

Required fields are shown with yellow backgrounds and asterisks.

| | | | | | |
|--|--|--|--|---|--|
| Page 1 of * 27 | | SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4 | | File No. * SR 2025 - * 007 Amendment No. (req. for Amendments *) | |
| Filing by Financial Industry Regulatory Authority Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934 | | | | | |
| Initial * <input checked="" type="checkbox"/> | | Amendment * <input type="checkbox"/> | | Withdrawal <input type="checkbox"/> | |
| Section 19(b)(2) * <input type="checkbox"/> | | Section 19(b)(3)(A) * <input checked="" type="checkbox"/> | | Section 19(b)(3)(B) * <input type="checkbox"/> | |
| Pilot <input type="checkbox"/> | | Extension of Time Period for Commission Action * <input type="checkbox"/> | | Date Expires * <input type="text"/> | |
| | | Rule | | | |
| | | <input type="checkbox"/> 19b-4(f)(1) | | <input type="checkbox"/> 19b-4(f)(4) | |
| | | <input checked="" type="checkbox"/> 19b-4(f)(2) | | <input type="checkbox"/> 19b-4(f)(5) | |
| | | <input type="checkbox"/> 19b-4(f)(3) | | <input type="checkbox"/> 19b-4(f)(6) | |
| Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/> | | | Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/> | | |
| Exhibit 2 Sent As Paper Document <input type="checkbox"/> | | | Exhibit 3 Sent As Paper Document <input type="checkbox"/> | | |
| Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>Proposed Rule Change to Modify the Implementation Schedule of Amendments to Section 7 of Schedule A to the FINRA By-Laws Adopted in SR-FINRA-2024-019</div> | | | | | |
| Contact Information Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action. First Name * Ilana Last Name * Reid Title * Associate General Counsel E-mail * ilana.reid@finra.org Telephone * (202) 728-8268 Fax | | | | | |
| Signature Pursuant to the requirements of the Securities Exchange of 1934, Financial Industry Regulatory Authority has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. Date 06/05/2025 (Title *) By Robert McNamee Vice President & Associate General Counsel (Name *) <div>NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.</div> <div>Robert.McNamee@finra.org Digitally signed by Robert.McNamee@finra.org Date: 2025.06.05 14:00:45 -04'00'</div> | | | | | |

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

Form 19b-4 Information *

| | | |
|---------------------------|--------|------|
| Add | Remove | View |
| FINRA-2025-007 19b-4.docx | | |
| | | |

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

| | | |
|-------------------------------|--------|------|
| Add | Remove | View |
| FINRA-2025-007 Exhibit 1.docx | | |
| | | |

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

| | | |
|-----|--------|------|
| Add | Remove | View |
| | | |

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

| | | |
|-----|--------|------|
| Add | Remove | View |
| | | |

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

☐ Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

| | | |
|-----|--------|------|
| Add | Remove | View |
| | | |

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

☐ Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

| | | |
|-----|--------|------|
| Add | Remove | View |
| | | |

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

| | | |
|-------------------------------|--------|------|
| Add | Remove | View |
| FINRA-2025-007 Exhibit 5.docx | | |
| | | |

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

| | | |
|-----|--------|------|
| Add | Remove | View |
| | | |

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ the Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to modify the implementation schedule of amendments adopted in SR-FINRA-2024-019 with respect to fees for filing documents pursuant to the securities offering rules under Section 7 of Schedule A to the FINRA By-Laws.

The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The FINRA Board of Governors authorized the filing of the proposed rule change with the SEC. No other action by FINRA is necessary for the filing of the proposed rule change.

FINRA has filed the proposed rule change for immediate effectiveness. The effective date and the implementation date will be the date of filing. The proposed rule change would modify the previously adopted schedule for implementing amendments to fees for filing documents pursuant to the securities offering rules under Section 7 of Schedule A to the FINRA By-Laws from July 1, 2025 through December 31, 2026. Implementation of those fee changes would instead commence on January 1, 2027 at the previously adopted rates for that year.

¹ 15 U.S.C. 78s(b)(1).

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

In November 2024, FINRA filed a proposed rule change to increase the revenues that FINRA, as a not-for-profit self-regulatory organization, relies upon to fund its regulatory mission.² The fees raised in the 2024 Fee Filing include fees related to FINRA’s core regulatory functions as well as select fees related to the use of FINRA programs and services scheduled to be phased in gradually over a five-year period.³ For operational reasons and to give member firms and issuers additional time to budget and plan, FINRA proposes to modify the implementation schedule for two fee changes adopted in the 2024 Fee Filing: (i) the new fee related to review of private placements submitted to FINRA’s Corporate Financing Department (“Corporate Financing”) (the “Corporate Financing Private Placement Review Fee”); and (ii) the increases to the fee caps related to review of public offerings submitted to Corporate Financing (the “Corporate Financing Public Offering Review Fee”).

The Corporate Financing Private Placement Review Fee currently will become effective on July 1, 2025.⁴ The increases to the Corporate Financing Public Offering

² See Securities Exchange Act Release No. 101696 (November 21, 2024), 89 FR 93709 (November 27, 2024) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2024-019) (“2024 Fee Filing”).

³ See supra note 2.

⁴ As described in the 2024 Fee Filing, supra note 2, the Corporate Financing Private Placement Review Fee consists of both a flat fee and a percentage of the maximum offering proceeds. This fee applies only to private placement offerings of greater than \$25 million and is capped at \$40,300 (0.008% of \$500,000,000 offering + \$300 flat fee).

Review Fee cap currently will become effective on July 1, 2025, and for Well-Known Seasoned Issuers (“WKSIs”), currently will be phased in between July 1, 2025 and January 1, 2029.⁵

The proposed rule change would modify the implementation schedule for the new Corporate Financing Private Placement Review Fee and the Corporate Financing Public Offering Review Fee increases from July 1, 2025 through December 31, 2026. During that 18-month period, Corporate Financing would continue its review of private placements at no charge and of public offerings at the current rate without increase.⁶ Under the proposed rule change, the new Corporate Financing Private Placement Review Fee and the Corporate Financing Public Offering Review Fee increases would be implemented on January 1, 2027 as follows at the rates previously adopted in the 2024 Fee Filing, to occur on January 1, 2027, 2028 and 2029, respectively:

⁵ As described in the 2024 Fee Filing, supra note 2, the Corporate Financing Public Offering Review Fee provides for a flat fee of \$500 plus .015% of the proposed maximum aggregate offering price or other applicable value of all securities registered on an SEC registration statement or included on any other type of offering document (where not filed with the SEC), with a cap of \$225,500; or a fee of \$225,500 for an offering of securities filed with the SEC and offered pursuant to Securities Act Rule 415 by a WSKI as defined in Securities Act Rule 405. As adopted, the non-WSKI fee cap would increase to \$1,125,000 on July 1, 2025. As adopted, the WSKI fee cap would increase to \$270,000 on July 1, 2025; \$324,000 on January 1, 2026; \$389,000 on January 1, 2027; \$467,000 on January 1, 2028; and \$560,000 on January 1, 2029.

⁶ As discussed above, the current Corporate Financing Public Offering Review Fee includes a flat fee of \$500, a rate of .015%, and a fee cap of \$225,500. See supra note 5.

| Corporate Financing Private Placement Review Fee – Proposed Implementation | | | | | |
|--|-------------------------|-------------------------|---------------|---------------|---------------|
| <u>Private Placements (Offerings >\$25M)</u> | <u>2025 (no change)</u> | <u>2026 (no change)</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> |
| Flat Fee | \$0 | \$0 | \$300 | \$300 | \$300 |
| % of Offering | 0% | 0% | 0.008% | 0.008% | 0.008% |
| Offering Cap | \$0 | \$0 | \$500 million | \$500 million | \$500 million |

| Corporate Financing Public Offering Review Fee Cap – Proposed Implementation | | | | | |
|--|-------------------------|-------------------------|-------------|-------------|-------------|
| | <u>2025 (no change)</u> | <u>2026 (no change)</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> |
| Non-WKSI | \$225,500 | \$225,500 | \$1,125,000 | \$1,125,000 | \$1,125,000 |
| WKSI | \$225,500 | \$225,500 | \$389,000 | \$467,000 | \$560,000 |

The proposed modified implementation schedule would apply to both the new Corporate Financing Private Placement Review Fee and the increases to the Corporate Financing Public Offering Review Fee cap so that member firms and issuers that engage in private or public offerings have additional time for operational, budgeting, and financial planning purposes. The proposed modified implementation schedule would also provide FINRA additional time to review possible changes to statutes and regulations regarding offerings. In addition, it would give FINRA more time to establish processes related to assessing and collecting the new Corporate Financing Private Placement Review Fee. Although FINRA has been working towards establishing the systems needed to implement the new fee before its effective date (currently July 1, 2025), FINRA requires additional time to adjust its programming and processes. The

proposed rule change will not impair Corporate Financing's ability to perform its core functions, including its review of public offerings and private placements.⁷ The proposed modification to the implementation schedule with respect to these fees will not decrease the amount of revenue each fee is designed to generate annually once fully implemented in 2029.⁸

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness. The effective date and the implementation date will be the date of filing. The proposed rule change would modify the previously adopted schedule for implementing amendments to fees for filing documents pursuant to the securities offering rules under Section 7 of Schedule A to the FINRA By-Laws from July 1, 2025 through December 31, 2026. Implementation of those fee changes would instead commence on January 1, 2027 at the previously adopted rates for that year.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act,⁹ which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among

⁷ FINRA has explained that numerous operations and services must be funded by general revenue sources, which include both core regulatory and other use-based fees. See 2024 Fee Filing, supra note 2.

⁸ As explained in the 2024 Fee Filing, supra note 2, the fee increases adopted as a whole were designed to allow FINRA to balance its cash flow sources, operating expenses and capital expenditures, and stabilize its financial reserves by 2029. When the proposed new fee for private placement review is fully implemented, it is designed to generate \$6 million in annual revenue by 2029. When the proposed fee increase to the public offering review fee is fully implemented, it is designed to generate an additional \$31 million in annual revenue by 2029.

⁹ 15 U.S.C. 78o-3(b)(5).

members and issuers and other persons using any facility or system that FINRA operates or controls. FINRA further believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹⁰ which requires, among other things, that FINRA rules are not designed to permit unfair discrimination between customers, issuers, brokers or dealers.

As described in the 2024 Fee Filing, FINRA adopted fee increases to its core regulatory fees as well as select use-based fees—including the Corporate Financing Private Placement Review Fee and Corporate Financing Public Offering Review Fee—to more effectively allow FINRA to balance its cash flow sources, operating expenses and capital expenditures, and stabilize its financial reserves by 2029 in a manner consistent with FINRA’s public Financial Guiding Principles.¹¹ Because the proposed modification of the implementation schedule for these two use-based fees will not change the amount of revenue each fee is designed to generate annually by 2029, FINRA believes the proposed rule change would maintain the equitable allocation of reasonable fees adopted under the 2024 Fee Filing. Further, FINRA believes that modifying the schedule for implementing the specified Corporate Financing-related fee changes will not result in unfair discrimination between issuers and brokers or dealers impacted by these fees;

¹⁰ 15 U.S.C 78o-3(b)(6).

¹¹ See 2024 Fee Filing, supra note 2; see also FINRA’s Financial Guiding Principles, https://www.finra.org/sites/default/files/finra_financial_guiding_principles_0.pdf.

rather, it will provide FINRA and those parties additional time to plan for and operationalize those fees.¹²

4. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. As discussed above, the proposed rule change would modify the previously adopted schedule for implementing the Corporate Financing Private Placement Review Fee and increasing the caps for the Corporate Financing Public Offering Review Fee from July 1, 2025 through December 31, 2026. As discussed above, during that 18-month period, Corporate Financing will continue its review of private placements at no charge and of public offerings at the current rate without increase.¹³ FINRA does not expect the proposed rule change to have any significant effect on members.¹⁴

In principle, the proposed change to the implementation schedule may impact incentives among issuers, for example by influencing the amount of offerings or how issuers time offerings in relation to the implementation date of fee changes applicable to such offerings. FINRA expects all such effects to be small given the relatively short length of the period at issue (18 months), and because numerous external market factors

¹² As explained in the 2024 Fee Filing, supra note 2, FINRA believes that the Corporate Financing Private Placement Review Fee and Corporate Financing Public Offering Review Fee are or would be paid for by, or passed through to, issuers.

¹³ The expected temporary reduction in revenue during this 18-month period will not impair FINRA's ability to perform its core functions. See supra note 7 and accompanying text.

¹⁴ See supra note 12.

other than fees impact the amount and timing of offerings. Further, FINRA believes that, by providing more time to adjust to the fee changes, the proposed rule change would reduce costs associated with adapting systems to the scheduled changes.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act¹⁵ and paragraph (f)(2) of Rule 19b-4 thereunder,¹⁶ in that the proposed rule change is establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

¹⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁶ 17 CFR 240.19b-4(f)(2).

11. Exhibits

Exhibit 1. Completed notice of proposed rule change for publication in the Federal Register.

Exhibit 5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-FINRA-2025-007)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Modify the Implementation Schedule of Amendments to Section 7 of Schedule A to the FINRA By-Laws Adopted in SR-FINRA-2024-019

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on , the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as “establishing or changing a due, fee or other charge” under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon receipt of this filing by the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

FINRA is proposing to modify the implementation schedule of amendments adopted in SR-FINRA-2024-019 with respect to fees for filing documents pursuant to the securities offering rules under Section 7 of Schedule A to the FINRA By-Laws.

The text of the proposed rule change is available on FINRA's website at <http://www.finra.org>, at the principal office of FINRA and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FINRA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

In November 2024, FINRA filed a proposed rule change to increase the revenues that FINRA, as a not-for-profit self-regulatory organization, relies upon to fund its regulatory mission.⁵ The fees raised in the 2024 Fee Filing include fees related to FINRA's core regulatory functions as well as select fees related to the use of FINRA

⁵ See Securities Exchange Act Release No. 101696 (November 21, 2024), 89 FR 93709 (November 27, 2024) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2024-019) ("2024 Fee Filing").

programs and services scheduled to be phased in gradually over a five-year period.⁶ For operational reasons and to give member firms and issuers additional time to budget and plan, FINRA proposes to modify the implementation schedule for two fee changes adopted in the 2024 Fee Filing: (i) the new fee related to review of private placements submitted to FINRA’s Corporate Financing Department (“Corporate Financing”) (the “Corporate Financing Private Placement Review Fee”); and (ii) the increases to the fee caps related to review of public offerings submitted to Corporate Financing (the “Corporate Financing Public Offering Review Fee”).

The Corporate Financing Private Placement Review Fee currently will become effective on July 1, 2025.⁷ The increases to the Corporate Financing Public Offering Review Fee cap currently will become effective on July 1, 2025, and for Well-Known Seasoned Issuers (“WKSIs”), currently will be phased in between July 1, 2025 and January 1, 2029.⁸

⁶ See supra note 5.

⁷ As described in the 2024 Fee Filing, supra note 5, the Corporate Financing Private Placement Review Fee consists of both a flat fee and a percentage of the maximum offering proceeds. This fee applies only to private placement offerings of greater than \$25 million and is capped at \$40,300 (0.008% of \$500,000,000 offering + \$300 flat fee).

⁸ As described in the 2024 Fee Filing, supra note 5, the Corporate Financing Public Offering Review Fee provides for a flat fee of \$500 plus .015% of the proposed maximum aggregate offering price or other applicable value of all securities registered on an SEC registration statement or included on any other type of offering document (where not filed with the SEC), with a cap of \$225,500; or a fee of \$225,500 for an offering of securities filed with the SEC and offered pursuant to Securities Act Rule 415 by a WKSI as defined in Securities Act Rule 405. As adopted, the non-WKSI fee cap would increase to \$1,125,000 on July 1, 2025. As adopted, the WKSI fee cap would increase to \$270,000 on July 1, 2025; \$324,000 on January 1, 2026; \$389,000 on January 1, 2027; \$467,000 on January 1, 2028; and \$560,000 on January 1, 2029.

The proposed rule change would modify the implementation schedule for the new Corporate Financing Private Placement Review Fee and the Corporate Financing Public Offering Review Fee increases from July 1, 2025 through December 31, 2026. During that 18-month period, Corporate Financing would continue its review of private placements at no charge and of public offerings at the current rate without increase.⁹

Under the proposed rule change, the new Corporate Financing Private Placement Review Fee and the Corporate Financing Public Offering Review Fee increases would be implemented on January 1, 2027 as follows at the rates previously adopted in the 2024 Fee Filing, to occur on January 1, 2027, 2028 and 2029, respectively:

| Corporate Financing Private Placement Review Fee – Proposed Implementation | | | | | |
|--|-------------------------|-------------------------|---------------|---------------|---------------|
| <u>Private Placements (Offerings >\$25M)</u> | <u>2025 (no change)</u> | <u>2026 (no change)</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> |
| Flat Fee | \$0 | \$0 | \$300 | \$300 | \$300 |
| % of Offering | 0% | 0% | 0.008% | 0.008% | 0.008% |
| Offering Cap | \$0 | \$0 | \$500 million | \$500 million | \$500 million |

| Corporate Financing Public Offering Review Fee Cap – Proposed Implementation | | | | | |
|--|-------------------------|-------------------------|-------------|-------------|-------------|
| | <u>2025 (no change)</u> | <u>2026 (no change)</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> |
| Non-WKSI | \$225,500 | \$225,500 | \$1,125,000 | \$1,125,000 | \$1,125,000 |
| WKSI | \$225,500 | \$225,500 | \$389,000 | \$467,000 | \$560,000 |

⁹ As discussed above, the current Corporate Financing Public Offering Review Fee includes a flat fee of \$500, a rate of .015%, and a fee cap of \$225,500. See supra note 8.

The proposed modified implementation schedule would apply to both the new Corporate Financing Private Placement Review Fee and the increases to the Corporate Financing Public Offering Review Fee cap so that member firms and issuers that engage in private or public offerings have additional time for operational, budgeting, and financial planning purposes. The proposed modified implementation schedule would also provide FINRA additional time to review possible changes to statutes and regulations regarding offerings. In addition, it would give FINRA more time to establish processes related to assessing and collecting the new Corporate Financing Private Placement Review Fee. Although FINRA has been working towards establishing the systems needed to implement the new fee before its effective date (currently July 1, 2025), FINRA requires additional time to adjust its programming and processes. The proposed rule change will not impair Corporate Financing's ability to perform its core functions, including its review of public offerings and private placements.¹⁰ The proposed modification to the implementation schedule with respect to these fees will not decrease the amount of revenue each fee is designed to generate annually once fully implemented in 2029.¹¹

¹⁰ FINRA has explained that numerous operations and services must be funded by general revenue sources, which include both core regulatory and other use-based fees. See 2024 Fee Filing, supra note 5.

¹¹ As explained in the 2024 Fee Filing, supra note 5, the fee increases adopted as a whole were designed to allow FINRA to balance its cash flow sources, operating expenses and capital expenditures, and stabilize its financial reserves by 2029. When the proposed new fee for private placement review is fully implemented, it is designed to generate \$6 million in annual revenue by 2029. When the proposed fee increase to the public offering review fee is fully implemented, it is designed to generate an additional \$31 million in annual revenue by 2029.

FINRA has filed the proposed rule change for immediate effectiveness. The effective date and the implementation date will be the date of filing. The proposed rule change would modify the previously adopted schedule for implementing amendments to fees for filing documents pursuant to the securities offering rules under Section 7 of Schedule A to the FINRA By-Laws from July 1, 2025 through December 31, 2026. Implementation of those fee changes would instead commence on January 1, 2027 at the previously adopted rates for that year.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act,¹² which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls. FINRA further believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹³ which requires, among other things, that FINRA rules are not designed to permit unfair discrimination between customers, issuers, brokers or dealers.

As described in the 2024 Fee Filing, FINRA adopted fee increases to its core regulatory fees as well as select use-based fees—including the Corporate Financing Private Placement Review Fee and Corporate Financing Public Offering Review Fee—to more effectively allow FINRA to balance its cash flow sources, operating expenses and capital expenditures, and stabilize its financial reserves by 2029 in a manner consistent

¹² 15 U.S.C. 78o-3(b)(5).

¹³ 15 U.S.C 78o-3(b)(6).

with FINRA's public Financial Guiding Principles.¹⁴ Because the proposed modification of the implementation schedule for these two use-based fees will not change the amount of revenue each fee is designed to generate annually by 2029, FINRA believes the proposed rule change would maintain the equitable allocation of reasonable fees adopted under the 2024 Fee Filing. Further, FINRA believes that modifying the schedule for implementing the specified Corporate Financing-related fee changes will not result in unfair discrimination between issuers and brokers or dealers impacted by these fees; rather, it will provide FINRA and those parties additional time to plan for and operationalize those fees.¹⁵

B. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. As discussed above, the proposed rule change would modify the previously adopted schedule for implementing the Corporate Financing Private Placement Review Fee and increasing the caps for the Corporate Financing Public Offering Review Fee from July 1, 2025 through December 31, 2026. As discussed above, during that 18-month period, Corporate Financing will continue its review of private placements at no charge and of

¹⁴ See 2024 Fee Filing, supra note 5; see also FINRA's Financial Guiding Principles, https://www.finra.org/sites/default/files/finra_financial_guiding_principles_0.pdf.

¹⁵ As explained in the 2024 Fee Filing, supra note 5, FINRA believes that the Corporate Financing Private Placement Review Fee and Corporate Financing Public Offering Review Fee are or would be paid for by, or passed through to, issuers.

public offerings at the current rate without increase.¹⁶ FINRA does not expect the proposed rule change to have any significant effect on members.¹⁷

In principle, the proposed change to the implementation schedule may impact incentives among issuers, for example by influencing the amount of offerings or how issuers time offerings in relation to the implementation date of fee changes applicable to such offerings. FINRA expects all such effects to be small given the relatively short length of the period at issue (18 months), and because numerous external market factors other than fees impact the amount and timing of offerings. Further, FINRA believes that, by providing more time to adjust to the fee changes, the proposed rule change would reduce costs associated with adapting systems to the scheduled changes.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁸ and paragraph (f)(2) of Rule 19b-4 thereunder.¹⁹ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or

¹⁶ The expected temporary reduction in revenue during this 18-month period will not impair FINRA's ability to perform its core functions. See supra note 10 and accompanying text.

¹⁷ See supra note 15.

¹⁸ 15 U.S.C. 78s(b)(3)(A).

¹⁹ 17 CFR 240.19b-4(f)(2).

appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2025-007 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2025-007. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule

change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR-FINRA-2025-007 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Jill M. Peterson
Assistant Secretary

²⁰ 17 CFR 200.30-3(a)(12).

EXHIBIT 5A

Below is the text of the proposed rule change to be implemented on June 5, 2025. Proposed new language is underlined; proposed deletions are in brackets.¹

* * * * *

BY-LAWS OF THE CORPORATION

* * * * *

SCHEDULE A TO THE BY-LAWS OF THE CORPORATION

Assessments and fees pursuant to the provisions of Article VI of the By-Laws of the Corporation shall be determined on the following basis.

* * * * *

Section 7 — Fees for Filing Documents Pursuant to the [Securities

Offering]Corporate Financing Rule[s]

(a) There shall be a fee imposed for the filing of initial documents relating to any offering filed with FINRA pursuant to the Corporate Financing Rule equal to: (1) \$500 plus .015% of the proposed maximum aggregate offering price or other applicable value of all securities registered on an SEC registration statement or included on any other type of offering document (where not filed with the SEC), but shall not exceed \$225,500 [1,125,000]; or (2) \$225,500[270,000] for an offering of securities on an automatically effective Form S-3 or F-3 registration statement filed with the SEC and offered pursuant to Securities Act Rule 415 by a Well-Known Seasoned Issuer as defined in Securities Act Rule 405. The amount of the filing fee may be rounded to the nearest dollar.

¹ The text of the proposed rule change incorporated the changes adopted in SR-FINRA-2024-019 (Exhibit 5B), which were scheduled to be implemented on July 1, 2025.

(b) There shall be an additional fee imposed for the filing of any amendment or other change to the documents initially filed with FINRA pursuant to the Corporate Financing Rule equal to .015% of the net increase in the maximum aggregate offering price or other applicable value of all securities registered on an SEC registration statement, or any related Securities Act Rule 462(b) registration statement, or reflected on any Securities Act Rule 430A prospectus, or included on any other type of offering document. However, the aggregate of all filing fees paid in connection with an SEC registration statement or other type of offering document shall not exceed \$225,500 [1,125,000 or \$270,000 for an offering of securities filed with the SEC and offered pursuant to Securities Act Rule 415 by a Well-Known Seasoned Issuer as defined in Securities Act Rule 405].

[(c) There shall be a fee imposed for the filing of a private placement memorandum, term sheet or other offering document with FINRA pursuant to FINRA Rules 5122 or 5123 equal to: (1) \$300 plus .008% of the proposed maximum offering proceeds, but shall not exceed \$40,300.00. A member shall not be charged this fee if the proposed maximum offering proceeds are less than \$25,000,000. The amount of the filing fee may be rounded to the nearest dollar.]

* * * * *

EXHIBIT 5B

Below is the text of the proposed rule change to be implemented on June 5, 2025, with the proposed changes in Exhibit 5A shown as if adopted. Proposed new language in this Exhibit 5B is underlined; proposed deletions are in brackets.²

* * * * *

BY-LAWS OF THE CORPORATION

* * * * *

SCHEDULE A TO THE BY-LAWS OF THE CORPORATION

Assessments and fees pursuant to the provisions of Article VI of the By-Laws of the Corporation shall be determined on the following basis.

* * * * *

Section 7 — Fees for Filing Documents Pursuant to the [Securities

Offering]Corporate Financing Rule[s]

(a) There shall be a fee imposed for the filing of initial documents relating to any offering filed with FINRA pursuant to the Corporate Financing Rule equal to: (1) \$500 plus .015% of the proposed maximum aggregate offering price or other applicable value of all securities registered on an SEC registration statement or included on any other type of offering document (where not filed with the SEC), but shall not exceed \$225,500 [1,125,000]; or (2) \$225,500[324,000] for an offering of securities on an automatically effective Form S-3 or F-3 registration statement filed with the SEC and offered pursuant

² The text of the proposed rule change incorporated the changes adopted in SR-FINRA-2024-019 (Exhibit 5C), which were scheduled to be implemented on January 1, 2026.

to Securities Act Rule 415 by a Well-Known Seasoned Issuer as defined in Securities Act Rule 405. The amount of the filing fee may be rounded to the nearest dollar.

(b) There shall be an additional fee imposed for the filing of any amendment or other change to the documents initially filed with FINRA pursuant to the Corporate Financing Rule equal to .015% of the net increase in the maximum aggregate offering price or other applicable value of all securities registered on an SEC registration statement, or any related Securities Act Rule 462(b) registration statement, or reflected on any Securities Act Rule 430A prospectus, or included on any other type of offering document. However, the aggregate of all filing fees paid in connection with an SEC registration statement or other type of offering document shall not exceed \$225,500 [1,125,000 or \$324,000 for an offering of securities filed with the SEC and offered pursuant to Securities Act Rule 415 by a Well-Known Seasoned Issuer as defined in Securities Act Rule 405].

[(c) There shall be a fee imposed for the filing of a private placement memorandum, term sheet or other offering document with FINRA pursuant to FINRA Rules 5122 or 5123 equal to: (1) \$300 plus .008% of the proposed maximum offering proceeds, but shall not exceed \$40,300.00. A member shall not be charged this fee if the proposed maximum offering proceeds are less than \$25,000,000. The amount of the filing fee may be rounded to the nearest dollar.]

* * * * *

EXHIBIT 5C

Below is the text of the proposed rule change to be implemented on January 1, 2027, with the proposed changes in Exhibits 5A and 5B shown as if adopted. Proposed new language in this Exhibit 5C is underlined; proposed deletions are in brackets.³

* * * * *

BY-LAWS OF THE CORPORATION

* * * * *

Schedule A to the By-Laws of the Corporation

Assessments and fees pursuant to the provisions of Article VI of the By-Laws of the Corporation shall be determined on the following basis.

* * * * *

Section 7 — Fees for Filing Documents Pursuant to the [Corporate Financing]Securities Offering Rules

(a) There shall be a fee imposed for the filing of initial documents relating to any offering filed with FINRA pursuant to the Corporate Financing Rule equal to: (1) \$500 plus .015% of the proposed maximum aggregate offering price or other applicable value of all securities registered on an SEC registration statement or included on any other type of offering document (where not filed with the SEC), but shall not exceed \$1,125,000 [225,500]; or (2) \$389,000[225,500] for an offering of securities [on an automatically effective Form S-3 or F-3 registration statement] filed with the SEC and offered pursuant

³ The text of the proposed rule change is the same as the changes adopted in SR-FINRA-2024-019 (Exhibit 5D), which were scheduled to be implemented on January 1, 2027.

to Securities Act Rule 415 by a Well-Known Seasoned Issuer as defined in Securities Act Rule 405. The amount of the filing fee may be rounded to the nearest dollar.

(b) There shall be an additional fee imposed for the filing of any amendment or other change to the documents initially filed with FINRA pursuant to the Corporate Financing Rule equal to .015% of the net increase in the maximum aggregate offering price or other applicable value of all securities registered on an SEC registration statement, or any related Securities Act Rule 462(b) registration statement, or reflected on any Securities Act Rule 430A prospectus, or included on any other type of offering document. However, the aggregate of all filing fees paid in connection with an SEC registration statement or other type of offering document shall not exceed \$1,125,000 [225,500] or \$389,000 for an offering of securities filed with the SEC and offered pursuant to Securities Act Rule 415 by a Well-Known Seasoned Issuer as defined in Securities Act Rule 405.

(c) There shall be a fee imposed for the filing of a private placement memorandum, term sheet or other offering document with FINRA pursuant to FINRA Rules 5122 or 5123 equal to: (1) \$300 plus .008% of the proposed maximum offering proceeds, but shall not exceed \$40,300.00. A member shall not be charged this fee if the proposed maximum offering proceeds are less than \$25,000,000. The amount of the filing fee may be rounded to the nearest dollar.

* * * * *