News Release

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Report From FINRA Board of Governors Meeting – March 2026

Board Approved Five Rule Proposals in Line With FINRA Forward Rule Modernization Initiative

WASHINGTON—FINRA's Board of Governors held its first meeting this year on March 4-5. The Board approved five rule proposals, received an update on enhancements to FINRA's enforcement program and approved the allocation of last year's fine monies.

Rulemaking

The five rule proposals approved by the Board reflect feedback on the FINRA Forward rule modernization initiative, which was the subject of a recently published blog post. FINRA Forward is a series of initiatives to improve our effectiveness and efficiency in pursuing our mission of protecting investors and safeguarding market integrity.

"These rule proposals reflect our commitment to regulatory efficiency and responsiveness to the needs of today's securities industry and markets without compromising investor protection," said Scott Curtis, Chair of the FINRA Board of Governors. "By shortening exam waiting periods, embracing electronic delivery of regulatory requests, streamlining operational requirements and updating alternative investment reconciliation requirements, we are reducing unnecessary burdens on member firms and supporting more efficient market operations. At the same time, our enhancements to arbitration procedures demonstrate our focus on ensuring fair processes for all participants."

The five rule proposals are:

- **Shortened Exam Waiting Periods:** The Board approved a proposal to shorten the waiting periods to retake FINRA qualification exams.
- **Electronic Delivery of Regulatory Requests:** The Board approved a proposal to deliver electronically requests for information and testimony to member firms through FINRA Gateway, our compliance platform. The proposal supports modern communication practices and recognizes that all member firms already use FINRA's systems for registration and other compliance functions.
- **Streamlined Allocation Approval Requirements:** The Board approved a proposal to eliminate the requirement that late allocations of bulk investment adviser orders be approved by a firm principal. The proposal recognizes the limited utility and operational challenges of obtaining principal approval in today's automated environment while maintaining important investor protections.
- **Alternative Investment Reconciliation:** The Board approved a proposal to adjust reconciliation requirements for certain alternative investments to conform with no-action relief recently granted by the Securities and Exchange Commission for those investments. The proposal would also expand upon FINRA's recently published guidance.
- **Arbitration Procedure Enhancements:** The Board approved a proposal to amend FINRA's Codes of Arbitration Procedure to provide parties with greater input into replacing arbitrators. The proposal would also codify FINRA's current practice of compensating replacement arbitrators for time spent reviewing recordings and transcripts.

FINRA's new Quarterly Regulatory Policy Agenda provides an overview of our current rulemaking priorities, active rule filings, and recently approved or immediately effective rule filings.

Governance and Oversight

The Board received several briefings as part of its oversight of management and the administration of FINRA's work. The briefings included an update on enhancements to FINRA's enforcement program from Bill St. Louis, Executive Vice President and Head of Enforcement, which he also outlined in a recent blog post.

Informed by FINRA's Financial Guiding Principles, the Board also approves all major financial decisions for the organization. As is customary for the first meeting of the year, the Board approved the allocation of prior-year fine monies to various initiatives. Fines are collected and accounted for separately from monies designated in FINRA's operating budget, and their use is subject to special governance procedures, use restrictions and transparency requirements. FINRA will release details about the allocations in the upcoming Report on the Use of 2025 Fine Monies.

More information about the Board's operations, including membership and responsibilities of its committees, is available here.

About FINRA

FINRA is a not-for-profit organization dedicated to investor protection and market integrity. FINRA regulates one critical part of the securities industry—member brokerage firms doing business in the U.S. FINRA, overseen by the SEC, writes rules, examines for, and enforces compliance with FINRA rules and federal securities laws, registers broker-dealer personnel and offers them education and training, and informs the investing

public. In addition, FINRA provides surveillance and other regulatory services for equities and options markets, as well as trade reporting and other industry utilities. FINRA also administers a dispute resolution forum for investors and brokerage firms and their registered employees. For more information, visit www.finra.org