



Regulatory Information Circular			
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## **Subject: Rule Change Notice – Changes to FINRA Arbitration Rules**

Pursuant to ISE Rule 1800, which in part states that Financial Industry Regulatory Authority, Inc.'s ("FINRA") Code of Arbitration shall govern ISE arbitrations, this Regulatory Information Circular informs Members of a proposed rule change to the FINRA Code of Arbitration published by the Securities and Exchange Commission ("SEC"), below.

In the June 20, 2013 *Federal Register*, the SEC published a notice of filing of a proposed rule change (SR-FINRA-2013-0023) by FINRA to amend Rule 12403 of the Code of Arbitration Procedure for Customer Disputes.<sup>1</sup> The proposed amendment would simplify arbitration panel selection in cases with three arbitrators. Under the proposed rule change, FINRA would no longer require a customer to elect a panel selection method, and parties in all customer cases with three arbitrators would get the same selection method.

Also in the June 20, 2013 *Federal Register*, the SEC published a notice of filing of a proposed rule change (SR-FINRA-2013-0024) relating to Amendments to the Discovery Guide ("Guide") used in customer arbitration proceedings.<sup>2</sup> FINRA is proposing to amend the Guide used in customer arbitration proceedings to provide general guidance on electronic discovery issues and product cases and to clarify the existing provision relating to affirmations made when a party does not produce documents specified in the Guide.

<sup>1</sup> (Exchange Act Release No. 34-69762 (June 13, 2013))  
<http://www.gpo.gov/fdsys/pkg/FR-2013-06-20/pdf/2013-14682.pdf>

<sup>2</sup> (Exchange Act Release No. 34-69761 (June 13, 2013))  
<http://www.gpo.gov/fdsys/pkg/FR-2013-06-20/pdf/2013-14683.pdf>