

February 16, 2021

Via ELECTRONIC Mail (pubcom@finra.org)

Jennifer Piorko Mitchell  
Office of the Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington, DC 20006-1506

Re: Regulatory Notice 20-42: Lessons from the COVID-19 Pandemic

Dear Ms. Mitchell:

Please accept this submission as MML Investors Services, LLC's ("MMLIS") comments in response to FINRA's Regulatory Notice 20-42: FINRA Requests Comment on Lessons from the COVID-19 Pandemic ("RN 20-42" or the "Notice.")

MMLIS is MassMutual's retail broker-dealer and is headquartered in Springfield, Massachusetts. The firm's more than 7,000 registered representatives offer a variety of investment products and services to retail clients, including mutual funds and variable products.

#### **Comment from the Firm**

In RN 20-42 FINRA requests comment on firms' experiences during the pandemic, including how firms' operations and business models may have changed, both during the current health crisis and potentially going forward. FINRA also requests comment on whether it should consider changes to its rules, operations, or administrative processes to address lessons learned during the pandemic or to address anticipated long-term impacts of the pandemic on firms and investors.

MMLIS appreciates FINRA's willingness to adapt to the changes made by firms in response to the pandemic and its consideration of allowing these changes to remain in place. Please see MMLIS's comments in response to the Notice.

#### **Business Continuity**

MMLIS does not have any amendments to Rule 4370 to suggest. At the start of the pandemic, MMLIS quickly and efficiently implemented its business continuity plan (BCP). MMLIS's BCP did not directly address the circumstances of the pandemic. MMLIS's BCP is an "all hazards" plan – the plan is designed to address a full spectrum of emergencies and disasters, including the pandemic. MMLIS did not make and does not plan to make any changes to its BCP in response to the pandemic.

MMLIS annually tests its BCP. In addition, MMLIS did an enhanced test of its BCP in early March 2020. We do not believe any changes to testing are warranted.

#### Remote Offices and Alternative Work Arrangements

MMLIS quickly and efficiently transitioned to a remote working environment. Many of MMLIS's business activities were already being conducted electronically which facilitated the use of technology and the modification of existing policies and procedures to supervise remote home office and sales office associates.

Many of MMLIS's associated persons have indicated that they would like to continue working remotely either full-time or part-time after MMLIS returns to its normal pre-pandemic operations. Based on the experience of the past ten months, MMLIS believes it can effectively supervise its associated persons without on-site supervision. However, the supervisory structure required by FINRA's rules and FINRA's definitions of "office of supervisory jurisdiction" and "branch office," would prohibit MMLIS from continuing to allow many of its associated persons to work remotely. MMLIS believes that FINRA should adopt the risk-based approach to supervision outlined in the comment letter submitted by the Securities Industry and Financial Markets Association ("SIFMA") – if a firm can demonstrate that it has a system in place that permits adequate supervision, a location (other than locations with customer-facing activity or custody of customers' funds or securities) should not be required to be registered as an office of supervisory jurisdiction or a branch office. FINRA should revise how it defines "office of supervisory jurisdiction" and "branch office" to be consistent with this risk-based approach.

MMLIS believes inspections should continue to be mandatory for locations with customer-facing activity or custody of customers' funds or securities. However, firms should be permitted to take a risk-based approach to determining the frequency and method of such inspections. Not all locations present the same level of risk and firms should be allowed to determine which locations merit more frequent inspections. For other locations, FINRA should adopt the risk-based approach to inspections outlined in the comment letter submitted by SIFMA – firms should be permitted to determine which of these other locations should be inspected and how often.

MMLIS believes FINRA should permit firms to continue to conduct remote inspections. MMLIS has not experienced any unusual challenges conducting remote inspections and finds them to be an effective means of supervision. Associates conducting remote inspections review systems and electronically stored records in advance. At the onset of an inspection, offices are requested to upload additional relevant records to a shared folder. These records are reviewed at the time of inspection, a video walk-through of the office location takes place, and interviews take place via video conference.

#### Engaging with FINRA and FINRA Processes

MMLIS did not encounter any challenges engaging with FINRA over the past ten months that were attributable to FINRA Staff working remotely.

In response to FINRA's specific question (#15), MMLIS recommends that FINRA consider further expanding its use of standardized requests for data routinely requested from firms as part of FINRA's examinations. MMLIS agrees this practice supports more effective remote inspections and reduces uncertainty to firm.

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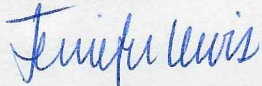
Qualification Examinations

MMLIS heard from candidates that they appreciated the flexibility of taking qualification exams online during the pandemic but had some technological challenges. FINRA should consider expanding online delivery of qualification exam after the pandemic.

**Conclusion**

MMLIS appreciates the opportunity to provide its feedback. If you should have any further questions regarding these comments, please do not hesitate to contact me.

Best regards,



Jennifer Lewis

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