

Record of Proceedings

FINRA Adopts Amendments to the Codes of Arbitration Procedure to Provide Customers With a Copy of the Official Record of an Expungement Hearing

Effective Date: December 1, 2024

Summary

FINRA has amended Rule 13606 of the Code of Arbitration Procedure for Industry Disputes to provide that the Director of FINRA Dispute Resolution Services will provide a copy of the official record of an expungement hearing held pursuant to Rule 13805, and any transcription if the recording is transcribed, to any customers, upon request, who attend and participate in the expungement hearing, or who provide their position on the expungement request in writing.

The text of the amendments is set forth in [Attachment A](#).

The amendments are effective for arbitration cases filed on or after December 1, 2024.

Questions concerning this *Notice* should be directed to:

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- ▶ Bria Adams, Assistant General Counsel, OGC, at (202) 728-8829 or bria.adams@finra.org.

Background & Discussion

Rule 13606 provides that the Director of FINRA Dispute Resolution Services (Director) will make a tape, digital or other recording of every hearing.¹ In addition, Rule 13606 provides that the panel may order

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Notice Type

- ▶ Rule Amendment

Suggested Routing

- ▶ Compliance
- ▶ Legal
- ▶ Operations
- ▶ Registered Representatives
- ▶ Senior Management

Key Topic

- ▶ Arbitration
- ▶ Codes of Arbitration Procedure
- ▶ Dispute Resolution
- ▶ Hearing Records

Referenced Rules & Notices

- ▶ FINRA Rule 12000 Series
- ▶ FINRA Rule 13000 Series
- ▶ Regulatory Notice 23-12

the parties to provide a transcription of the recording.² The recording made by the Director is the official record of the hearing, even if it is transcribed.³ Rule 13606 also provides that any party may make a stenographic record of a hearing.⁴ If a party makes a stenographic record, then the panel may determine in advance that the stenographic record will be the official record of the hearing.⁵

FINRA has amended Rule 13606 to add that the Director will provide a copy of the official record of an expungement hearing held pursuant to Rule 13805, and any transcription if the recording is transcribed, to any customers, upon request, who attend and participate in the expungement hearing, or who provide their position on the expungement request in writing.⁶

FINRA recently amended the Codes of Arbitration Procedure to modify the process relating to the expungement of customer dispute information.⁷ As part of these amendments, FINRA revised Rule 13805 relating to a request to expunge customer dispute information filed by an associated person separate from a customer arbitration (“straight-in request”), to make clear that any customer whose customer arbitration, civil litigation or customer complaint is a subject of the straight-in request must be provided with access to all documents relevant to the expungement request that are filed in the straight-in request.⁸ The amendments to Rule 13606 make clear that customers may also obtain a copy of the official record of the hearing, and any transcription if the recording is transcribed.⁹

The amendments are effective for arbitration cases filed on or after December 1, 2024.

Endnotes

- 1 See Rule 13606(a)(1).
- 2 See Rule 13606(a)(2). Under the Codes of Arbitration Procedure, the term “panel” means the arbitration panel, whether it consists of one or more arbitrators. See Rules 12100(u) and 13100(s).
- 3 See Rule 13606(a)(3).
- 4 See Rule 13606(b)(1).
- 5 See *id.*
- 6 See Rule 13606(c). See Securities Exchange Act Release No. 101561 (November 7, 2024), 89 FR 90131 (November 14, 2024) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2024-018).
- 7 See Securities Exchange Act Release No. 97294 (April 12, 2023), 88 FR 24282 (April 19, 2023) (Order Approving File No. SR-FINRA-2022-024). See also [Regulatory Notice 23-12](#) (August 2023).
- 8 See Rule 13805(b)(1)(B)(ii).
- 9 See Rule 13606(c). In addition, FINRA has amended Rule 12606 of the Code of Arbitration Procedure for Customer Disputes and Rule 13606 to remove references to “tape” as a form of media that is used to record arbitration proceedings in the FINRA Dispute Resolution Services arbitration forum, to more accurately reflect the Director’s current practice of making digital or other recordings to record hearings in the forum. See Rules 12606(a)(1) and (b)(1) and 13606(a)(1) and (b)(1).