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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105885; File No. SR-FINRA-2026-014]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend FINRA Rule 1210 (Registration Requirements)

July 13, 2026.

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 June 29, 2026, 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 constituting a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4 under the Act,[3] 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.

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

FINRA is proposing to amend FINRA Rule 1210 (Registration Requirements) to reduce the waiting periods for retaking FINRA qualification examinations.

The text of the proposed rule change is available on FINRA's website at http://www.finra.org and at the principal office of FINRA.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 17 CFR 240.19b-4(f)(6).

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

FINRA Rule 1210 requires each person engaged in the investment banking or securities business of a member to be registered with FINRA as a representative or principal in each category of registration appropriate to his or her functions and responsibilities as specified in FINRA Rule 1220 (Registration Categories), unless exempt from registration pursuant to FINRA Rule 1230 (Associated Persons Exempt from Registration). Under FINRA Rule 1210.03 (Qualification Examinations and Waivers of Examinations), before a person can be registered with FINRA he or she must pass the appropriate qualification examinations or obtain a waiver of the qualification examination requirement.

If a person fails a FINRA qualification examination, FINRA Rule 1210.06 (Waiting Periods for Retaking a Failed Examination) sets forth the time the person must wait before he or she can retake that qualification examination. For the first and second failed attempts, the person must wait 30 calendar days to retake the qualification examination. A person who fails a qualification examination three or more times within a two-year period must wait 180 calendar days before he or she can retake that examination.[4] These waiting periods apply to all FINRA qualification examinations, including the Securities Industry Essentials ("SIE") qualification examination.[5]

The current qualification examination waiting periods were implemented in 1989 because extensive automation of the registration and qualification process had made it possible for applicants to make multiple attempts to pass qualification examinations in rapid succession, often within very brief periods.[6] The waiting periods were adopted to address three main purposes. The first was to encourage candidates who did not pass the qualification examination to study and learn more about the job functions of the registration category rather than just focusing on the recently seen test questions. The second was to protect the integrity of the qualification examinations. Allowing an individual to retest multiple times in a short period of time increases the risk that test content could be compromised because the individual may share questions with others. The third purpose was to give FINRA time to investigate and address potential breaches of the FINRA Qualification Examination Rules of Conduct ("Rules of Conduct").[7]

Since the implementation of the current retake waiting periods, the FINRA qualification program has undergone changes that have shifted the principal risks discussed above that originally informed the rule. Today's high-volume FINRA qualification examinations use extensive question banks that contain thousands of

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4 For the 180-day waiting period calculation, failed qualification examination attempts from more than two years ago are not included in determining the total number of times an individual has failed the qualification examination.

5 The waiting period applies to the specific qualification examination that the person fails. For example, if a person fails the SIE examination, he or she would not be required to wait 30 days to take the Series 7 (General Securities Representative) qualification examination.

6 See Securities Exchange Act Release No. 26909 (June 8, 1989), 54 FR 25652 (June 16, 1989) (Order Approving File No. SR-NASD-89-14).

7 The Rules of Conduct are available at https://www.finra.org/registration-exams-ce/qualification-exams/exam-day/finra-rules-conduct.

questions, with each test taker receiving only a small subset of questions per attempt. This approach reduces both the likelihood that repeat test takers will depend on memorized questions from prior attempts and the risk of content being disseminated to others. Additionally, FINRA employs data forensics and advanced technology to identify misconduct and compromised examination content, taking appropriate corrective action when such incidents occur. Moreover, these enhanced detection capabilities help to ensure that the shortened waiting periods would not compromise FINRA's ability to conduct timely investigations into possible cheating or other violations of the Rules of Conduct.

Over the past several years, FINRA has received input from various industry channels about the burden that the current qualification examination waiting periods place on individuals seeking to enter the securities industry. Similar feedback regarding these challenges was received by FINRA in response to its request for comment on modernizing FINRA rules, guidance, and processes for the organization and operation of member workplaces.[8] Given this consistent input and FINRA's current efforts to modernize its requirements to make sure that they remain relevant and effective, FINRA is proposing to shorten the required qualification examination retake waiting periods to 15 days after the first and second failed attempts, and 60 days after the third and all subsequent failed attempts that occur within a two-year period. FINRA believes that as a

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8 See Regulatory Notice 25-07 (April 2025). All commenters addressing this topic recommended either reducing or removing the qualification examination retake waiting periods. Those who commented on the 30-day waiting periods proposed shortening them to 15 days. See, e.g., letter from Roseann Viscardi, President, Association of Registration Management, Inc., to Jennifer Piorko Mitchell, Office of the Corporate Secretary, FINRA, dated July 14, 2025 ("ARM"). Concerning the 180-day waiting period, commenters proposed reducing it to either 30 or 60 days. See, e.g., ARM; letter from Bernard V. Canepa, Managing Director and Associate General Counsel, and Alyssa Pompei, Vice President and Assistant General Counsel, Securities Industry and Financial Markets Association, to Jennifer Piorko Mitchell, Office of the Corporate Secretary, FINRA, dated July 14, 2025.

result of the changes to the qualification program that have occurred since the implementation of the current retake waiting periods, shortening the waiting periods in this manner would lessen the burden on individuals who are trying to register to begin their employment in the securities industry while also continuing to protect investors by maintaining appropriate program integrity.

The proposed rule change would apply only to FINRA qualification examinations (including the SIE qualification examination) and would not impact the waiting periods for other qualification examinations that FINRA administers on behalf of the Municipal Securities Rulemaking Board ("MSRB"), the National Futures Association ("NFA") or the North American Securities Administrators Association ("NASAA").[9] To reduce confusion regarding which waiting periods apply to which qualification examinations and in the interest of harmonizing the waiting periods across all qualification examinations should the proposal become effective, FINRA has engaged in discussions with the MSRB, the NFA and NASAA to communicate its intention to change the waiting periods.[10] If an agreement cannot be reached to harmonize the waiting periods for all qualification examinations, FINRA would work with other SROs and NASAA to address the operational implications of the proposal to mitigate any potential confusion for the securities industry.

2. Statutory Basis

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9 More information on the qualification examinations that FINRA administers on behalf of the MSRB, the NFA and NASAA is available on FINRA's website at https://www.finra.org/registration-exams-ce/qualification-exams.

10 FINRA also has communicated its intention to change the qualification waiting periods to other self-regulatory organizations ("SROs") because some SROs would need to engage in rulemaking to harmonize their rules with the proposed changes as they have codified their qualification examination waiting periods under their respective rules.

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,[11] which requires, among other things, that FINRA rules be 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.

FINRA believes that the proposed rule change would lessen the burden on individuals who are trying to register to begin their employment in the securities industry in a manner that would continue to protect investors and the public interest. Specifically, as discussed above, the proposed rule change would allow FINRA to maintain the appropriate integrity of its qualification examinations. In this regard, changes to FINRA's qualifications program have reduced the risk that repeat test takers will depend on memorized questions from prior attempts and the risk of content being disseminated to others. In addition, under the proposed waiting periods, FINRA would continue to have sufficient time to conduct timely investigations into possible cheating or other misconduct.

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. The proposed rule change modifies FINRA qualification examination waiting periods in recognition of changes to the FINRA qualification program, consistent with the purposes of the waiting periods as described above.

Economic Impact Assessment

FINRA has undertaken an economic impact assessment, as set forth below, to analyze the economic baseline for the proposed amendment and its potentially significant

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11 15 U.S.C. 78o-3(b)(6).

economic impacts, including anticipated costs and benefits, relative to the baseline, and the alternatives considered in assessing how best to meet FINRA's regulatory objectives.

Regulatory Need

In light of changes to the FINRA qualification program, shorter examination retake waiting periods may offer a better balance between the benefits of promoting learning and facilitating examination security and the costs to individuals seeking registration and the firms that employ or would employ them.

Economic Baseline

The economic baseline includes the current qualification examination retake waiting period structure, the limitations on individual job functions and responsibilities during waiting periods, and the associated costs to individuals and firms. The economic baseline also includes incentives to learn, risks to qualification examination integrity and risks of qualification examination material harvesting as these risks relate to waiting periods.

We analyzed data from candidates with first attempts in 2024 for FINRA's three most popular qualification examinations: the SIE, the Series 7, and the Series 24 (General Securities Principal). Over 70 percent of individuals pass these qualification examinations on the first attempt. Retake rates vary across these qualification examinations: 65 percent of individuals who fail the SIE take the qualification examination a second time, compared to 85 percent for the Series 7 and 78 percent for the Series 24.

Economic Impacts

Under the proposed retake waiting period structure of 15-15-60 days, the cumulative mandatory waiting period until the fourth attempt for candidates who fail three consecutive attempts will fall by 150 days, to 90 days. Only some individuals, however, would make use of the opportunity under the proposed structure to proceed more quickly. For the SIE, 23 percent of individuals currently make a second attempt as quickly as possible (within 30 to 34 days). For the Series 7 and the Series 24, the figures are, respectively, 21 percent and 14 percent. These individuals may want to proceed even more quickly. However, 40 percent of individuals who take the SIE a second time currently wait over 60 days to do so. The figures for the Series 7 and the Series 24 are 32 percent and 52 percent, respectively. Whether shortened waiting periods would affect pass rates is uncertain.

For high-volume examinations, FINRA does not expect this change would reduce the incentive to learn the material that will be tested on a qualification examination. Given large examination banks, the likelihood of seeing the same question again on an attempt is likely not much greater under the proposed rule change than currently under the baseline. For many lower-volume examinations, candidates are generally employed and looking to advance and are incentivized to study and pass.

Anticipated Benefits

Under the proposed rule change, individuals who retake and pass FINRA qualification examinations more quickly may be better positioned to advance in their careers more quickly. Members benefit from being able to give advanced job functions and responsibilities more quickly to individuals who under the baseline would retake and ultimately pass FINRA examinations. Members also benefit from being able to more quickly terminate individuals who would retake and not ultimately pass FINRA examinations. Accordingly, members spend less in salary and other expenses on individuals who do not meet their workforce needs and more on individuals who do meet such needs.[12]

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[12] The assessment of the anticipated benefits of the proposed rule change assumes that the waiting periods for all qualification examinations are the same. The full potential benefits of the proposal may not be realized otherwise.

Anticipated Costs

Reducing waiting periods might lead some candidates to attempt to retake a qualification examination quickly without making necessary adjustments, potentially resulting in additional failures and extending overall time to qualification. Where members can influence retake timing, they will need to determine if there are risks of additional failure and turnover from less time between retakes of qualification examinations and whether those risks are offset by other benefits.

Any reduction in waiting periods may have a nominal cost related to FINRA's ability to respond to test security concerns in a timely manner and the associated potential risks to investors and members. FINRA believes this risk is mitigated by changes to the FINRA qualification program discussed above.

Alternatives Considered

Other changes to the qualification examination waiting times were considered, including 15-30-90 days. FINRA believes that a retake waiting period structure of 15-15-60 days provides an appropriate balance between potential benefits to individuals and members and potential costs and risks described above.

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

Because the foregoing 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[13] and Rule 19b-4(f)(6) thereunder.[14]

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 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 (https://www.sec.gov/rules/sro.shtml); or
- Send an email to rule-comments@sec.gov. Please include file number SR-FINRA-2026-014 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-2026-014. 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

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13 15 U.S.C. 78s(b)(3)(A).

14 17 CFR 240.19b-4(f)(6).

Commission will post all comments on the Commission's internet website (http://www.sec.gov/rules/sro.shtml). Copies of the filing 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-2026-014 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.[15]

Sherry R. Haywood,

Assistant Secretary.

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15 17 CFR 200.30-3(a)(12).