

Special Notice

2024 Election Process Overview

April 19, 2024

Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

Summary

FINRA conducts annual elections to fill positions on the Small Firm Advisory Committee (SFAC), Regional Committees, National Adjudicatory Council (NAC) and FINRA Board of Governors (Board). This *Notice* provides:

- ▶ a description of responsibilities for the various groups;
- ▶ an overview of each elected vacancy to be filled in 2024; and
- ▶ a summary of how eligible individuals can become candidates for election.

FINRA will issue an *Election Notice* describing the specific nomination and election procedures at the start of each election cycle. Individuals interested in being considered for positions on the Regional Committees, SFAC, NAC or Board may submit an indication of interest through FINRA's online [Engagement Portal](#). A summary of the seats up for election in 2024 is in Attachment A.

The purpose of this *Notice* is to encourage involvement by member firms' representatives with diverse skills, backgrounds, perspectives and experiences to become involved in these upcoming elections and provide innovative feedback and support for FINRA's mission.¹

Questions concerning this *Notice* may be directed to Jennifer Piorko Mitchell, Vice President and Deputy Corporate Secretary, at (202) 728-8949 or via [email](#).

Background

FINRA is dedicated to protecting investors and safeguarding market integrity in a manner that facilitates vibrant capital markets. It engages with member firms, investors and other stakeholders in a variety of ways to cultivate a deep expertise in the securities industry to ensure that the markets work for everyone.

As a self-regulatory organization (SRO), FINRA is able to involve the industry and stakeholders more directly in its deliberations and thus benefit from expertise on relevant matters, such as the different business models of firms and how they operate in practice, the complex and rapidly evolving securities markets in which they trade and the concerns of the wide range of investors they serve. FINRA encourages the involvement of its member firms and engagement with its stakeholders through various committees and the Board. Some members on these bodies are appointed and others are elected; this *Notice* provides an overview of the vacancies for elected positions in 2024.

Small Firm Advisory Committee (SFAC)

The [SFAC](#) is an advisory committee that provides guidance to FINRA staff, particularly regarding the potential effects of proposed regulatory initiatives on FINRA's small firms. The SFAC also ensures that issues of particular interest and concern to small firms are effectively communicated to and considered by the Board, including by reviewing and commenting on all new and amended FINRA rule proposals.

The SFAC meets primarily in person typically four times per year in advance of each Board meeting.

SFAC Composition

The SFAC comprises 10 members—five regional members elected by small firms² (one from each FINRA region) and five at-large members appointed by FINRA. Additionally, the Board's small firm governors serve as *ex-officio*, non-voting members of the SFAC. SFAC members serve three-year terms. Once an individual has completed a full three-year elected term, he or she is ineligible to run for re-election for another three years.

The five elected regional members represent the following geographic regions:

- ▶ West Region (Districts 1, 2 and 3)³
- ▶ Midwest Region (Districts 4 and 8)⁴
- ▶ South Region (Districts 5, 6 and 7)⁵
- ▶ North Region (Districts 9 and 11)⁶
- ▶ New York Region (District 10)⁷

2024 SFAC Vacancies

There are two elected seats to fill in 2024 for the North Region and West Region. The term for these seats is January 2025 to December 2027.⁸

SFAC Member Eligibility and Election Process

SFAC elections begin in early September when FINRA publishes an *Election Notice* announcing vacancies on the SFAC, soliciting candidate nominations and describing the procedures for individuals to have their name added to the ballot. Any senior member of a small firm is eligible to run for a regional seat on the SFAC representing the region in which his or her firm has its main office (as indicated in FINRA records). Senior members of firms include owners, chief executive officers, presidents, chief compliance officers, chief operating officers, the firm's Financial and Operations Principal (FINOP) or individuals of comparable status. Eligible candidates self-nominate by submitting to FINRA's Corporate Secretary a completed candidate profile form that includes a biography and personal statement section for voters to learn more about the candidate. Individuals who meet the eligibility requirements will be certified as candidates and included on the ballot.

The SFAC election generally follows the timeline below:

- ▶ **September 2024:** The SFAC election kicks off with an *Election Notice* announcing open seats and soliciting candidates. Nominations are due typically within 30 days of the *Election Notice* publication; certified candidates will be included on the ballot.
- ▶ **October 2024:** Election begins; ballots mailed to small firms in North and West Regions.
- ▶ **November 2024:** Voting period concludes.
- ▶ **December 2024:** FINRA announces election results.
- ▶ **January 2025:** Terms begin for newly elected SFAC members.

Regional Committees

FINRA [Regional Committee](#) members generally meet twice per year primarily in person and serve an important role in the self-regulatory process by, among other things:

- ▶ serving on disciplinary panels in accordance with FINRA rules;
- ▶ alerting FINRA to industry trends that could present regulatory concerns; and
- ▶ consulting with FINRA on proposed policies and rule changes.

In addition, serving on Regional Committees allows members to interact with firms from their region, FINRA staff and many of FINRA's senior executives. Regional Committee members also are often involved in FINRA's conferences and events as panelists, sharing industry knowledge and best practices with peers and regulators.

Regional Committee Composition

FINRA has five Regional Committees representing the geographical regions listed above, each comprising six elected members from each district within that committee's region, with the exception of the New York Region. (Its 12 members are all based in one district, District 10.) Regional Committee members serve three-year terms beginning in January following their election. There is no limit on the number of terms that a Regional Committee member may serve, except that he or she may serve no more than two full terms consecutively.

2024 Regional Committee Vacancies

The Regional Committees' 2024 vacancies are as follows:

- ▶ West Region: Six Vacancies (2 seats each in Districts 1, 2 and 3)
- ▶ Midwest Region: Four Vacancies (2 seats each in Districts 4 and 8)
- ▶ South Region: Six Vacancies (2 seats each in Districts 5, 6 and 7)
- ▶ North Region: Four Vacancies (2 seats each in Districts 9 and 11)
- ▶ New York Region: Four Vacancies (all seats in District 10)

Regional Committee Member Eligibility and Election Process

The district-level Regional Committee elections begin with a call for candidate nominations in September of each year, when FINRA publishes an *Election Notice* listing the coming year's vacancies for each of FINRA's five Regional Committees. Eligible candidates self-nominate by submitting to FINRA's Corporate Secretary a completed candidate profile form that includes a biography and personal statement where voters can learn more about the candidate.

To be eligible to run for election to a Regional Committee, individuals must:

1. be associated with a FINRA member headquartered in the district they are seeking to represent on the Regional Committee; and
2. be registered in the capacity of a branch manager or principal or denoted as a corporate officer of the FINRA member.⁹

The Regional Committee elections generally follow the timeline below:

- ▶ **September 2024:** Regional Committee elections kick off with an *Election Notice* announcing open seats and soliciting candidates. Nominations are due typically within 30 days of the *Election Notice* publication; certified candidates will be included on the ballot.

- ▶ **October 2024:** Elections begin; ballots mailed to firms in regions with contested seats.
- ▶ **November 2024:** Voting period concludes.
- ▶ **December 2024:** FINRA announces the election results.
- ▶ **January 2025:** Terms begin for newly elected Regional Committee members.

National Adjudicatory Council (NAC)

The [NAC](#) is an adjudicatory body that reviews all disciplinary decisions FINRA hearing panels issues and presides over disciplinary matters that have been appealed to or called for review by the NAC. The NAC also reviews statutory disqualification matters, considers appeals of membership proceedings, considers appeals of requests for exemptions and acts in other proceedings as set forth in the Code of Procedure. In addition, FINRA consults with the NAC on rule proposals related to the disciplinary process and recommended changes to the Sanction Guidelines, which address disciplinary fines and sanctions.

The NAC meets primarily in person four times per year; in addition to attending the meetings, NAC members will also be requested to serve on appeals, which involves reading the record of the case and attending oral argument, and to participate in several conference calls to handle NAC matters.

NAC Composition

The NAC comprises 15 members—seven industry members and eight non-industry members. The seven industry members of the NAC include two at-large industry members and five members elected to the following seats: two small firm seats, one mid-size firm seat and two large firm seats.¹⁰ Of the eight non-industry NAC members, at least three are public members. NAC members serve four-year terms beginning the January following their appointment. No NAC member may serve consecutive terms, except that if a NAC member is appointed to fill a vacancy for a term of less than one year, the NAC member may serve a single four-year term following the expiration of the member’s initial term.

2024 NAC Vacancy

There is one elected position to fill in 2024—one small firm seat. The newly elected NAC member will serve a four-year term beginning in January following his or her election.¹¹

NAC Member Candidate Eligibility

The Board’s Nominating & Governance Committee (Nominating Committee)

nominates candidates to run for election or appointment to seats on the NAC.¹² Individuals may also petition to become candidates for the five elected NAC seats designated by firm size category. Industry members of the NAC are generally individuals associated with a broker-dealer as an employee, officer, director or controlling person.¹³ In addition, individuals who own more than five percent of the equity securities of a broker-dealer, or provide professional services to a broker-dealer or SRO, may also only be eligible for an industry member seat.¹⁴

To be considered for nomination by the Nominating Committee as a FINRA candidate, interested persons should submit an indication of interest through FINRA's online [Engagement Portal](#).

NAC Election Process

The NAC election generally follows the timeline below:

- ▶ **August 2024:** The NAC election kicks off with an *Election Notice* announcing the FINRA nominee and start of the petition period for eligible individuals who were not nominated to try to become candidates. The petition period runs for 45 days, after which the Corporate Secretary reviews all submitted petitions and certifies candidates who submitted enough valid petitions.
- ▶ **October 2024:** Election begins; ballots mailed to small firms.
- ▶ **November 2024:** Voting period concludes.
- ▶ **December 2024:** FINRA announces the election results.
- ▶ **January 2025:** Term begins for newly elected NAC member.

Board of Governors

The Board is the governing body of the corporation and is responsible for overseeing management in the administration of FINRA's affairs and the promotion of FINRA's welfare, objectives and purposes. The Board meets primarily in person five times per year; the Board also occasionally has off-cycle virtual meetings.

Board Composition

The [Board](#) currently consists of 23 members, comprising 12 public governors and 10 industry governors and one seat reserved for FINRA's CEO. The 10 industry governors include three appointed governors—the Floor Member Governor¹⁵, an Independent Dealer/Insurance Affiliate Governor¹⁶ and an Investment Company Affiliate Governor¹⁷; and seven elected governors—three small firm governors, one mid-size firm governor and three large firm governors.

The Nominating Committee nominates candidates to run for election or

appointment to all seats on the Board.¹⁸ Individuals may also petition to become candidates for the seven elected governor seats on the Board designated by firm size category. To be eligible to serve as an elected small firm, mid-size firm or large firm governor, individuals must be registered with a member firm in that firm size category.¹⁹

These governors are elected for three-year terms by the firms eligible to vote for that category of governorship, and generally may not serve more than two consecutive terms.²⁰

2024 Board Vacancies

There are three elected seats to fill in 2024: one small firm seat, one mid-size firm seat and one large firm seat. The term for these seats begins at FINRA's Annual Meeting in August 2024 and ends at the Annual Meeting in 2027.

Individuals interested in being considered for nomination for any of these Board positions may submit an indication of interest through FINRA's online [Engagement Portal](#).

Board Election Process

The Board election generally follows the timeline below:

- ▶ **May 2024:** The Board election kicks off with an *Election Notice* announcing the FINRA nominee(s) and the start of the petition period for eligible individuals who were not nominated to try to become candidates. The petition period runs for 45 days, after which the Corporate Secretary reviews all submitted petitions and certifies candidates who submitted enough valid petitions.
- ▶ **July 2024:** Election begins; ballots mailed to small, mid-size and large firms.
- ▶ **August 2024:** FINRA holds its Annual Meeting when the voting period concludes; terms begin for newly elected Board members

Seats up for Election in 2024

FINRA Board	NAC	Regional Committees	SFAC
Elected Seat Vacancies in 2024			
<ul style="list-style-type: none"> ▶ One small firm seat ▶ One mid-size firm seat ▶ One large firm seat 	<ul style="list-style-type: none"> ▶ One small firm seat 	<ul style="list-style-type: none"> ▶ West Region: 6 Vacancies (2 seats each in Districts 1, 2 and 3) ▶ Midwest Region: 4 Vacancies (2 seats each in Districts 4 and 8) ▶ South Region: 6 Vacancies (2 seats each in Districts 5, 6 and 7) ▶ North Region: 4 Vacancies (2 seats each in Districts 9 and 11) ▶ New York Region: 4 Vacancies (4 seats in District 10) 	<ul style="list-style-type: none"> ▶ One North Region seat ▶ One West Region seat
Term Length			
3-year terms 2 consecutive terms limit	4-year terms May not serve consecutive terms (unless appointed to a term of less than one year)	3-year terms No term limit, but may only serve 2 terms consecutively	3-year terms 1 term limit (eligible to run again three years after term ends)
Timing			
Nominees and petition procedures announced in May; election begins in July and concludes in August.	Nominees and petition procedures announced in August; election begins in September or October and concludes in November.	Self-nomination procedures announced in September; election begins in October and concludes in November.	Self-nomination procedures announced in September; election begins in October and concludes in November.
How to Become a Nominee for an elected Position			
Nomination by the FINRA Nominating Committee or Submit the requisite number of valid petitions in support of your nomination by the petition due date.	Nomination by the FINRA Nominating Committee or Submit the requisite number of valid petitions in support of your nomination by the petition due date.	Every individual who submits a Candidate Profile Form and meets the eligibility requirements will be included on the ballot.	Every individual who submits a Candidate Profile Form and meets the eligibility requirements will be included on the ballot.
Firm Voting Eligibility			
Firms are eligible to vote for one of the candidates running for a seat in the same size category as their own firm.	Firms are eligible to vote for one of the candidates running for a seat in the same size category as their own firm.	Firms are eligible to vote for candidates running for the seat on the Regional Committee corresponding to the district in which the firm is headquartered.	FINRA small firms are eligible to vote for candidates running for the SFAC seat representing the region corresponding to the district to which they are assigned in CRD.

Endnotes

1. See also [Special Notice 2/27/24](#) regarding service opportunities on FINRA's advisory committees.
2. A small firm employs at least one and no more than 150 registered persons. See FINRA By-Laws, Article I(ww).
3. The West Region consists of:
 - ▶ District No. 1: State of Hawaii; in the State of California, the Counties of Monterey, San Benito, Fresno and Inyo, and the remainder of the State North or West of such Counties; and in the State of Nevada, the Counties of Esmeralda and Nye, and the remainder of the State North or West of such Counties.
 - ▶ District No. 2: In the State of California, that part of the State South or East of the Counties of Monterey, San Benito, Fresno and Inyo; and, in the State of Nevada, that part of the State South or East of the Counties of Esmeralda and Nye, and all Pacific possessions and territories of the United States.
 - ▶ District No. 3: States of Alaska, Arizona, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington and Wyoming.
4. The Midwest Region consists of:
 - ▶ District No. 4: States of Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota.
 - ▶ District No. 8: States of Illinois, Indiana, Kentucky, Michigan, Ohio and Wisconsin.
5. The South Region consists of:
 - ▶ District No. 5: States of Alabama, Arkansas, Louisiana, Mississippi, Oklahoma and Tennessee.
 - ▶ District No. 6: State of Texas.
 - ▶ District No. 7: States of Florida, Georgia, North Carolina, and South Carolina, Puerto Rico and the Virgin Islands.
6. The North Region consists of:
 - ▶ District No. 9: The District of Columbia, and the States of Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia, and New York (except for the five Boroughs of New York City and the Counties of Nassau and Suffolk).
 - ▶ District No. 11: States of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.
7. The New York Region consists of:
 - ▶ District No. 10: In the State of New York, the five Boroughs of New York City and the Counties of Nassau and Suffolk.
8. In addition to the upcoming two SFAC elected vacancies, there will be one appointed at-large seat vacancy in 2024.
9. A FINRA member is headquartered where it designates its main address on the member's Form BD. See FINRA Regulation By-Laws, Article VIII, Sec. 8.2(a)(2).
10. FINRA Regulation By-Laws, Article V, Sec. 5.2(a).
11. In addition to the one NAC elected vacancy, there will be vacancies for two non-industry appointed seats in 2024.
12. FINRA Regulation By-Laws, Article V, Sec. 5.3.
13. FINRA Regulation By-Laws, Article I(w). To be eligible to serve as an elected small firm, mid-size firm or large-firm member, individuals must also be registered with a member firm in that size category. FINRA Regulation By-Laws, Article I(kk), (aa), (y).

14. FINRA Regulation By-Laws, Article I(w).
15. FINRA By-Laws, Article I(n).
16. FINRA By-Laws, Article I(r).
17. FINRA By-Laws, Article I(w).
18. In addition, FINRA's public governors are appointed by the Board from candidates nominated by the Nominating Committee.
19. FINRA By-Laws, Article I(xx), (dd), and (z).
20. If a governor is elected to fill a vacancy for a term of less than one year, the governor may serve up to two consecutive terms after the expiration of the governor's initial term. *See* FINRA By-Laws, Article VII, Sec. 5.