Sanction Guidelines

FINRA Revises Indexed Amounts for Monetary Sanctions in the Sanction Guidelines

Effective Immediately

Summary

FINRA has revised the Sanction Guidelines to reflect the effects of inflation, per a policy established in May 2015.

The revised Sanction Guidelines are effective immediately and available on FINRA’s website.

Questions concerning this Notice should be directed to Megan Rauch, Associate General Counsel, Office of General Counsel, at (202) 728-8863.

Background & Discussion

FINRA’s Sanction Guidelines familiarize FINRA firms with some of the typical securities industry rule violations that occur and the range of disciplinary sanctions that may result from those rule violations. The goal of the Sanction Guidelines is to assist FINRA’s adjudicators in determining the appropriate sanctions in disciplinary proceedings.

In May 2015, the National Adjudicatory Council (NAC) announced a policy of indexing the high-end of the monetary sanctions for each sanction guideline in the Sanction Guidelines to the Consumer Price Index. In addition, the NAC established that FINRA would index the sanction guidelines every three years, rounding the fine amounts to the nearest $1,000. In this adjustment to the fine amounts, the high-end of the monetary sanctions increases by 5.86 percent, before rounding. The low-end of the monetary sanction ranges in the Sanction Guidelines remains the same.

Endnote