

Interim Plans of Heightened Supervision Frequently Asked Questions ("FAQs")

Question #1: When do the amendments to FINRA Rule Series 9520 ("Eligibility Rules") take effect?

Answer: June 1, 2021

Question #2: What is required on June 1, 2021 for members sponsoring an individual through the Eligibility Process?

Answer: Effective June 1, 2021, a MC-400 application to **continue to associate with a statutory disqualified individual** must include:

- An **interim plan of heightened supervision**, and,
- A **written representation from the sponsoring member** that the disqualified person is currently subject to an interim plan of heightened supervision.

Question #3: What must be included with the interim plan of heightened supervision?

Answer: An interim plan of heightened supervision should identify an appropriately **registered principal** responsible for carrying out the interim plan of heightened supervision, who has signed the plan and acknowledged his or her responsibility for implementing and maintaining such plan. The interim plan should also comply with the provisions of Rule 3110, and be reasonably designed and tailored to include specific supervisory policies and procedures that address any regulatory concerns related to the nature of the disqualification, the nature of the sponsoring member's business, and the disqualified person's current and proposed activities during the review process.

Question #4: How long will the interim plan of heightened supervision be in effect?

Answer: The interim plan will be in effect throughout the entirety of the application review process and shall be considered concluded only upon the final resolution of the eligibility proceeding.

Question #5: Is there a sample of an interim plan of heightened supervision?

Answer: Yes. [Link to Sample of an Interim Plan of Heightened Supervision](#)

Question #6: What happens if a firm fails to submit an interim plan of heightened supervision with the MC-400 application or the plan fails to comport with the requirements of the Rule?

Answer: FINRA's Member Supervision Statutory Disqualification Group ("SD Group") would deem the application substantially incomplete and send the firm a Notice of Delinquency letter. The letter will inform the member that its application is rejected and provide staff's reasons for the rejection.

Question #7: How long do firms have to remedy proposed interim plans of supervision?

Answer: 10 business days or such other time prescribed by the SD Group to remedy any deficiencies.

Question #8: What happens if the firm fails to remedy the deficiencies identified by the SD Group in the Notice of Delinquency?

Answer: If the firm fails to remedy the deficiencies within 10 business days (or other time prescribed) of receipt of the Notice of Delinquency, the firm must immediately terminate the disqualified individual and forfeit \$1,000 of the application fee.

Question #9: After the interim plan of supervision has been approved by the SD Group, can the Firm change the individual's supervisor/amend the plan?

Answer: Yes. However, the firm must obtain prior approval from the SD Group to change the disqualified individual's supervisor. Changes to interim plan provisions should also be forwarded for review. Requests may be submitted to the SD Group at SDMailbox@finra.org.

Question #10: If I have questions regarding these FAQs or FINRA's Eligibility Proceedings, whom should I contact?

Answer: All questions may be directed to SDMailbox@finra.org. A staff member of the SD Group will follow-up with you directly.