

Exchange's proposed membership fees will be lower than the cost of membership on other exchanges,<sup>13</sup> and therefore, may stimulate intramarket competition by attracting additional firms to become Members on the Exchange or at least should not deter interested participants from joining the Exchange. In addition, membership fees are subject to competition from other exchanges. Accordingly, if the changes proposed herein are unattractive to market participants, it is likely the Exchange will see a decline in membership as a result. The proposed fee change will not impact intermarket [sic] competition because it will apply to all Members equally. The Exchange operates in a highly competitive market in which market participants can determine whether or not to join the Exchange based on the value received compared to the cost of joining and maintaining membership on the Exchange.

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

The Exchange neither solicited nor received comments on the proposed rule change.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>14</sup> and Rule 19b-4(f)(2)<sup>15</sup> thereunder.

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 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 (<http://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-MEMX-2021-19 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-MEMX-2021-19. 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 (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MEMX-2021-19 and should be submitted on or before February 3, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2022-00489 Filed 1-12-22; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-93928; File No. SR-FINRA-2021-034]

**Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Section 4 of Schedule A to the FINRA By-Laws Relating to the Continuing Education Fees**

January 7, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 30, 2021, 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 "establishing or changing a due, fee or other charge" under Section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> 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 Section 4 of Schedule A to the FINRA By-Laws to: (1) Revise the fee for the Regulatory Element of continuing education ("CE"); (2) establish the fee for individuals who elect to maintain their qualification following the termination of a registration category through the Maintaining Qualifications Program ("MQP"); and (3) make a technical change to clarify that the fee for failing to timely appear for a scheduled qualification examination appointment and for cancelling or rescheduling a qualification examination close to the scheduled appointment date equally applies to online administrations of qualification examinations.

Below is the text of the proposed rule change. Proposed new language is in italics; proposed deletions are in brackets.

\* \* \* \* \*

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

<sup>2</sup> 17 CFR 240.19b-4.

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

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

<sup>13</sup> See *supra* note 6.

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>15</sup> 17 CFR 240.19b-4(f)(2).

<sup>16</sup> 17 CFR 200.30-3(a)(12).

**By-Laws of the Corporation**

\* \* \* \* \*

**Schedule A to the By-Laws of the Corporation**

\* \* \* \* \*

**Section 4—Fees**

(a) through (b) No Change.

(c) The following fees shall be assessed to each individual who takes an examination as described below. These fees are in addition to the registration fee described in paragraph (b) and any other fees that the owner of an examination that FINRA administers may assess.

\* \* \* \* \*

(1) through (2) No Change.

(3) There shall be a service charge equal to the examination or Regulatory Element session fee assessed to each individual who, having made an appointment for [a specific time and place for] an [test center-based] administration of an examination listed above or a *test center-based* Regulatory Element session, fails to timely appear for such appointment or cancels or reschedules such appointment within two business days prior to the [test center] appointment date.

(4) There shall be a service charge equal to one-half of the examination or Regulatory Element session fee assessed to each individual who, having made an appointment for [a specific time and place for] an [test center-based] administration of an examination listed above or a *test center-based* Regulatory Element session, cancels or reschedules such appointment three to 10 business days prior to the [test center] appointment date.

(d) through (e) No Change.

(f)(1) There shall be a session fee of \$18 [\$55] assessed to each individual who completes the Regulatory Element of the Continuing Education requirements pursuant to FINRA rules.

(2) *There shall be assessed to each individual electing to participate in the continuing education program under Rule 1240(c) a fee of \$100 for each year that such individual is participating in the program. Individuals who elect to participate in the program within two years from the termination of a registration would also be assessed any accrued annual fee.*

(g) through (i) No Change.

\* \* \* \* \*

**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**

On September 21, 2021, the SEC approved amendments to FINRA Rules 1210 (Registration Requirements) and 1240 (Continuing Education Requirements) to, among other things, require registered persons to complete the Regulatory Element of CE annually by December 31 of each year, rather than every three years, and to complete Regulatory Element content for each representative or principal registration category that they hold.<sup>5</sup> In addition, the amendments provide eligible individuals who terminate any of their representative or principal registration categories the option of maintaining their qualification for any terminated registration categories by completing annual CE through a new program, the MQP.<sup>6</sup> The annual Regulatory Element requirement will become effective on January 1, 2023; eligible individuals can make their election to participate in the MQP beginning on January 31, 2022.<sup>7</sup>

FINRA currently charges a fee of \$55 to each individual who completes the Regulatory Element. In conjunction with the amendments to transition to an annual Regulatory Element requirement, FINRA is proposing amendments to Section 4 of Schedule A to the FINRA By-Laws to revise the fee for the Regulatory Element from \$55 to \$18.<sup>8</sup>

<sup>5</sup> See Securities Exchange Act Release No. 93097 (September 21, 2021), 86 FR 53358 (September 27, 2021) (Order Approving File No. SR-FINRA-2021-015). The Regulatory Element is administered by FINRA and focuses on regulatory requirements and industry standards. The proposed rule change also included amendments to the Firm Element training, which is provided by each firm annually to its registered persons and focuses on securities products, services and strategies the firm offers, firm policies and industry trends.

<sup>6</sup> See *supra* note 5. Currently, individuals must requalify by examination if they have not reregistered within two years after their registrations have been terminated ("the two-year qualification period"). Individuals may also seek to obtain a waiver of the applicable qualification examination(s). MQP participants will have a maximum of five years following the termination of a representative or principal registration category to reregister with FINRA without having to requalify by examination or having to obtain an examination waiver, subject to satisfying the conditions of the MQP. Among other conditions, MQP participants will be required to complete annual MQP content consisting of a combination of Regulatory Element content and Practical Element content developed by FINRA and the Securities Industry/Regulatory Council on Continuing Education.

<sup>7</sup> See *Regulatory Notice* 21-41 (November 17, 2021) announcing the SEC approval and effective dates of the amendments.

<sup>8</sup> The annual Regulatory Element fee is set forth in proposed Section 4(f)(1) of Schedule A to the FINRA By-Laws. See also FINRA Rule 1240(a) (Regulatory Element).

The proposed \$18 annual fee is comparable to the current \$55 fee over a three-year period. Moreover, the proposed fee for the annual Regulatory Element would be the same for all registered persons, regardless of the amount of annual content that they would be required to complete (that is, an individual who holds multiple registrations would be subject to the same proposed \$18 annual fee as an individual who holds a single registration).

Further, in conjunction with the amendments to adopt the MQP, FINRA is proposing amendments to Section 4 of Schedule A to the FINRA By-Laws to charge an annual fee of \$100 to each MQP participant.<sup>9</sup> The proposed annual fee would be a flat fee, regardless of the number of registrations for which an individual elects to remain qualified under the MQP (that is, an individual who elects to remain qualified for multiple registrations under the MQP would be subject to the same proposed \$100 annual fee as an individual who elects to remain qualified for a single registration under the MQP). The proposed annual fee would be assessed at the time an eligible individual elects to participate in the MQP and thereafter annually each year that the individual continues in the MQP. Eligible individuals who elect to participate in the MQP within two years from the termination of a registration category would be assessed any accrued annual fee.<sup>10</sup>

Finally, FINRA is proposing amendments to Section 4 of Schedule A to the FINRA By-Laws to make a technical change to clarify that the administrative fee for failing to timely appear for a scheduled appointment and for cancelling or rescheduling a qualification examination close to the scheduled appointment date equally applies to online administrations of qualification examinations. FINRA qualification examinations are currently administered in test centers as well as online. Similar to test-center

<sup>9</sup> The annual MQP fee is set forth in proposed Section 4(f)(2) of Schedule A to the FINRA By-Laws. See also FINRA Rule 1240(c) (Continuing Education Program for Persons Maintaining Their Qualification Following the Termination of a Registration Category).

<sup>10</sup> Eligible individuals must make their election to participate in the MQP at the time of their Form U5 (Uniform Termination Notice for Securities Industry Registration) submission or within two years from the termination of a registration category. Individuals who elect to participate in the MQP at the later date will be required to complete, within two years from the termination of the registration category, any CE that becomes due under the MQP between the time of their Form U5 submission and the date that they commence their participation in the MQP.

administrations of qualification examinations, candidates must schedule an appointment and satisfy other requirements to take a qualification examination online.<sup>11</sup> Likewise, there is an administrative fee for failing to timely appear for a scheduled online appointment and for cancelling or rescheduling a qualification examination close to the scheduled online appointment date.<sup>12</sup>

FINRA has filed the proposed rule change for immediate effectiveness. However, the proposed annual MQP fee will be implemented on January 31, 2022 to coincide with the date that eligible individuals can begin making their election to participate in the MQP. In addition, the proposed revised fee for the Regulatory Element will be implemented on January 1, 2023 to coincide with the effective date of the transition to an annual Regulatory Element requirement.

## 2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act,<sup>13</sup> which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls.

### Proposed Fees

As described above, FINRA is proposing to charge an annual fee of \$18 for completing the Regulatory Element requirement and an annual fee of \$100 to each MQP participant.<sup>14</sup> The proposed fees are based on the use of a particular service by registered persons and are therefore use-based fees as that term was used in FINRA's 2020 comprehensive fee filing.<sup>15</sup> FINRA employs use-based fees for some of the specific services and data it provides to members and the public in support of its regulatory mission.<sup>16</sup>

With respect to the Regulatory Element, in 2019, FINRA delivered approximately 202,600 Regulatory Element sessions and charged a fee of \$55 per session.<sup>17</sup> These sessions produced approximately \$11.1 million in (gross) revenue. In 2023, when the annual Regulatory Element requirement is in effect, FINRA anticipates delivering approximately 626,000 annual sessions. Assuming the proposed \$18 fee is in effect, the annual Regulatory Element requirement would produce approximately \$11.3 million in revenue. Revenue is nearly the same in 2019 as is anticipated for 2023 since the reduction in the session fee and the increase in the number of sessions are expected to balance each other.

With respect to the MQP, in 2023, when the MQP has been in effect for an entire year,<sup>18</sup> FINRA expects that approximately 38,000 individuals would be enrolled in the MQP.<sup>19</sup> Assuming the proposed \$100 fee is in effect, the MQP would produce approximately \$3.8 million in revenue. Changes in the assumptions, for example concerning the projected number of program participants, may have a significant impact on the projected aggregate revenue over time.

### Reasonableness of the Proposed Fees

FINRA believes that the proposed fees are reasonable. With respect to the Regulatory Element, as discussed above, revenue is nearly the same in 2019 as is

anticipated for 2023 since the reduction in the session fee and the increase in the number of sessions are expected to balance each other. Further, FINRA's annual costs for developing, maintaining and delivering the Regulatory Element are also expected to remain fairly constant over this period. Thus, the proposed annual fee of \$18 will produce similar annual revenues and provide a similar annual contribution to FINRA's overall regulatory operations as the current Regulatory Element program for which member firms pay \$55 every three years on behalf of their registered persons. The annual Regulatory Element will serve the same function as the current Regulatory Element program, and the amount of content completed in a three-year, annual cycle, is expected to be comparable to what most registered persons are currently completing every three years.

With respect to the MQP, the proposed fee is designed to recover the systems and operational costs of establishing the annual MQP, and the annual costs for developing, maintaining and delivering the annual MQP content, which, as noted earlier, will include a combination of Regulatory Element content and Practical Element content.<sup>20</sup> The proposed fee is also expected to provide a contribution to FINRA's overall regulatory operations as with the Regulatory Element fee. As explained in FINRA's 2020 comprehensive fee filing, it is not feasible to associate a direct affiliated revenue stream for each of FINRA's programs, and thus numerous operations and services must be funded by other revenue sources, which include both general regulatory assessments and use-based fees.<sup>21</sup> The contribution from the proposed MQP fee in each year is anticipated to be similar to or less than that of the current (and proposed) Regulatory Element program as a share of revenue raised. For comparison purposes, FINRA reviewed state-level information on the annual cost of continuing education for other financial service providers and found that the

<sup>11</sup> Additional information regarding the online appointment process is available at <https://www.finra.org/registration-exams-ce/qualification-exams/testonline>.

<sup>12</sup> Further information regarding the rescheduling and cancellation policy is available at <https://www.finra.org/registration-exams-ce/qualification-exams/cancellation-policy>.

<sup>13</sup> 15 U.S.C. 78o-3(b)(5).

<sup>14</sup> The \$100 fee would provide each MQP participant with all the content required of that participant, including the Regulatory Element content.

<sup>15</sup> See Securities Exchange Act Release No. 90176 (October 14, 2020), 85 FR 66592, 66594 (October 20, 2020) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2020-032).

<sup>16</sup> See 85 FR 66594 n.14.

<sup>17</sup> The analysis uses data from 2019 and expected for 2023. The year 2019 was indicative of historical program performance. The year 2019 also pre-dates a change from FINRA's proprietary delivery platform to a vendor-supplied learning management system and one-time costs associated with changes to the format, content and frequency of the Regulatory Element. The year 2023 is the first year that the annual Regulatory Element requirement will be in effect.

<sup>18</sup> Given that eligible individuals can begin making their election to participate in the MQP on January 31, 2022, 2023 will be the first fiscal year that the proposed annual MQP fee would be in effect for the entire year.

<sup>19</sup> FINRA estimates that approximately 90,000 individuals end their registration with all firms with which they are registered in a typical year. Among them, FINRA estimates that approximately 40,500 individuals (or 45 percent) do not reregister within two years of terminating their registrations and would therefore need to participate in the MQP to be able to reregister with FINRA without having to requalify by examination or having to obtain an examination waiver. FINRA expects that out of these individuals, approximately 8,100 individuals (or 20 percent) would likely choose to participate in the MQP to maintain their qualification. After adding approximately 15,000 individuals who may terminate their permissive registrations in 2023 and instead elect to participate in the program, as well as approximately 14,850 individuals who may have terminated their registrations between 2020 to 2022 and who elect to join the program, FINRA estimates that the total number of individuals who would participate in the program in 2023 to be approximately 38,000 individuals.

<sup>20</sup> See *supra* note 6. FINRA expects that the number of individuals who will participate in the MQP each year (approximately 38,000 individuals in 2023) will be significantly smaller than the population of registered persons, which, as noted below, is currently approximately 620,000 individuals.

<sup>21</sup> See 85 FR 66599-600 (including the discussion of the role of oversight, transparency and rebates in providing cost discipline). A portion of the proposed annual fee for the MQP will replace the contribution to FINRA's overall regulatory operations from qualification examinations that will no longer be taken.

proposed annual fee of \$100 is generally lower.

#### The Proposed Fees are Equitable and Not Unfairly Discriminatory

FINRA believes that the proposed fees are equitable and not unfairly discriminatory. With respect to the Regulatory Element, the requirement to complete Regulatory Element content on an annual basis will be applicable to every registered person based on the same terms and they will pay the same proposed fee. With respect to the MQP, all eligible individuals who elect to participate in the MQP to maintain their qualification for a terminated registration category will be subject to the same terms and will pay the same proposed fee. In addition, FINRA believes that the proposed fee for the MQP is low enough that individuals who expect to obtain meaningful benefits from the MQP will not be discouraged from participating due to the fee.

Further, as explained above, the proposed fees are use-based fees. The SEC has stated its belief that a “use-based approach is consistent with equitable distribution of fees” and approved use-based fees when reasonably related to costs.<sup>22</sup> As discussed above, the proposed use-based fees are reasonably related to costs. The proposed fees will cover the cost of developing, maintaining and delivering the annual Regulatory Element content and the annual MQP content and the systems and operational costs of establishing and managing the annual Regulatory Element and the annual MQP. The proposed fees in each year are anticipated to provide a contribution to FINRA’s overall regulatory operations as a share of revenue raised that is similar to or less than that of the current Regulatory Element program.

#### 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.

#### Economic Impact Assessment

FINRA has undertaken an economic impact assessment, as set forth below, to analyze the regulatory need for the proposed rule change, its potential

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

#### Regulatory Need

FINRA previously established the regulatory need for the annual Regulatory Element and the annual MQP.<sup>23</sup> This filing addresses the fees for those programs.

#### Regulatory Element

##### Economic Baseline

All FINRA registered persons must take the Regulatory Element two years after they initially became registered and then every three years ongoing. In 2015, FINRA transitioned the delivery of the Regulatory Element to an online platform (CE Online), which allows individuals to complete the content online at a location of their choosing, including their private residence.<sup>24</sup> The transition in 2015 to CE Online reduced the associated Regulatory Element fee from \$100 to \$55 per individual, which is the current fee.

The population of FINRA registered persons is approximately 620,000 individuals.<sup>25</sup> FINRA delivered approximately 202,600 Regulatory Element sessions in 2019. FINRA expects to deliver approximately 204,000 Regulatory Element sessions in 2021.

##### Economic Impacts

FINRA previously considered the economic impacts of the Regulatory Element program.<sup>26</sup> The proposed fee is slightly less than one-third of the \$55 fee that is currently paid every three years for the Regulatory Element. Thus, the proposed rule change impacts the timing of payments but leaves the total collected over three years essentially unchanged. In addition, instead of taking the Regulatory Element two years after first becoming registered, individuals would be required to complete the Regulatory Element one year after first becoming registered. This would result in an extra one-time fee.

The change in timing may necessitate some small adjustments among certain firms and individuals. For example, small firms with a stable number of

registered persons for which previously no registered persons took the Regulatory Element in some years will see a shift from a varying annual expense to a flat annual expense. Large firms are less likely to see this effect, since they are more likely to have registered persons taking the Regulatory Element every year under the current program. If firms pay the Regulatory Element fee and do not reduce compensation or other benefits, there would be no financial impact on individuals from these changes. If individuals pay the Regulatory Element fee, then they will see a shift from a varying annual expense to a flat annual expense.

#### Alternatives Considered

In establishing the proposed fee, FINRA sought to minimize changes in the fees paid over three years by firms and individuals while covering program costs and maintaining the contribution of the Regulatory Element to FINRA’s overall regulatory operations. FINRA considered a range of possible fees and found that the proposed fee and annual revenue come within narrow ranges of meeting these goals.

#### MQP

##### Economic Baseline

The economic baseline for the proposed fee is the existing requalification requirements and the fees and costs to individuals and their potential employers relating to those requirements.<sup>27</sup> As stated earlier, under the current regime, individuals generally have a two-year window from the termination of their registration(s) to reregister without having to requalify by examination or having to obtain an examination waiver. Requalification imposes costs in the form of time spent preparing for and taking the applicable examinations, potential limitations to the activities permitted to be conducted until the requalification is completed, opportunity costs for the individual and the potential employers in terms of lost business, and the direct registration costs.<sup>28</sup> Member firms may also

<sup>27</sup> See FINRA Rule 1210.08 (Lapse of Registration and Expiration of SIE).

<sup>28</sup> The current fees for FINRA qualification examinations are available at <https://www.finra.org/registration-exams-ce/qualification-exams>. In order to requalify for a registration, an individual may need to repeat the Securities Industry Essentials (SIE) examination as well as a representative- or principal-level qualification examination. Thus, the direct cost of requalifying for a single registration, such as the General Securities Representative registration, could range from \$300 to \$380 (for both the SIE and Series 7); requalifying for two registrations, such as the General Securities Representative and Investment Banking

<sup>22</sup> See Securities Exchange Act Release No. 72280 (May 29, 2014), 79 FR 32351, 32353 (June 4, 2014) (Order Approving File No. SR-FINRA-2014-018) (approving fees for ATS data that varied according to use and discussing the SEC’s prior approval of similar use-based TRACE fees).

<sup>23</sup> See Securities Exchange Act Release No. 92183 (June 15, 2021), 86 FR 33427, 33432–33436 (June 24, 2021) (Notice of File No. SR-FINRA-2021-015).

<sup>24</sup> See *Regulatory Notice* 15–28 (August 2015).

<sup>25</sup> See 2020 FINRA Industry Snapshot, available at <https://www.finra.org/sites/default/files/2020-07/2020-industry-snapshot.pdf>.

<sup>26</sup> See *supra* note 23.

experience material costs when they are not able to retain qualified experienced persons because of professional and personal events that require such individuals to take an extended leave of absence from the industry.

As noted above, the population of FINRA-registered persons is approximately 620,000 individuals.<sup>29</sup> In recent years, out of the approximately 620,000 individuals, approximately 90,000 individuals end their registration with all firms with which they are registered at some point during the year. Out of these, approximately half do not reregister and are considered to have left the securities industry.

#### Economic Impacts

FINRA previously considered the economic impacts of the MQP.<sup>30</sup> As discussed above, the proposed fee of \$100 will permit recovery of the costs for the development, maintenance and delivery of the MQP content and the systems and operational costs of establishing and managing the MQP. The proposed fee will also provide for a contribution to FINRA's overall regulatory operations.

The proposed \$100 annual fee is imposed on individuals following the termination of a registration category.<sup>31</sup> As such, FINRA anticipates that the proposed fee will not impose costs on member firms.

Participating in the MQP is voluntary, so individuals will pay the fee when the anticipated benefits outweigh the costs. Potential beneficiaries are not limited to individuals who under the current baseline requalify and reregister between two and five years after their registrations are terminated. Some individuals who currently do not terminate their registrations, and others who terminate their registrations and never reregister, may also benefit from the option provided by the MQP and paying the proposed \$100 fee.

#### Alternatives Considered

In establishing the proposed fee, FINRA sought to minimize the burden to individuals who would elect to participate in the MQP while covering program costs and maintaining the

contribution of the testing and CE programs to FINRA's overall regulatory operations. FINRA considered a range of possible fees and found that the proposed fee and annual revenue come within narrow ranges of meeting these goals.

#### 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 foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>32</sup> and paragraph (f)(2) of Rule 19b-4 thereunder.<sup>33</sup> 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 (<http://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-FINRA-2021-034 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-2021-034. 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 (<http://www.sec.gov/>

[rules/sro.shtml](#)). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2021-034 and should be submitted on or before February 3, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>34</sup>

**J. Matthew DeLesDernier,**  
Assistant Secretary.

[FR Doc. 2022-00490 Filed 1-12-22; 8:45 am]

**BILLING CODE 8011-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-512, OMB Control No. 3235-0570]

#### Proposed Collection; Comment Request; Extension: Form N-CSR

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the "Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget ("OMB") for extension and approval.

Form N-CSR (17 CFR 249.331 and 274.128) is a combined reporting form

Representative registrations, could range from \$600 to \$680 (for the SIE, Series 7 and Series 79). The qualification examination fees used in the examples above are based on the revised fees that will go into effect on January 1, 2022. See *supra* note 15.

<sup>29</sup> See 2020 FINRA Industry Snapshot, available at <https://www.finra.org/sites/default/files/2020-07/2020-industry-snapshot.pdf>.

<sup>30</sup> See *supra* note 23.

<sup>31</sup> In the event of a partial termination, some firms may determine to reimburse individuals who elect to remain qualified for a terminated registration through the MQP.

<sup>32</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>33</sup> 17 CFR 240.19b-4(f)(2).

<sup>34</sup> 17 CFR 200.30-3(a)(12).