
2025 PIABA Mid-Year Meeting

RULEMAKING – YOU HAVE A GREAT IDEA, SO HOW DOES IT BECOME A RULE?

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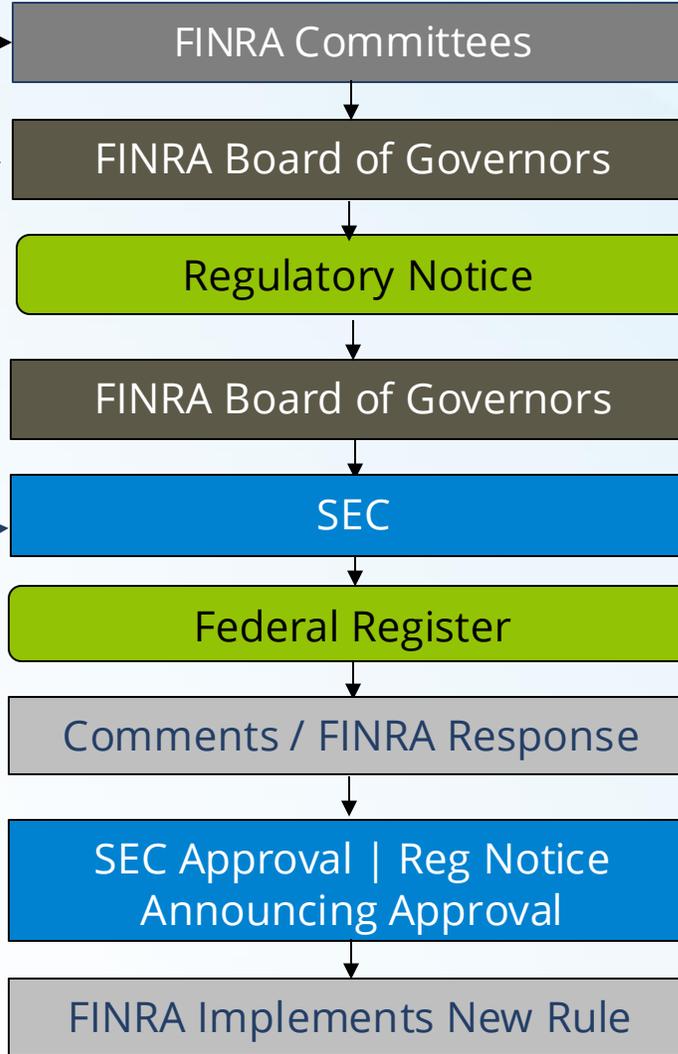
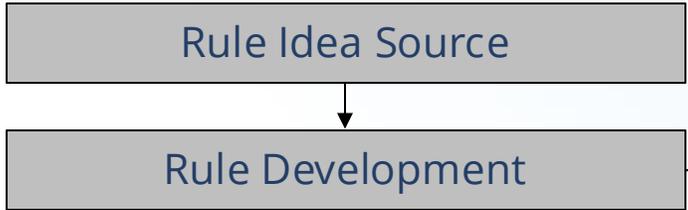


How an Idea Becomes a Rule

Bria Adams, Assistant General Counsel, FINRA's Office of General Counsel

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Rule Development Life Cycle



NASAA'S MODEL RULE PROCESS

- NASAA Structure
- Project Groups usually develop models under a Section's supervision
- The Board approves an internal comment period (at least 30 days)
 - Members provide comments (not published) to the Project Group
 - The Project Group compiles comments and revises as appropriate
- The Board approves a public comment period (at least 30 days)
 - NASAA publishes a Notice for Public Comment on its website
 - Anyone may submit comments (which are published)
 - The Project Group may hold a hearing
 - The Project Group compiles comments and revises as appropriate
- Comment periods can be extended, and the process can be repeated
- The Board approves submission of the proposed model to the Members
 - The Members vote on whether to adopt

STATES' RULE PROCESS

- Each State has an Administrative Procedures Act (APA) Equivalent
 - Proposal development
 - Opportunity public comment on the published proposal
 - Public comment can be written or could be at a hearing
 - With NASAA model rules, already vetted so not as much comment as “original” proposals
 - With “original proposals” likely to be more comments
 - Anyone may submit comments
 - APAs usually have re-proposal provisions depending on how much the proposal has been modified, which can re-open comment periods
- Agency often has some oversight body where rule proposals have to be approved for release for comment – e.g., AELR in Maryland
- Adoption – depending on jurisdiction, may be by agency or legislature, or committee that meets outside of legislative session

STATES' RULE PROCESS

- Rule Proposals
 - Statements of Purpose
 - Mandatory disclosures in the proposal re economic impact broadly and often on small businesses, sometimes people with disabilities
 - Time frames for notice and comment
- Incorporation by Reference
 - Ability to do so varies
 - Restate original in regulation
 - “As amended from time to time”
- Requests for Rule Proposal
 - Methodology varies among jurisdictions