adjudicatory Council shall serve its written decision on the disqualified member, sponsoring member, [and/or] disqualified person or person who fails to meet the Rule 1210.05 qualification requirements, as the case may be, and the Department of Member Regulation pursuant to Rules 9132 and 9134. The decision shall constitute final action of FINRA, unless the National Adjudicatory Council remands the eligibility proceeding. A decision to deny re-entry, [or] continued association or relief from the Rule 1210.05 qualification requirements shall be effective immediately. In

proceedings involving statutory disqualifications or other failures to meet the eligibility requirements, [A]a decision to approve shall be effective after the SEC issues an acknowledgment letter or, in cases involving SEC ordered sanctions, an order. In proceedings involving persons who fail to meet the Rule 1210.05 qualification requirements, a decision to approve shall be effective immediately.

**9525. Discretionary Review by the FINRA Board**

(a) through (d) No Change.

**(e) Issuance of Decision**

The FINRA Board shall issue and serve its written decision on the disqualified member, sponsoring member, [and/or] disqualified person or person who fails to meet the Rule 1210.05 qualification requirements, as the case may be, and the Department of Member Regulation pursuant to Rules 9132 and 9134. The decision shall constitute the final action of FINRA, unless the FINRA Board remands the proceeding. A decision to deny re-entry, [or] continued association or relief from the Rule 1210.05 qualification requirements shall be effective immediately. In proceedings involving statutory disqualifications or other failures to meet the eligibility requirements, [A]a decision to approve shall be effective after the SEC issues an acknowledgment letter or, in cases involving SEC-ordered sanctions, an order. In proceedings involving persons who fail to meet the Rule 1210.05 qualification requirements, a decision to approve shall be effective immediately.

**9526. Expedited Review**

**(a) Direction by Executive Committee**

Notwithstanding Rules 9524 and 9525, the FINRA Board Executive Committee, upon request of the Statutory Disqualification Committee or the Qualifications Committee, may direct



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an expedited review of a recommended written decision of the Statutory Disqualification Committee or the Qualifications Committee if the FINRA Board Executive Committee determines that expedited review is necessary for the protection of investors.

(b) No Change.

**(c) No Call for Review**

If no Governor calls the proceeding for review within the time prescribed, the decision shall become final, and the Statutory Disqualification Committee or the Qualifications Committee shall serve the decision on the disqualified member, sponsoring member, [and/or] disqualified person or person who fails to meet the Rule 1210.05 qualification requirements, as the case may be, and the Department of Member Regulation pursuant to Rules 9132 and 9134. The decision shall constitute final action of FINRA. In proceedings involving statutory disqualifications or other failures to meet the eligibility requirements, [T]he decision shall be effective upon approval by the SEC. In proceedings involving persons who fail to meet the Rule 1210.05 qualification requirements, the decision shall be effective immediately.

**(d) Call for Review**

If a Governor calls the eligibility proceeding for review within the prescribed time, a review panel shall meet and conduct a review not later than 14 days after the call for review. The review panel shall be composed of the FINRA Board Executive Committee, except that the Governor who calls the proceeding for review shall serve on the review panel in lieu of a member of the Executive Committee who has the same classification (Industry or Public) as such Governor. The review panel may affirm, modify, or reverse the recommended written decision of the Statutory Disqualification Committee or the Qualifications Committee or remand the

eligibility proceeding with instructions. The review panel shall prepare, issue, and serve its decision pursuant to Rule 9525(d) and (e).

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**9559. Hearing Procedures for Expedited Proceedings Under the Rule 9550 Series**

(a) through (b) No Change.

**(c) Stays**

(1) No Change.

(2) A timely request for a hearing shall stay the effectiveness of a notice issued under Rule 9557 for [ten]10 business days after service of the notice or until the Office of Hearing Officers issues a written order under Rule 9559(o)(4)(A) (whichever period is less), unless FINRA's Chief Executive Officer (or such other senior officer as the Chief Executive Officer may designate) determines that a notice under Rule 9557 shall not be stayed. Where a notice under Rule 9557 is stayed by a request for a hearing, such stay shall remain in effect only for [ten]10 business days after service of the notice or until the Office of Hearing Officers issues a written order under Rule 9559(o)(4)(A) (whichever period is less) and shall not be extended.

(3) No Change.

(4) A timely request for a hearing shall not stay the effectiveness of a notice issued under Rule 9560.

**(d) Appointment and Authority of Hearing Officer [and/]or Hearing Panel**

(1) For proceedings initiated under Rules 9553, 9554, [and] 9556(h) and 9560, the Chief Hearing Officer shall appoint a Hearing Officer to preside over and act as the sole adjudicator for the matter.

(2) through (6) No Change.

**(e) Consolidation or Severance of Proceedings**

Rule 9214 shall govern the consolidation or severance of proceedings, except that, where one of the notices that are the subject of consolidation under this Rule requires that a hearing be held before a Hearing Panel, the hearing of the consolidated matters shall be held before a Hearing Panel. Where two consolidated matters contain different timelines under this Rule, the Chief Hearing Officer or Hearing Officer assigned to the matter has discretion to determine which timeline is appropriate under the facts and circumstances of the case. Where one of the consolidated matters includes an action brought under a Rule that does not permit a stay of the effectiveness of the notice or where FINRA's Chief Executive Officer (or such other senior officer as the Chief Executive Officer may designate), in the case of Rule 9557, or Hearing Officer, in the case of Rule 9558(d), determines that a request for a hearing shall not stay the effectiveness of the notice, the limitation, prohibition, condition, requirement, restriction, or suspension specified in the notice shall not be stayed pending resolution of the case. Where one of the consolidated matters includes an action brought under Rule 9557 that is stayed for up to [ten]10 business days, the requirement [and/]or restriction specified in the notice shall not be further stayed.

**(f) Time of Hearing**

(1) No Change.

(2) A hearing shall be held within [ten]10 days after a respondent is served a petition seeking an expedited proceeding issued under Rule 9556(h).

(3) No Change.

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(4) A hearing shall be held within 30 days after a respondent subject to a notice issued under Rules 9551 through 9555 or Rule 9560 files a written request for a hearing with the Office of Hearing Officers.

(5) No Change.

**(g) Notice of Hearing**

The Hearing Officer shall issue a notice stating the date, time, and place of the hearing as follows:

(1) through (3) No Change.

(4) At least 21 days prior to the hearing in the case of an action brought pursuant to Rules 9551 through 9555 or Rule 9560.

**(h) Transmission of Documents**

(1) Not less than two business days before the hearing in an action brought under Rule 9557, not less than six days before the hearing in an action brought under Rule 9556(h), not less than seven days before the hearing in an action brought under Rules 9556 (except Rule 9556(h)) and 9558, and not less than 14 days before the hearing in an action brought under Rules 9551 through 9555 or Rule 9560, FINRA staff shall provide to the respondent who requested the hearing or the respondent who has received a petition pursuant to Rule 9556(h), by facsimile, email, overnight courier or personal delivery, all documents that were considered in issuing the notice unless a document meets the criteria of Rule 9251(b)(1)(A), (B), (C) or (b)(2). Documents served by facsimile or email shall also be served by either overnight courier or personal delivery. A document that meets the criteria in this paragraph shall not constitute part of the record,

but shall be retained by FINRA until the date upon which FINRA serves a final decision or, if applicable, upon the conclusion of any review by the SEC or the federal courts.

(2) Not less than two business days before the hearing in an action brought under Rule 9557, not less than three days before the hearing in an action brought under Rules 9556 and 9558, and not less than seven days before the hearing in an action brought under Rules 9551 through 9555 or Rule 9560, the parties shall exchange proposed exhibit and witness lists. The exhibit and witness lists shall be served by facsimile, email, overnight courier or personal delivery. Documents served by facsimile or email shall also be served by either overnight courier or personal delivery.

(i) through (m) No Change.

**(n) Sanctions, Costs and Remands**

(1) In any action brought under the Rule 9550 Series, other than an action brought under Rule 9556(h), [or] Rule 9557, or Rule 9560, the Hearing Officer or, if applicable, the Hearing Panel may approve, modify or withdraw any and all sanctions, requirements, restrictions or limitations imposed by the notice and, pursuant to Rule 8310(a), may also impose any other fitting sanction.

(2) In any action brought under Rule 9560 against a person who, at the time the person failed to comply with the FINRA Qualification Examinations Rules of Conduct, was a person associated with a member, the Hearing Officer may approve, modify or withdraw any and all nullifications or prohibitions imposed by the notice and, pursuant to Rule 8310(a), may also impose any other fitting sanction. In any action brought under Rule 9560 against a person who, at the time the person failed to comply with the FINRA Qualification Examinations Rules of Conduct, was not a person associated with a

member, the Hearing Officer may approve, modify or withdraw any and all nullifications or prohibitions imposed by the notice, but may not impose any other sanctions.

([2]3) In an action brought under Rule 9556(h), the Hearing Officer may impose any fitting sanction.

([3]4) In an action brought under Rule 9557, the Hearing Panel shall approve or withdraw the requirements [and/]or restrictions imposed by the notice. If the Hearing Panel approves the requirements [and/]or restrictions and finds that the respondent has not complied with all of them, the Hearing Panel shall impose an immediate suspension on the respondent that shall remain in effect unless FINRA staff issues a letter of withdrawal of all requirements [and/]or restrictions pursuant to Rule 9557(g)(2).

([4]5) The Hearing Officer or, if applicable, the Hearing Panel may impose costs pursuant to Rule 8330 regarding all actions brought under the Rule 9550 Series.

([5]6) In any action brought under the Rule 9550 Series, other than an action brought under Rule 9556(h) or Rule 9557, the Hearing Officer or, if applicable, the Hearing Panel may remand the matter to the department or office that issued the notice for further consideration of specified matters.

**(o) Timing of Decision**

(1) through (2) No Change.

**(3) Proceedings initiated under Rules 9551, 9552, [and] 9555 and 9560**

Within 60 days of the date of the close of the hearing in proceedings initiated under Rules 9551, 9552 and 9555, the Hearing Officer shall prepare a proposed written decision that reflects the views of the Hearing Panel, as determined by majority vote, and provide it to the National Adjudicatory Council's Review Subcommittee. Within 60 days

of the date of the close of the hearing in proceedings initiated under Rule 9560, the Hearing Officer shall prepare a proposed written decision and provide it to the National Adjudicatory Council's Review Subcommittee.

(4) No Change.

(5) If not timely called for review by the National Adjudicatory Council's Review Subcommittee pursuant to paragraph (q) of this Rule, the Hearing Officer's or, if applicable, the Hearing Panel's written decision shall constitute final FINRA action. For decisions issued under Rules 9551 through 9556, [and] 9558, and 9560, the Office of Hearing Officers shall promptly serve the decision of the Hearing Officer or, if applicable, the Hearing Panel on the Parties and provide a copy to each FINRA member with which the respondent is associated.

(6) No Change.

**(p) Contents of Decision**

The decision, which for purposes of Rule 9557 means the written decision issued under paragraph (o)(4)(B) of this Rule, shall include:

(1) through (5) No Change.

(6) a statement describing any sanction, requirement, restriction, prohibition, nullification, or limitation imposed, the reasons therefore, and, if applicable, the date upon which such sanction, requirement, restriction, prohibition, nullification, or limitation shall become effective.

**(q) Call for Review by the National Adjudicatory Council**

(1) No Change.

(2) If the Review Subcommittee calls the proceeding for review within the prescribed time, a Subcommittee of the National Adjudicatory Council shall meet and conduct a review not later than 40 days after the call for review. The Subcommittee shall be composed pursuant to Rule 9331(a)(1). The Subcommittee may elect to hold a hearing or decide the matter on the basis of the record made before the Hearing Officer or, if applicable, the Hearing Panel. Not later than 60 days after the call for review, the Subcommittee shall make its recommendation to the National Adjudicatory Council. Not later than 60 days after receipt of the Subcommittee's recommendation, the National Adjudicatory Council shall serve a final written decision on the parties via overnight courier or facsimile. The National Adjudicatory Council may affirm, modify or reverse the decision of the Hearing Officer or, if applicable, the Hearing Panel. The National Adjudicatory Council also may impose any other fitting sanction, pursuant to Rule 8310(a), and may impose costs, pursuant to 8330; provided, however, that the National Adjudicatory Council may not impose any other fitting sanction in any action brought under Rule 9560 against a person who, at the time the person failed to comply with the FINRA Qualification Examinations Rules of Conduct, was not a person associated with a member. In addition, the National Adjudicatory Council may remand the matter to the Office of Hearing Officers for further consideration of specified matters.

(3) through (6) No Change.

(r) No Change.

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**9560. Failure to Comply with the FINRA Qualification Examinations Rules of Conduct**



**(a) Notice to Person of Examination Score Nullification, Prohibition from Taking any FINRA Qualification Examination, or Both**

If a person, including a person who is not associated with a member, who has agreed to comply with the FINRA Qualification Examinations Rules of Conduct fails to comply with those rules of conduct, FINRA staff may provide written notice to such person nullifying any examination score, prohibiting the person from taking any FINRA qualification examination (permanently or temporarily), or both.

**(b) Service of Notice**

Except as provided below, FINRA staff shall serve the person with such notice (or upon counsel representing the person, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the person) in accordance with Rule 9134 or by facsimile or email. Papers served on a person who took the Securities Industry Essentials (SIE) examination or other FINRA qualification examination may be served at the natural person's enrollment address, as reflected in the Test Enrollment Service System, in addition to the addresses set forth in Rule 9134. When FINRA staff has actual knowledge that the natural person's Test Enrollment Service System address is out of date, duplicate copies shall be served on the natural person at the natural person's last known residential address. Papers served on a person by facsimile or email shall be sent to the person's last known facsimile number or email address and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(1) of Rule 9134 and this paragraph. Papers served on counsel for a person, or other person authorized to represent others under Rule 9141, by facsimile or email shall be sent to the facsimile number or email address that counsel or other person authorized to represent others

under Rule 9141 provides and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) of Rule 9134.

A copy of a notice under this Rule that is served on a person associated with a member also shall be served on such member, in accordance with Rule 9134 or by facsimile or email. Such copy served on a member by facsimile shall be sent to the member's facsimile number listed in the FINRA Contact System submitted to FINRA pursuant to Article 4, Section III of the FINRA By-Laws, except that, if FINRA staff has actual knowledge that a member's FINRA Contact System facsimile number is out of date, duplicate copies shall be sent to the member by overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. A copy of a notice served on a member by email shall be sent to the member's email address listed in the FINRA Contact System submitted to FINRA pursuant to Article 4, Section III of the FINRA By-Laws and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of Rule 9134.

Service is complete upon sending the notice by facsimile or email, mailing the notice by U.S. Postal Service first class mail, first class certified mail, first class registered mail, or Express Mail, sending the notice through a courier service, or delivering it in person, except that, where duplicate service is required, service is complete when the duplicate service is complete.

**(c) Contents of Notice**

A notice issued under this Rule shall state the specific grounds and include the factual basis for the FINRA action. The notice shall state when the FINRA action will take effect. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing

must set forth with specificity any and all defenses to the FINRA action. In addition, the notice shall explain that, pursuant to Rule 9559(n), a Hearing Officer may approve, modify or withdraw any and all nullifications or prohibitions imposed by the notice. In the case of a person who was associated with a member at the time the person failed to comply with FINRA Qualification Examination Rules of Conduct, the notice shall further explain that, pursuant to Rules 8310(a) and 9559(n), a Hearing Officer may impose any fitting sanction.

**(d) Effective Date of Nullification or Prohibition**

The nullification or prohibition referenced in a notice issued under this Rule shall become effective upon service of the notice. The effectiveness of the notice of a nullification or prohibition from taking any FINRA qualification examination shall not be stayed by a request for a hearing pursuant to Rule 9559.

**(e) Request for Hearing**

A person served with a notice under this Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559. A request for a hearing shall be made within 30 days after service of the notice. A request for a hearing must set forth with specificity any and all defenses to the FINRA action.

**(f) Failure to Request Hearing**

The notice shall constitute final FINRA action if the person does not request a hearing within 30 days after service of the notice.