



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104925; File No. SR-IEX-2026-06]

### **Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Harmonize Rules 9.261, 9.341, 9.524, and 9.830 with Rule Changes Made by the Financial Industry Regulatory Authority, Inc. that Allow for Video Conference Hearings under Specified Conditions**

March 4, 2026.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on February 23, 2026, the Investors Exchange LLC (“IEX” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### **I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change**

Pursuant to the provisions of Section 19(b)(1) of the Act<sup>4</sup>, IEX is filing with the Commission a proposed rule change to harmonize Rules 9.261, 9.341, 9.524, and 9.830 with rule changes made by the Financial Industry Regulatory Authority, Inc. (“FINRA”) that allow for video conference hearings under specified conditions.

The text of the proposed rule change is available at the Exchange’s website at <https://www.iexchange.io/resources/regulation/rule-filings> and at the principal office of the Exchange.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> 15 U.S.C. 78s(b)(1).

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

In its filing with the Commission, the self-regulatory organization 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. The self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

The Exchange proposes to harmonize IEX Rules 9.261, 9.341, 9.524, and 9.830 with rule changes made by FINRA that allow for video conference hearings under specified conditions.<sup>5</sup>

#### Background

Chapter 9 of the IEX Rulebook, which is titled “Code of Procedure”, sets forth rules for conducting investigations and enforcement actions regarding Members and persons associated with Members.<sup>6</sup> IEX’s Code of Procedure is modeled on FINRA Rule Series 9000, which sets forth FINRA’s “Code of Procedure” for conducting investigations and enforcement actions.

In adopting disciplinary rules modeled on FINRA’s rules, IEX adopted the hearing and evidentiary processes, as well as the appeals process, set forth in FINRA Rules 9261, 9341, 9524, and 9830, which are reproduced in IEX Rules 9.261, 9.341, 9.524, and 9.830.<sup>7</sup>

In 2020, given the spread of COVID-19 and its effect on FINRA’s adjudicatory functions

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<sup>5</sup> See Securities Exchange Act Release No. 98029 (August 4, 2023), 88 FR 51879 (August 4, 2023) (SR-FINRA-2023-008) (“FINRA Approval Order”).

<sup>6</sup> See IEX Rule 1.160(s).

<sup>7</sup> There is one difference between FINRA Rule 9524 and IEX Rule 9.524. FINRA Rule 9524 governs the process by which a statutorily disqualified member firm or associated person can appeal a recommendation by the FINRA Department of Member Regulation to deny a firm or sponsoring firm’s application to the NAC. IEX Rule 9.524 provides that if the Chief Regulatory Officer rejects its application, a Member or applicant may request a review by the Appeals Committee of the Exchange Board of Directors. This differs from FINRA’s process, which provides for a hearing before the National Adjudicatory Council (“NAC”) and further consideration by the FINRA Board of Directors.

nationwide, FINRA filed a temporary rule change to grant FINRA’s Office of Hearing Officers (“OHO”) and the NAC the authority to conduct certain hearings by video conference if warranted by the COVID-19-related public health risks posed by in-person hearings. Among the rules FINRA temporarily amended were FINRA Rules 9261, 9524, and 9830.<sup>8</sup>

In its Temporary Amendments Filing, FINRA represented that its protocol for conducting hearings by video conference would ensure that such hearings maintain a fair process for the parties by, among other things, FINRA’s use of a high quality, secure and user-friendly video conferencing service and provision of thorough instructions, training and technical support to all hearing participants.<sup>9</sup> According to FINRA, the changes were a reasonable interim solution to allow FINRA’s critical adjudicatory processes to continue to function while protecting the health and safety of hearing participants.<sup>10</sup>

In 2023, FINRA filed a proposed rule change to make the temporary amendments regarding video conference hearings permanent, with some modifications to permit the use of video conferences for reasons beyond the COVID-19 pandemic.<sup>11</sup> The SEC approved FINRA’s proposal.<sup>12</sup> Among other changes, FINRA amended Rules 9261 (Evidence and Procedure in Hearing), 9341 (Oral Argument), 9524 (National Adjudicatory Council Consideration), and 9830 (Hearing) to grant hearing officers the authority to order hearings by video conference in situations in which proceeding in person could endanger the health or safety of the participant or alternatively would be impracticable (e.g., an uncommon situation or extraordinary circumstances such as a natural disaster or terrorist attack that caused travel to be canceled for an

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<sup>8</sup> See Securities Exchange Act Release Nos. 83289 (September 2, 2020), 85 FR 55712 (September 9, 2020) (SR-FINRA-2020-027) (“Temporary Amendments Filing”).

<sup>9</sup> See *id.*, at 55713.

<sup>10</sup> *Id.*

<sup>11</sup> See Securities Exchange Act Release No. 97403 (April 28, 2023), 88 FR 28645 (May 4, 2023) (SR-FINRA-2023-008).

<sup>12</sup> See FINRA Approval Order, *supra* note 4.

extended period of time).<sup>13</sup> Under the amended rules, OHO has discretion to determine whether the circumstances for a video hearing have been met and can act quickly if a future unexpected event impairs their ability to conduct in-person hearings safely.<sup>14</sup> In addition, the amended rules gave OHO the authority to order hearings to occur by video conference based on a motion<sup>15</sup>, and gave the NAC the authority and discretion to conduct oral argument by video conference for “other reasons” unless any party demonstrates that conducting oral argument via video conference would materially disadvantage the party.<sup>16</sup>

As the FINRA Approval Order noted, FINRA represented that it will utilize the same protocols for conducting video conference hearings as those employed under the temporary COVID-related amendments, including using a high quality, secure, user-friendly video conferencing service and providing thorough instructions, training, and technical support to all hearing participants.<sup>17</sup> In addition, the FINRA Approval Order noted that, according to FINRA, the parties could file a joint motion requesting the hearing to occur, in whole or in part, by video conference based on a showing of good cause. In-person hearings, however, would remain the default method for conducting hearings.<sup>18</sup>

Further, as noted in the FINRA Approval Order, given the nature of evidentiary hearings<sup>19</sup>, which often occur over multiple days and generally include numerous documents in evidence and witness testimony, motions for a hearing by video conference would need to be joined by all parties, and even joint motions could be denied if the adjudicator determines that good cause has not been shown.<sup>20</sup> According to FINRA, OHO would have reasonable discretion

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<sup>13</sup> See id., supra note 4 at 51880.

<sup>14</sup> Id.

<sup>15</sup> See FINRA Rules 9261 and 9830.

<sup>16</sup> See FINRA Approval Order, supra note 4 at 51880.

<sup>17</sup> Id.

<sup>18</sup> Id.

<sup>19</sup> As used herein, “evidentiary hearings” refers to hearings conducted before OHO under FINRA Rules 9261 and 9830. See FINRA Approval Order, supra note 4 at 51880 n. 25.

<sup>20</sup> See FINRA Approval Order, supra note 4 at 51881.

based on a joint motion of the parties to exercise its authority to determine whether a hearing should occur by video conference under the proposed rule change.<sup>21</sup> Moreover, in deciding whether to schedule a hearing by video conference, OHO could consider and balance a variety of factors including, for example and without limitation, a hearing participant's individual health concerns and access to the connectivity and technology necessary to participate in a video conference hearing. Additionally, as noted above, OHO may consider whether a situation is uncommon or there are extraordinary circumstances.<sup>22</sup>

Finally, the FINRA Approval Order noted that for approximately two and a half years, while the temporary amendments were in effect, OHO successfully conducted numerous hearings by video conference using Zoom, a system which was vetted by FINRA's information technology staff.<sup>23</sup> FINRA stated that this use of video conference technology has been an effective and efficient alternative to in-person hearings.<sup>24</sup>

#### Proposed Rule Change

Given that FINRA and OHO administer disciplinary hearings on the Exchange's behalf pursuant to a regulatory services agreement ("RSA"), and that the public health concerns addressed by FINRA's video conference provisions in the above described rules apply equally to the Exchange's disciplinary hearings, IEX proposes to amend IEX Rules 9.261, 9.341, 9.524, and 9.830 to incorporate the equivalent mechanism for conducting a hearing, oral argument, or appeal via video conference in the same specific circumstances set forth in the amended FINRA rules. As noted, FINRA has adopted a detailed and thorough protocol to ensure that hearings conducted by video conference will maintain a fair process for the parties.<sup>25</sup> Moreover, the proposed rule change would modernize existing procedures and allow parties who jointly prefer

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<sup>21</sup> Id.

<sup>22</sup> See text accompanying note 12, supra.

<sup>23</sup> See FINRA Approval Order, supra note 4 at 51880.

<sup>24</sup> Id.

<sup>25</sup> See text accompanying note 8, supra.

video conference to potentially save travel costs and time. As proposed, the use of video conferences would be limited and controlled, and in-person hearings would continue to be the default method for conducting hearings.<sup>26</sup> Furthermore, the proposed rule changes include procedural safeguards to ensure fairness, such as the requirement that for evidentiary hearings that any motions be joined by all parties and show good cause.<sup>27</sup> The Exchange believes that these are reasonable procedures to follow in hearings, arguments, and appeals conducted pursuant to IEX Rules 9.261, 9.341, 9.524, and 9.830.

To effectuate these changes, IEX proposes to amend these four rules as follows:

- Add a new sentence to the end of IEX Rule 9.261(b) (Evidence and Procedure in Hearing: Party’s Right to Be Heard) that reads as follows:
  - “Upon a determination that proceeding in person may endanger the health or safety of the participants or would be impracticable, or upon consideration of a joint motion of the Parties for good cause shown, the Chief Hearing Officer or Deputy Chief Hearing Officer may, in the exercise of reasonable discretion, order the hearing to be conducted, in whole or in part, by video conference.”
- Amend IEX Rule 9.341(d) (Oral Argument: Attendance Required) as follows:
  - Change the subparagraph name from “Attendance Required” to “Mode of Oral Argument”
  - In the second sentence, replace “be present for” with “participate in” so that the rule states that “all members of the IEX Appeals Committee shall participate in the oral argument.”
  - Add a new third sentence that reads in full:
    - “The IEX Appeals Committee may, in the exercise of reasonable discretion, order oral argument by video conference, in whole or in part, (i) upon a determination that proceeding in person may endanger the health or safety of the participants or would be impracticable; or (ii) upon a determination, on its own or on motion of a Party, that oral argument should occur by video conference for other reasons, unless any Party demonstrates that conducting oral argument by video conference would materially disadvantage that Party.”
- Add a new sentence to the end of IEX Rule 9.524(a)(4) (IEX Appeals Committee Consideration: Rights of Disqualified Member, Sponsoring Member,

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<sup>26</sup> See FINRA Approval Order, *supra* note 4 at 51882.

<sup>27</sup> *Id.*

Disqualified Person, and Department of Member Regulation) that reads as follows:

- “Upon a determination that proceeding in person may endanger the health or safety of the participants or would be impracticable, or upon consideration of a joint motion of the Parties for good cause shown, the Hearing Panel may, in the exercise of reasonable discretion, order the hearing to be conducted, in whole or in part, by video conference.”
- Add a new sentence to the end of IEX Rule 9.830(a) (Hearing: When Held) that reads as follows:
  - “Upon a determination that proceeding in person may endanger the health or safety of the participants or would be impracticable, or upon consideration of a joint motion of the Parties for good cause shown, the Chief Hearing Officer or Deputy Chief Hearing Officer may, in the exercise of reasonable discretion, order the hearing to be conducted, in whole or in part, by video conference.”

IEX believes these proposed changes will modernize its rules and make oral arguments, hearings, and appeals more efficient and effective because it will update these four IEX rules with identical language adopted by FINRA.

## 2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b) of the Act<sup>28</sup>, in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>29</sup>, in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is designed to provide a fair procedure for the disciplining of Members<sup>30</sup> and persons associated with Members, consistent with Sections 6(b)(7) and 6(d) of the Act.<sup>31</sup>

The Exchange believes that the proposed rule changes support the objectives of the Act by harmonizing Exchange rules modeled on FINRA’s rules with those same rules, resulting in

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<sup>28</sup> 15 U.S.C. 78f(b).

<sup>29</sup> 15 U.S.C. 78f(b)(5).

<sup>30</sup> See IEX Rule 1.160(s).

<sup>31</sup> 15 U.S.C. 78f(b)(7) and 78f(d).

less burdensome and more efficient regulatory compliance. As previously noted, the additional text proposed for IEX Rules 9261, 9.341, 9.524, 9830 is identical to the text in the counterpart FINRA rules. As such, the proposed rule change would facilitate rule harmonization among self-regulatory organizations with respect to the conduct of video conference hearings, thereby fostering cooperation and coordination with persons engaged in facilitating transactions in securities and will remove impediments to and perfect the mechanism of a free and open market and a national market system.

IEX believes that the proposed rule change is designed to protect investors and the public interest by requiring use of broadly available technology to allow hearings to proceed by video conference under certain circumstances. The Exchange's disciplinary proceedings serve a critical role in providing investor protection and maintaining fair and orderly markets by, for example, sanctioning misconduct and preventing further customer harm by Members and associated persons. The proposed rule change would encourage the prompt resolution of these cases while preserving fair process. The Exchange believes that this is especially important in matters where temporary and permanent cease and desist orders are sought because the proposed rule change would enable those hearings to proceed without delay, thereby enabling the Exchange to take immediate action to stop significant, ongoing harm, to the benefit of the investing public.

The proposed rule change is also designed to promote efficiency by permitting hearings to occur by video conference in situations where the hearings would otherwise be postponed for an uncertain period of time. Moreover, as noted, FINRA (on IEX's behalf) will utilize the same protocols for conducting video conference hearings as those employed under the temporary amendments, including using a high quality, secure, user-friendly video conferencing service and providing thorough instructions, training, and technical support to all hearing participants.<sup>32</sup> In addition, the Chief or Deputy Chief Hearing Officer may take into consideration, among other

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<sup>32</sup> See FINRA Approval Order, supra note 4 at 51880.

things, a hearing participant's individual health concerns and access to the connectivity and technology necessary to participate in a video conference hearing.<sup>33</sup>

For the same reasons, the Exchange believes that the proposed changes are designed to provide a fair procedure for the disciplining of Members and persons associated with Members, consistent with Sections 6(b)(7) and 6(d) of the Act.<sup>34</sup> The Exchange believes that the proposed rule change provides a fair procedure by allowing hearings to proceed by video conference not only due to public health or safety reasons but also at a party or the parties' request for reasons particular to them. The Chief or Deputy Chief Hearing Officer could allow a hearing to proceed by video conference in the exercise of reasonable discretion and subject to procedural safeguards that ensure fairness, including the requirement that any motions be joined by all parties and show good cause. Overall, the proposed rule change represents a significant step toward modernizing disciplinary process procedures in a manner that preserves in-person hearings but allows for the use of video conference technology under certain circumstances.

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

IEX 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. To the contrary, IEX believes that the proposed rule change reduces the burden on competition because it eliminates inconsistencies between IEX's Code of Procedure (Chapter 9 of the IEX Rule Book) and FINRA's rules governing the adjudication of disputes and disciplinary proceedings. Additionally, IEX notes that the proposed rule change is not intended to address competitive issues but is intended solely to create permanent rules that would allow video conference hearings if OHO determines that proceeding in person may endanger the health or safety of the participants or would be impracticable, or where both parties prefer doing so and show good cause, thereby providing greater harmonization with approved FINRA rules.

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<sup>33</sup> See FINRA Approval Order, *supra* note 4 at 51881.

<sup>34</sup> 15 U.S.C. 78f(b)(7) and 78f(d).

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 Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A)<sup>35</sup> of the Act and Rule 19b-4(f)(6)<sup>36</sup> thereunder. Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.

The Exchange believes that this filing is non-controversial and eligible to become effective immediately because the proposal is designed to promote uniformity in disciplinary rules across self-regulatory organizations and thereby enable FINRA to conduct IEX disciplinary hearings by video conference where OHO determines that proceeding in person may endanger the health or safety of the participants or would be impracticable, or where both parties prefer doing so and show good cause. Further, as described in the Purpose and Statutory Basis sections and below, the proposed rule change is designed to protect investors and the public interest by providing a fair process to conduct disciplinary hearings by video conference when appropriate.

Furthermore, the Exchange believes that the proposed rule change would not significantly affect the protection of investors or the public interest or impose any significant burden on competition because the changes are based on approved FINRA rules of similar purpose and would align IEX's rules with those FINRA rules, which the Exchange proposes to amend in the same form that they were amended by FINRA. The Exchange further believes that the proposed rule change would not impose any significant burden on competition because the changes are

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<sup>35</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>36</sup> 17 CFR 240.19b-4(f)(6).

based on approved rules of FINRA. Moreover, the proposed rule change is not intended to address competitive issues but rather is concerned solely with creating rules that would allow video conference hearings under certain specified circumstances, thereby providing greater harmonization with approved FINRA rules of similar purpose. For the foregoing reasons, this rule filing qualifies for immediate effectiveness as a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4.

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 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 under Section 19(b)(2)(B)<sup>37</sup> of the Act to determine whether the proposed rule change 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-IEX-2026-06 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.

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<sup>37</sup> 15 U.S.C. 78s(b)(2)(B).

All submissions should refer to file number SR-IEX-2026-06. This file number should be included on the subject line if email 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 (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. 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-IEX-2026-06 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>38</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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