



NASAA

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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June 28, 2021

By email to: pubcom@finra.org

Jennifer Piorko Mitchell
Office of the Corporate Secretary
Financial Industry Regulatory Authority, Inc.
1735 K Street, NW
Washington, DC 20006-1506

Re: Regulatory Notice 21-17: FINRA Seeks Comment on Supporting Diversity and Inclusion in the Broker-Dealer Industry

Dear Ms. Mitchell:

On behalf of the North American Securities Administrators Association, Inc. (“NASAA”),¹ I am writing in response to Financial Industry Regulatory Authority (“FINRA”) *Regulatory Notice 21-17: FINRA Seeks Comment on Supporting Diversity and Inclusion in the Broker-Dealer Industry* (the “Notice”).²

NASAA commends FINRA for its multi-faceted approach aimed at supporting efforts by its members to foster diversity, equity and inclusion both throughout the broker-dealer industry, and within its own rules, operations and processes. NASAA also thanks FINRA for its coordination and engagement with NASAA’s Diversity, Equity and Inclusion Committee which, like FINRA, is considering these important and timely issues from industry, public-facing and internal perspectives. NASAA also considers investor education to help build wealth to be part of its focus. Further, as FINRA knows, the Securities and Exchange Commission is also engaging broadly in these areas. NASAA shares a commitment to ensure that our organizations leave no stones unturned in the pursuit of these goals.

Depending on the comments received, as well as its own efforts, FINRA may seek changes to processes for testing, licensing and registration, continuing education, and the collection and retention of information on registered firms and individuals. In all of these areas, FINRA and NASAA members already work cooperatively to carry out our respective regulatory responsibilities. NASAA encourages FINRA to bring its findings, perspectives and ideas directly

¹ Organized in 1919, NASAA is the oldest international organization devoted to investor protection. NASAA’s membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico, Puerto Rico, and the U.S. Virgin Islands. NASAA is the voice of securities agencies responsible for grass-roots investor protection and efficient capital formation.

² The Notice is available at <https://www.finra.org/sites/default/files/2021-04/Regulatory-Notice-21-17.pdf>.

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to the NASAA sections, committees and project groups that work on these issues so that any potential revisions can be considered collectively, and well before any proposal is made that could affect state regulatory processes.

As the Notice recognizes, FINRA's efforts will be enhanced by outside perspectives, in part because it may not fully appreciate what unintended barriers and disparate impacts exist within its rules, operations and processes. NASAA agrees that outside perspectives will be helpful. For its own part, NASAA has sought input from outside experts to broaden its understanding of diversity, equity and inclusion issues in general and more specifically in the securities industry. In addition to the input received in response to this Notice, NASAA encourages FINRA to engage in other forms of input, whether through individualized outreach to knowledgeable groups and advocates, or through the formulation of an advisory committee. The companion to FINRA's internal focus on its rules, operations and processes is an external inquiry into the reasons that underrepresented groups may not be entering the broker-dealer industry. In this regard, input from outside the industry – by persons who may not typically read FINRA regulatory notices – could be particularly helpful.

Conclusion

NASAA supports FINRA's work to promote greater diversity, equity and inclusion in the broker-dealer industry and within its own rules, operations and processes. We also very much appreciate the opportunity to comment on the Notice. We look forward to engaging with FINRA in these efforts to make progress while ensuring that we continue to fully protect investors.

Should you have questions, please contact either the undersigned or NASAA Executive Director, Joseph Brady, at (202) 737-0900.

Sincerely,



Lisa Hopkins
NASAA President
General Counsel and Senior Deputy
Commissioner of Securities, West Virginia