

FINRA Adds a Category of Persons to Serve on Disciplinary Hearings

Article By:

Katten Financial Services

The Financial Industry Regulatory Authority amended FINRA Rules 9231 and 9232 to add a category of persons eligible to serve as panelists in a disciplinary proceeding, which includes persons who currently serve or previously served on any FINRA-appointed or FINRA-approved committee, enlarging the number of FINRA committees from which panelists can be chosen. In FINRA's disciplinary process, its Department of Enforcement or Department of Market Regulation first files a complaint with the Office of Hearing Officers. The chief hearing officer appoints a hearing officer to preside over and panelists to sit on FINRA's Hearing Panel or Extended Hearing Panel to carry out the disciplinary proceeding, in which evidence is presented and a written decision is issued. The decision can be appealed to FINRA's National Adjudicatory Council (NAC). Currently, panelists must (1) currently serve or have previously served on a District Committee, (2) have previously served on NAC, (3) have previously served on NAC's (or its predecessor's) disciplinary subcommittee, (4) have previously served (but does not currently serve) as a director or governor, or (5) currently serve or have previously served on FINRA's Market Regulation Committee. FINRA amended the rules to expand the categories of eligible panelists to include persons who currently serve or previously served on any committee appointed by or approved by the FINRA Board, including the FINRA Advisory Committees (e.g., Compliance Advisory Committee, Corporate Financing Committee and Fixed Income Committee, among others).

Click [here](#) to read more about the rule changes.

©2025 Katten Muchin Rosenman LLP

National Law Review, Volume IV, Number 311

Source URL: <https://natlawreview.com/article/finra-adds-category-persons-to-serve-disciplinary-hearings>