

Broker-Dealer Written Supervisory Procedures Review Checklist

Overview – The Broker-Dealer Written Supervisory Procedures Checklist ("WSP Checklist") is an outline of selected key topics representative of the range of business activities typically proposed by applicants seeking approval to become FINRA members or to expand their existing securities business under FINRA Membership and Registration Rules. As part of the new member application process, applicants are required to submit a completed WSP Checklist, together with a copy of their Written Supervisory Procedures ("WSPs"). FINRA staff reviews the checklist and the WSPs in conjunction with its determination of whether the applicant meets the standards for admission specified in FINRA Rule 1014(a). Note that the outline of topics in the WSP Checklist is not all-inclusive; and does not necessarily represent all of the areas of inquiry that the staff will make when evaluating supervisory procedures proposed in an application. The full extent of the staff's inquiry and evaluation will depend on a number of factors, including the precise nature of the proposed business activities. In addition, applicants are advised that acceptance of a firm's proposed WSPs during the application process is not a safe harbor with respect to potential supervisory deficiencies. Among other things, the nature of the business actually conducted by a firm, the manner in which the WSPs are implemented and followed, and the extent to which the firm updates and revises its procedures to reflect operating experience and change (both regulatory and operational) are important factors in determining future compliance with applicable rules. The WSPs are a "living" document and should provide a road map for the supervisory personnel to follow when they conduct each review. WSPs should be updated not just to reflect changes to applicable rules and regulations, but also to reflect corresponding changes made to the member firm's supervisory process(es). **IMPORTANT NOTE:** This outline of topics should not be considered by the user to include all topics and issues applicable to the user's business. It is merely to be used as an aid in preparing WSPs. Certain references to specific rules and other guidance have been provided for some topics and line items contained within the checklist, although the list of references may not be exhaustive. Please review all references relevant to the firm's business plan prior to completing and submitting the checklist. **ADVISORY:** Members should be aware that the requirements of FINRA Rule 3120 (Supervisory Control System) and FINRA Rule 3130 (Annual Certification of Compliance and Supervisory Processes) are separate and distinct from the requirements pursuant to FINRA Rule 3110(b) (Written Procedures) that members create and maintain WSPs. Members seeking guidance on compliance with FINRA Rules 3110, 3120 and 3130 are encouraged to visit the Supervision web page FINRA has created to assist members in complying with these rules. The web page contains rule filings, Notices, and other publications relating to these rules. See <https://www.finra.org/rules-guidance/key-topics/supervision>.

FINRA Compliance Tools Disclaimer – Where not otherwise required to complete the checklist in the context of the new membership application process, firms may choose to utilize this tool to assist with fulfilling their regulatory obligations. As noted above, this tool serves as a starting point and you must tailor this tool to reflect the size and needs of your firm. Using this tool does not guarantee compliance with or create any safe harbor with respect to FINRA rules, the federal securities laws or state laws, or other applicable federal or state regulatory requirements. This tool does not create any new legal or regulatory obligations for firms or other entities.

Updates – This tool was last updated on September 19, 2022. This tool does not reflect any regulatory changes since that date. FINRA periodically reviews and update these tools. FINRA reminds member firms to stay apprised of new or amended laws, rules and regulations, and update their WSPs and compliance programs on an ongoing basis. Member firms seeking additional guidance on certain regulatory obligations should review the relevant [FINRA Topic Pages](#).

Staff Contact(s) – FINRA's Office of General Counsel (OGC) staff provides broker-dealers, attorneys, registered representatives, investors and other interested parties with interpretative guidance relating to FINRA's rules. Please see [interpreting the Rules](#) for more information.

Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
I. GENERAL ADMINISTRATION				
A. Form and Regulatory Filings, Notifications and Fees				
General Administration	Form Filings	Form BD Amendments	<i>FINRA By-Laws, Art. IV, Section 1(c) – Application for Membership; FINRA Rule 1010 – Electronic Filing Requirements for Uniform Forms; Form BD – Uniform Application for Broker-Dealer Registration</i>	
General Administration	Form Filings	Form BR Amendments	<i>FINRA By-Laws, Art. IV, Section 8 – Registration of Branch Offices; Rule 1010 – Electronic Filing Requirements for Uniform Forms; Form BR – Uniform Branch Office Registration Form</i>	
General Administration	Form Filings	Form U4/Form U5	<i>FINRA By-Laws, Art. V, Sections 2 (Application for Registration) and 3 (Notification by Member to the Corporation and Associated Person of Termination; Amendments to Notification); FINRA Rule 3110(e) – Responsibility of Member to Investigate Applicants for Registration; Rule 1010 – Electronic Filing Requirements for Uniform Forms; Forms U4 (Uniform Application for Securities Industry Registration or Transfer) and U5 (Uniform Termination Notice for Securities Industry Registration)</i>	
General Administration	Form Filings	Fingerprint Cards	<i>Securities Exchange Act (SEA) Rule 17f-2 – Fingerprinting of Securities Industry Personnel; Notice to Members 05-39 (“NASD Suggests Best Practices for Fingerprinting Procedures”); Rule 1010(d) – Fingerprint Information</i>	
General Administration	Form Filings	Designation of principal or corporate officer who has a position of authority over registration functions responsible for supervision of form filings	<i>FINRA Rule 1010(b) – Electronic Filing Requirements for Uniform Forms; FINRA Rule 3110(e) – Supervision; FINRA By-Laws Article IV, Sections 1 (Application for Membership), 7 (Transfer and Termination of Membership) and 8 (Registration of Branch Offices); FINRA By-Laws Article V, Sections 2 (Application for Registration) and 3 (Notification by Member to the Corporation and Associated Person of Termination; Amendments to Notification)</i>	
General Administration	Form Filings	Registration (If firm is engaged in municipal securities or municipal advisory activities)	<i>MSRB Rule A-12(a) – Registration Requirements</i>	
Firm Supervision and Oversight	Designation of Contacts	Designation of Executive Representative	<i>FINRA By-Laws, Art. IV, Section 3 – Executive Representative; FINRA Rule 4517 – Member Filing and Contact Information Requirements; MSRB Rule A-12(f) – Designated Contacts</i>	
Firm Supervision and Oversight	Designation of Supervisors	Updates to FINRA Contact System	<i>FINRA Rule 4370 – Business Continuity Plans and Emergency Contact Information; FINRA Rule 4517 – Member Filing and Contact Information Requirements; MSRB Rule A-12(j) – Form A-12 Updates and Withdrawals MSRB Rule A-12(k) – Form A-12 Annual Affirmation</i>	
General Administration	Regulatory Fees	FINRA Fees and Assessments	<i>FINRA By-Laws, Schedule A; MSRB Rules A-12(b), (c), and (d) – Registration Requirements, A-13 – Underwriting and Transaction Assessments for Brokers, Dealers, and Municipal Securities Dealers and A-16 – Examination Fees</i>	
B. Business Continuity Plan				

General Administration	Business Continuity Plan	Business Continuity Plan – Content and Standards	<i>FINRA Rule 4370 – Business Continuity Plans and Emergency Contact Information; FINRA Rule 4517 (Member Filing and Contact Information Requirements); Regulatory Notice 21-44 (“Business Continuity Planning and Lessons From the Covid-19 Pandemic”); Regulatory Notice 19-15 (“BC/DR Testing Under Regulation SCI”); MSRB Rule A-18 (Mandatory Participation in Business Continuity and Disaster Recovery Testing)</i>
II. PERSONNEL			
A. Hiring Practices, Registration and Qualifications			
Personnel	Hiring Practices	Investigation of Background and Qualifications	<i>FINRA Rule 3110(a)(6) – Supervisory System; FINRA Rule 3110(e) – Responsibility of Member to Investigate Applicants for Registration; MSRB Rule G-7 – Information concerning associated persons; Regulatory Notice 07-55 (“FINRA Reminds Member Firms of Their Obligations Regarding Background Investigations of Prospective Personnel”)</i>
Personnel	Hiring Practices	If not otherwise required to file a CMA, first seek a materiality consultation for a contemplated business expansion that seeks to add one or more associated persons involved in sales and one or more of those associated persons has a “covered pending arbitration claim,” an unpaid arbitration award or an unpaid settlement related to an arbitration	<i>FINRA Rule 1011(c)(2) – Definitions, Covered Pending Arbitration Claim; FINRA Rule 1017(a)(6)(B) – Application for Approval of Change in Ownership, Control, or Business Operations</i>
Personnel	Hiring Practices	Request in writing a Materiality Consultation (and, in certain cases, a CMA) where a natural person seeking to become an owner, control person, principal or registered person of a member has, in the prior five years, one or more final criminal matters or two or more specified risk events.	<i>FINRA Rule 1017(a)(7) – Application for Approval of Change in Ownership, Control, or Business Operations; FINRA IM-1011-3 – Business Expansions and Persons with Specified Risk Events</i>
Personnel	Hiring Practices	Screening for SD persons hired in clerical or ministerial positions	<i>FINRA By-Laws, Art. III – Qualifications of Members and Associated Persons; MSRB Rule G-5 – Disciplinary Actions by Appropriate Regulatory Agencies; Remedial Notices by Registered Securities Associations</i>
Personnel	Hiring Practices	Permissive Registrations	<i>FINRA By-Laws, Art. III, Sec. 1 – Persons Eligible to Become Members and Associated Persons of Members; FINRA Rule 1210.02 – Permissive Registrations</i>
Personnel	Qualification and Registration	Determine qualifications of Supervisory Personnel	<i>FINRA Rule 3110(e) – Responsibility of Member to Investigate Applicants for Registration; FINRA Rule 3110(a)(6) – Supervisory System; FINRA Rule 3110(b)(6) – Documentation and Supervision of Supervisory Personnel; Notice to Members 99-45 (“Guidance on Supervisory Responsibilities”)</i>
Personnel	Qualification and Registration	Municipal securities personnel, including representatives, principals, apprentices	<i>MSRB Rule G-3 – Professional Qualification Requirements</i>
Personnel	Qualification and Registration	Registration of trading personnel	<i>FINRA Rule 1220(a) – Definition of Principal and Principal Registration Categories; FINRA Rule 1220(b)(4) – Securities Trader</i>
Personnel	Qualification and Registration	All associated persons are properly registered	<i>FINRA By-Laws, Art. III, Sec. 2 – Authority of Board to Adopt Qualification Requirements; FINRA Rule 1210.03 – Qualifications Examinations and Waivers of Examinations; MSRB Rule G-2 – Standards of Professional Qualification; MSRB Rule G-3 – Professional Qualification Requirements; FINRA Rule 1210 – Registration Requirements; FINRA Rule 1220 – Registration Categories; FINRA Rule 3110(a)(6) – Supervisory System; FINRA Rule 3110(b)(6) – Documentation and Supervision of Supervisory Personnel</i>
Recordkeeping	Associated Persons Records	Records for all associated persons	<i>SEA Rule 17a-3(a)(12) – Records to be Maintained by Certain Exchange Members, Brokers and Dealers; Notice to Members 01-80 (“Amendments to Broker-Dealer Books and Records Rules Under the Securities Exchange Act”); FINRA Rule 4511 – General Requirements; MSRB Rule G-7 – Information Concerning Associated Persons</i>
B. Continuing Education			
Personnel	Continuing Education	Required attendance at annual compliance meeting	<i>FINRA Rule 3110(a)(7) – Supervisory System; Regulatory Notice 19-34 (“Annual Compliance Meetings: Retrospective Rule Review Report and Guidance”); FINRA Rule 3110 Supplementary Material .04 – Annual Compliance Meeting</i>
Personnel	Continuing Education	CE Contact person; Person responsible for firm's Continuing Education Program	<i>FINRA Rule 1240 – Continuing Education Requirements; FINRA Rule 4517 – Member Filing and Contact Information Requirements; MSRB Rule G-3 – Professional Qualification Requirements</i>
Personnel	Continuing Education	Monitor compliance with the Regulatory Element of Continuing Education	<i>FINRA Rule 1240 Continuing Education Requirements; MSRB Rule G-3 – Professional Qualification Requirements</i>
Personnel	Continuing Education	Firm Element of Continuing Education	<i>FINRA Rule 1240 Continuing Education Requirements; MSRB Rule G-3 – Professional Qualification Requirements</i>
III. Firm Supervision and Oversight			
A. Supervisory System			

Firm Supervision and Oversight	Designation of Supervisors	Designation of Supervisors, Supervisory Duties and OSJs	<i>FINRA Rule 3110(a)(2) – Supervisor for each type of business; FINRA Rule 3110(a)(3) – Designation of Offices of Supervisory Jurisdiction; Notice to Members 99-45 (“Guidance on Supervisory Responsibilities”)</i>
Firm Supervision and Oversight	General Supervisory Obligations	Assign each registered representative to an appropriately qualified registered representative or principal as a supervisor and create a record of all representatives supervised by a supervisor	<i>FINRA Rule 3110(a)(5) – Assignment of appropriately qualified registered supervisor for each registered person</i>
Firm Supervision and Oversight	Designation of Supervisors	Designation of branch supervisor	<i>FINRA Rule 3110(a)(4) – Designation of appropriately registered principals and representatives in each OSJ and non-OSJ branch office</i>
Firm Supervision and Oversight	General Supervisory Obligations	Distribution of procedures and amendments	<i>FINRA Rule 3110(b)(7) – Maintenance of Written Supervisory Procedures; FINRA 3110 Supplementary Material .11 – Use of Electronic Media to Communicate Written Supervisory Procedures; MSRB Rule G-27(c) – Written Supervisory Procedures</i>
Firm Supervision and Oversight	General Supervisory Obligations	Annual review of business and branch inspections	<i>FINRA Rule 3110(c) – Internal Inspections; FINRA Rule 3110 Supplementary Material .12 – Standards for Reasonable Review; MSRB Rule G-27(d) – Internal Inspections; Notice to Members 98-38 (“NASD Reminds Members of Supervisory and Inspection Obligations”)</i>
B. General Supervisory Obligations			
Firm Supervision and Oversight	Employee Supervision	Gifts & Gratuities	<i>FINRA Rule 3220 – Influencing or Rewarding Employees of Others</i>
Firm Supervision and Oversight	Employee Supervision	Non-cash compensation	<i>FINRA Rule 2310(c) – Direct Participation Programs; FINRA Rule 2320(g)(4)(D) – Variable Contracts of an Insurance Company; FINRA Rule 2341 (l)(5) – Investment Company Securities; FINRA Rule 5110(f)(2) – Corporate Financing Rule; 17 CFR 15l-1 – Reg BI</i>
Firm Supervision and Oversight	General Supervisory Obligations	Outside Business Activities	<i>FINRA Rule 3270 – Outside Business Activities of Registered Persons</i>
Firm Supervision and Oversight	Employee Supervision	Private Securities Transactions	<i>FINRA Rule 3280 – Private Securities Transactions of an Associated Person</i>
Firm Supervision and Oversight	Employee Supervision	Sharing in Customer Accounts	<i>FINRA Rule 2150 – Improper Use of Customers’ Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts</i>
Firm Supervision and Oversight	Employee Supervision	Borrowing and lending between associated persons and customers	<i>FINRA Rule 3240 – Borrowing From or Lending to Customers; Regulatory Notice 21-43 (Providing Guidance on whether to Approve a Borrowing or Lending Arrangement)</i>
Firm Supervision and Oversight	Employee Supervision	Specified Event & Customer Complaint Reporting	<i>FINRA Rule 4530 – Reporting Requirements; Regulatory Notice 11-32 (“FINRA Provides Additional Guidance Regarding Reporting Requirements Under Rule 4530”); Regulatory Notice 11-06 (“SEC Approves Consolidated FINRA Rule Governing Reporting Requirements”)</i>
Firm Supervision and Oversight	General Supervisory Obligations	Supervision of Outsourcing Arrangements	<i>FINRA Rule 3110 – Supervision; FINRA Notice to Members 05-48 (“Members’ Responsibilities When Outsourcing Activities to Third-Party Service Providers”)</i>
Firm Supervision and Oversight	Employee Supervision	Heightened Supervision (including registered persons from a disciplined firm)	<i>FINRA Rule 3110 – Supervision; FINRA Rule 9285 – Interim Orders and Mandatory Heightened Supervision While on Appeal or on Discretionary Review; Notice to Members 97-19 (“Guidance on Heightened Supervision”); Regulatory Notice 18-15 (“Guidance on Implementing Effective Heightened Supervisory Procedures for Associated Persons With a History of Past Misconduct”)</i>
Firm Supervision and Oversight	Employee Supervision	Supervision of Statutorily Disqualified Individuals	<i>FINRA By-Laws, Art. III, Sec. 3 (Ineligibility of Certain Persons for Membership or Association) and 4 (Definition of Disqualification); Form MC-400; MSRB Rule G-4 – Statutory Disqualifications; MSRB Rule G-5 – Disciplinary Actions by Appropriate Regulatory Agencies, Remedial Notices by Registered Securities Associations</i>
Firm Supervision and Oversight	Furnishing Exception Reports	Furnishing Exception and Other Reports	<i>FINRA Rule 4311(h) – Carrying Agreements; Regulatory Notice 11-26 (“SEC Approves Consolidated Financial Responsibility and Related Operational Rules”)</i>
C. Review of Accounts and Correspondence			
Firm Supervision and Oversight	Correspondence Review	Correspondence –incoming, outgoing, including facsimiles and electronic messages (email, instant messages, etc.)	<i>FINRA Rule 3110(b)(4) – Review of Correspondence and Internal Communications; MSRB Rule G-27 – Review of Correspondence; FINRA Rule 3110 Supplementary Material .06 – Risk-based Review of Correspondence and Internal Communications; FINRA Rule 3110 Supplementary Material .07 – Evidence of Review of Correspondence and Internal Communications; FINRA Rule 3110 Supplementary Material .08 – Delegation of Correspondence and Internal Communication Review Functions</i>
Firm Supervision and Oversight	Employee Supervision	Transaction Review	<i>FINRA Rule 3110(b)(2) – Review of Member’s Investment Banking and Securities Business; FINRA Rule 3110 Supplementary Material .05 –Risk-based Review of Member’s Investment Banking and Securities Business; FINRA Rule 3110(d) – Transaction Review and Investigation; MSRB Rule G-27(c) – Supervisory Procedures</i>

Firm Supervision and Oversight	General Supervisory Obligations	Opening accounts and transactions involving persons associated with other BDs	<i>FINRA Rule 3210 Accounts At Other Broker-Dealers and Financial Institutions; FINRA Rule 3110(d) – Transaction Review and Investigation; Regulatory Notice 16-22 (“SEC Approves Consolidated FINRA Rule 3210 (Accounts At Other Broker-Dealers and Financial Institutions)”); FAQ Concerning FINRA Rule 3210 (available on FINRA.org); MSRB Rule G-28 – Transactions with Employees and Partners of Other Municipal Securities Professionals</i>
Firm Supervision and Oversight	General Supervisory Obligations	Transactions involving FINRA employees	<i>FINRA Rule 2070 – Transactions Involving FINRA Employees; FINRA Rule 3220 – Influencing or Rewarding Employees of Others; MSRB Rule G-20 – Gifts, Gratuities, Non-Cash Compensation and Expenses of Issuance</i>
Firm Supervision and Oversight	General Supervisory Obligations	Procedures relating to notice, review and approval of a registered person being named a customer’s beneficiary or holding a position of trust for a customer	<i>FINRA Rule 3241 – Registered Person Being Named a Customer’s Beneficiary or Holding a Position of Trust for a Customer; Regulatory Notice 20-38 (“FINRA Adopts Rule to Limit a Registered Person From Being Named a Customer’s Beneficiary or Holding a Position of Trust for or on Behalf of a Customer”)</i>
Firm Supervision and Oversight	General Supervisory Obligations	Supervision of Municipal Securities Activities	<i>MSRB Rules G-17 to G-27</i>
Firm Supervision and Oversight	General Supervisory Obligations	Multi-step, annual process through which FINRA will determine whether a member firm should be designated (or re-designated) as a “Restricted Firm” and subject to additional obligations, including a “Restricted Deposit Requirement.”	<i>FINRA Rule 4111 – Restricted Firm Obligations</i>
Firm Supervision and Oversight	Taping Rule	Taping Rule Compliance	<i>FINRA Rule 3170 – Tape Recording of Registered Persons by Certain Firms; Notice to Members 05-46 (“SEC Approves Amendments Relating to Taping Rule “Opt Out” and Exemption Provisions”); Notice to Members 02-61 (“SEC Approves Proposed Changes to the Taping Rule and NASD Interpretive Material 8310-2”); Notice to Members 98-52 (“SEC Approves Taping Rule”); MSRB Rule G-27(c) – Provisions concerning tape recording of conversations</i>
Firm Supervision and Oversight	Branch Supervision and Inspections	Designation of Offices of Supervisory Jurisdiction (OSJ)	<i>FINRA Rule 3110(a)(3) – Supervisory System; 3110(f)(1) – Definitions; FINRA Rule 3110 Supplementary Material .02 – Designation of Additional OSJs</i>
Firm Supervision and Oversight	Branch Supervision and Inspections	Branch office inspections	<i>FINRA Rule 3110(c) – Internal Inspections; FINRA Rule 3110(a) – Supervisory System; FINRA Rule 3110(f)(2) – Definitions; FINRA Rule 3110 Supplementary Material .16 – Temporary Extension of Time to Complete Office Inspections and .17 – Temporary Relief to Allow Remote Inspections for Calendar Year 2020 and Calendar Year 2021</i>
Firm Supervision and Oversight	Branch Supervision and Inspections	Activities on the Premises of a Financial Institution	<i>FINRA Rule 3160 – Networking Arrangements Between Members and Financial Institutions; Rule 701 of SEC Regulation R</i>
Firm Supervision and Oversight	Branch Supervision and Inspections	Documentation regarding limited size and resource exemption	<i>FINRA Rule 3110(c)(3)(C) – Internal Inspections</i>
Firm Supervision and Oversight	Branch Supervision and Inspections	Conflicts of interest with respect to inspections of OSJ, branch and non-branch locations	<i>FINRA Rule 3110(c)(3)(A) and (B) – Internal Inspections; FINRA Rule 3110 Supplementary Material .14 Exception to Persons Prohibited from Conducting Inspections</i>
Firm Supervision and Oversight	Branch Supervision and Inspections	Supervision of Branch Offices – Options Business	<i>FINRA Rule 2360(b)(20) – Supervision of Accounts</i>
E. Insider Trading			
Firm Supervision and Oversight	Monitoring for Insider Trading	Periodically reviewing employee and firm trading	<i>FINRA Rule 3110(d) – Transaction Review and Investigation; SEA Rule 10b-5 – Employment of Manipulative and Deceptive Devices; FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; FINRA Rule 2020 – Use of Manipulative, Deceptive, or Other Fraudulent Devices; SEA Rules 10b5-1 – Trading “on the basis of” material nonpublic information in insider trading cases; and 10b5-2 – Duties of trust or confidence in misappropriation insider trading cases</i>
Firm Supervision and Oversight	Monitoring for Insider Trading	Criteria for investigating suspect trades	<i>SEA Section 15(g)</i>
Firm Supervision and Oversight	Monitoring for Insider Trading	Require employees to sign attestation	<i>SEA Section 15(g); Notice to Members 91-45 (“Joint Memo on Chinese Wall Policies and Procedures”)</i>
Firm Supervision and Oversight	Monitoring for Insider Trading	Update employees on new or revised insider trading rules and regulations	<i>SEA Section 15(g)</i>
Firm Supervision and Oversight	Monitoring for Insider Trading	Definition of Material, Non-Public Information, Insiders, and other relevant terms and prohibitions	<i>SEA Rule 10b-5 – Employment of Manipulative and Deceptive Devices; FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; FINRA Rule 2020 – Use of Manipulative, Deceptive, or Other Fraudulent Devices; Notice to Members 89-05 (“Insider Trading and Securities Fraud Enforcement Act of 1988”)</i>
Firm Supervision and Oversight	Monitoring for Insider Trading	Policies and procedures on access to utilization of material, non-public information	
Firm Supervision and Oversight	Monitoring for Insider Trading	Tools and methods for inhibiting or monitoring transactions in restricted securities	

Firm Supervision and Oversight	Monitoring for Insider Trading	Information Barrier Procedures including: 1) method for determining whether firm trading should be restricted; 2) determining and identifying activities that are restricted while security is on list; 3) monitoring associated persons' trading of restricted securities; 4) time period covered and frequency of review; 5) recording details of associated persons' trade in restricted security; 6) creation and maintenance of documentation to evidence supervisory reviews	FINRA Rule 3210 – Accounts At Other Broker-Dealers and Financial Institutions; FINRA Rule 3110(d) – Transaction Review and Investigation; Regulatory Notice 16-22 (“SEC Approves Consolidated FINRA Rule 3210 (Accounts At Other Broker-Dealers and Financial Institutions)”); Notice to Members 91-45 (“Joint Memo on Chinese Wall Policies and Procedures”)
Firm Supervision and Oversight	Monitoring for Insider Trading	Procedures to detect transactions in restricted/control securities, e.g., Compliance, Gray, or Watch Lists, etc.	SEA Rule 144 – Selling Restricted and Control Securities
Firm Supervision and Oversight	Monitoring for Insider Trading	Securities transactions for personal and family-related accounts	FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; FINRA Rule 3210 – Accounts At Other Broker-Dealers and Financial Institutions; FINRA Rule 3110(d) – Transaction Review and Investigation; Regulatory Notice 16-22 (“SEC Approves Consolidated FINRA Rule 3210 (Accounts At Other Broker-Dealers and Financial Institutions)”); FINRA Rule 5130 – Restrictions on the Purchase and Sale of Initial Equity Public Offerings
F. Anti-Money Laundering Compliance Program			
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Written Anti-Money Laundering Compliance Program approved in writing by senior management	FINRA Rule 3310 – Anti-Money Laundering Compliance Program; MSRB Rule G-41 – Anti-Money Laundering Compliance Program; 31 CFR § 1023.210 – Anti-money laundering program; 31 U.S.C. § 5318(h) – Anti-Money Laundering Programs
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Policies and procedures reasonably expected to detect and cause the reporting of suspicious transactions; suspicious transaction filing, recordkeeping, and confidentiality requirements	FINRA Rule 3310(a) – Anti-Money Laundering Compliance Program; MSRB Rule G-41 – Anti-Money Laundering Compliance Program; 31 CFR § 1023.320 – Reports by brokers or dealers in securities of suspicious transactions; Regulatory Notice 21-03 (“FINRA Urges Firms to Review Their Policies and Procedures Relating to Red Flags of Potential Securities Fraud Involving Low-Priced Securities”); Regulatory Notice 19-18 (“FINRA Provides Guidance to Firms Regarding Suspicious Activity Monitoring and Reporting Obligations”); Regulatory Notice 12-08 (“SEC Requests Broker-Dealers Make SAR Information Available to FINRA”); Notice to Members 02-47 (“Treasury Issues Final Suspicious Activity Reporting Rule for Broker/Dealers”); BSA E-Filing System Website; Notice to Members 02-21 (“NASD Provides Guidance To Member Firms Concerning Anti-Money Laundering Compliance Programs Required By Federal Law”)
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Policies, procedures, and internal controls reasonably designed to achieve compliance with the Bank Secrecy Act (“BSA”) and its implementing regulations	FINRA Rule 3310(b) – Anti-Money Laundering Compliance Program; MSRB Rule G-41 – Anti-Money Laundering Compliance Program; 31 CFR Part 1010 – General Provisions; 31 CFR Part 1023 – Rules for Brokers or Dealers in Securities
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Designation and identification to FINRA of individual(s) responsible for implementing AML Compliance Program	FINRA Rule 3310(d) – Anti-Money Laundering Compliance Program; FINRA Rule 4517 – Member Filing and Contact Information Requirements; MSRB Rule G-41 – Anti-Money Laundering Compliance Program
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Independent testing of AML Compliance Program	FINRA Rule 3310(c) – Anti-Money Laundering Compliance Program; FINRA Rule 3310.01 – Independent Testing Requirements; 31 CFR 1023.210(b)(2) – Anti-money laundering program requirements for brokers or dealers in securities; MSRB Rule G-41 – Anti-Money Laundering Compliance Program; Notice to Members 06-07 (“SEC Approves Amendments to Anti-Money Laundering Compliance Program Rule and Adoption of Interpretive Material”)
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	On-going training of appropriate personnel	FINRA Rule 3310(e) – Anti-Money Laundering Compliance Program; 31 CFR 1023.210(b)(4) – Anti-money laundering program requirements for brokers or dealers in securities; MSRB Rule G-41 – Anti-Money Laundering Compliance Program
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Customer Identification Program, including obtaining customer information, verifying identity, maintaining records, and notice to customers	31 U.S.C. § 5318(l) – Identification and Verification of Account Holders; 31 CFR § 1023.220 – Customer identification programs for broker-dealers; SEA Rule 17a-8 – Financial recordkeeping and reporting of currency and foreign transactions; FINRA Rule 3310 – Anti-Money Laundering Compliance Program; Notice to Members 03-34 (“Treasury and SEC Issue Final Rule Regarding Customer Identification Programs for Broker-Dealers”)

Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Identification and verification of beneficial owners of legal entity customers	<i>FINRA Rule 3310(f)(ii) – Anti-Money Laundering Compliance Program; 31 CFR § 1010.230 – Beneficial ownership requirements for legal entity customers; 31 CFR § 1023.210(b)(5)(ii) – Anti-money laundering program requirements for brokers or dealers in securities; Regulatory Notice 18-19 (“FINRA Amends Rule 3310 to Conform to FinCEN’s Final Rule on Customer Due Diligence Requirements for Financial Institutions”); Regulatory Notice 17-40 (“FINRA Provides Guidance to Firms Regarding Anti-Money Laundering Program Requirements Under FINRA Rule 3310 Following Adoption of FinCEN’s Final Rule to Enhance Customer Due Diligence Requirements for Financial Institutions”); FinCEN FAQs Regarding Customer Due Diligence (CDD) Requirements for Covered Financial Institutions: FIN-2020-G002 (August 3, 2020), FIN-2018-G001 (April 3, 2018), and FIN-2016-G003 (July 19, 2016)</i>
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Ongoing customer due diligence to include, at a minimum: <ul style="list-style-type: none"> • understanding the nature and purpose of customer relationships for the purpose of developing a customer risk profile; and • conducting ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information 	<i>FINRA Rule 3310(f) – Anti-Money Laundering Compliance Program; 31 CFR § 1023.210(b)(5) – Anti-money laundering program requirements for brokers or dealers in securities; FinCEN CDD FAQs: FIN-2020-G002 (August 3, 2020), FIN-2018-G001 (April 3, 2018), and FIN-2016-G003 (July 19, 2016)</i>
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Determining whether customer appears on any list of known or suspected terrorist organizations designated by Treasury (if any such list has been published)	<i>FINRA Rule 3310(b) – Anti-Money Laundering Compliance Program; 31 CFR § 1023.220(a)(4) – Customer identification programs for broker-dealers</i>
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Office of Foreign Assets Control (“OFAC”) compliance, including with respect to the Specially Designated Nationals and Blocked Persons List (SDN) and the economic and trade sanctions administered and enforced by OFAC. Although not part of the BSA or its implementing regulations, OFAC compliance is often performed in conjunction with AML compliance	31 CFR Chapter V – Office of Foreign Assets Control, Department of the Treasury; OFAC – A Framework for OFAC Compliance Commitments (May 2, 2019), available at Treasury.gov; OFAC’s SDN and Consolidated Sanctions List
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Responding to information requests from FinCEN concerning money laundering or terrorist activity, including how the firm will search for and respond to the requests, and comply with use and security requirements	<i>USA PATRIOT Act, Section 314(a); 31 CFR § 1010.520 – Information sharing between agencies and financial institutions; FINRA Rule 3310(b) – Anti-Money Laundering Compliance Program</i>
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Information sharing with other financial institutions, if applicable, including the requirement to provide annual notice of sharing to FinCEN	<i>USA PATRIOT Act, Section 314(a); 31 CFR § 1010.540 – Voluntary information sharing among financial institutions; FINRA Rule 3310(b) – Anti-Money Laundering Compliance Program</i>
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Due diligence program to assess the money laundering risk presented by each correspondent account maintained for a foreign financial institution	<i>31 U.S.C. 5318(i) – Due Diligence for United States Private Banking and Correspondent Bank Accounts Involving Foreign Persons; 31 CFR § 1010.610(a) – Due diligence programs for correspondent accounts for foreign financial institutions; FINRA Rule 3310(b) – Anti-Money Laundering Compliance Program</i>
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Enhanced due diligence programs for accounts of certain foreign banks: procedures to detect establishment, maintenance, administration, or management of correspondent accounts for certain foreign banks identified in in 31 CFR § 1010.610(c); if firm establishes, maintains, administers, or manages such accounts, procedures to comply with enhanced due diligence requirements	<i>31 U.S.C. 5318(i) – Due Diligence for United States Private Banking and Correspondent Bank Accounts Involving Foreign Persons; 31 CFR § 1010.610(b) – Enhanced due diligence for certain foreign banks; FINRA Rule 3310(b) – Anti-Money Laundering Compliance Program</i>

Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Private banking accounts: Procedures to detect the establishment, maintenance, administration, or management of “private banking accounts” for non-US. persons; if firm establishes, maintains, administers, or manages such accounts, due diligence programs for private banking accounts, including ascertaining the identity of the nominal and beneficial account holders, the source of funds deposited and the purpose and expected use of the account, and conducting enhanced scrutiny of accounts of senior foreign political figures	31 U.S.C. § 5318(i) – Due Diligence for United States Private Banking and Correspondent Bank Accounts Involving Foreign Persons; 31 CFR § 1010.620 – Due diligence programs for private banking accounts; 31 CFR § 1010.605(m) – Definitions, Private banking account; FINRA Rule 3310(b) – Anti-Money Laundering Compliance Program
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Prohibition on correspondent accounts for foreign shell banks, records required for correspondent accounts for foreign banks, and foreign bank certifications	31 U.S.C. § 5318(j) – Prohibition on United States Correspondent Accounts with Foreign Shell Banks; 31 CFR § 1010.620 – Due diligence programs for private banking accounts; FINRA Rule 3310(b) – Anti-Money Laundering Compliance Program
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Patriot Act Section 311 special measures for jurisdictions, financial institutions, and international transactions found by Treasury to be of primary money laundering concern	31 U.S.C. § 5318A – Special measures for jurisdictions, financial institutions, international transactions, or types of accounts of primary money laundering concern; FinCEN 311 Special Measures Website; FINRA Rule 3310(b) – Anti-Money Laundering Compliance Program
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Summons and subpoenas of foreign bank records; terminations of foreign bank relationships upon notice	31 U.S.C. § 5318(k) – Compliance, exemptions, and summon authority; 31 CFR § 1010.670 – Summons or subpoena of foreign bank records; termination of correspondent relationship; FINRA Rule 3310(b) – Anti-Money Laundering Compliance Program
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	If the firm prohibits the receipt of currency, procedures and internal controls to detect its receipt	SEA Rule 17a-8 – Financial Recordkeeping and Reporting of Currency and Foreign Transactions; 31 CFR §§ 1010.310 (Reports of transactions in currency) - 1010.314 (Structured transactions)
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Filing Currency Transaction Reports (“CTRs”): Identifying currency transactions; filing CTRs; verifying identity; aggregation; structured transactions	SEA Rule 17a-8 – Financial Recordkeeping and Reporting of Currency and Foreign Transactions; 31 CFR §§ 1010.310 (Reports of transactions in currency) - 1010.314 (Structured transactions); 31 U.S.C. § 5313 – Reports on domestic coins and currency transactions; 31 U.S.C. § 5324 – Structuring transactions to evade reporting U.S.C. requirement prohibited
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Filing reports of International Transportation of Currency or Monetary Instruments	SEA Rule 17a-8 – Financial Recordkeeping and Reporting of Currency and Foreign Transactions; 31 CFR § 1010.340 – Reports of transportation of currency or monetary instruments
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Filing reports of Foreign Financial Accounts	SEA Rule 17a-8 – Financial Recordkeeping and Reporting of Currency and Foreign Transactions; 31 CFR § 1010.350 – Reports of foreign financial accounts
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	BSA recordkeeping requirements	SEA Rule 17a-8-Financial Recordkeeping and Reporting of Currency and Foreign Transactions; 31 CFR §§ 1010.440 – Records Required to be Maintained; 31 CFR §§ 1023.400 - 1023.410 – Records Required to be Maintained by Brokers or Dealers in Securities
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Obtaining and retaining all required information regarding the transmittal/re-transmittal of funds of \$3,000 or more	SEA Rule 17a-8 – Financial Recordkeeping and Reporting of Currency and Foreign Transactions; 31 CFR § 1010.410(e) – Nonbank financial institutions
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Verifying the identity of customers in connection with funds transfers	SEA Rule 17a-8 – Financial Recordkeeping and Reporting of Currency and Foreign Transactions; 31 CFR § 1010.410(e) – Nonbank financial institutions
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	“Travel Rule” requiring financial institutions to pass on certain financial information in connection with transmittals of funds of \$3,000 or more between financial institutions	SEA Rule 17a-8 – Financial Recordkeeping and Reporting of Currency and Foreign Transactions; 31 CFR § 1010.410(f) – Records to be maintained and retained by financial institutions
IV. SALES PRACTICES			
A. Communications with the Public			
Sales Practices	Communications with the Public	Communications with the Public Generally (including print and broadcast media, email, websites, and social media)	FINRA Rule 2210 – Communications with the Public; MSRB Rule G-21 – Advertising by Brokers, Dealers or Municipal Securities Dealers; SEA Rule 17a-3(a)(20) – Communications with the public; FINRA Rule 4511 – General Requirements
Sales Practices	Communications with the Public	Cold callers/ telemarketing scripts	FINRA Rule 2210 – Communications with the Public; FINRA Rule 3230 – Telemarketing; FINRA Rule 3170– Tape Recording of Registered Persons by Certain Firms; Notice to Members 95-54 (“Cold Calling Requirements”); MSRB Rule G-39 - Telemarketing
Sales Practices	Communications with the Public	Retail Communications Review	FINRA Rule 2210 – Communications with the Public
Sales Practices	Communications with the Public	Institutional Communications and Correspondence Review	FINRA Rule 2210 – Communications with the Public; FINRA Rule 3110 – Supervision
Sales Practices	Communications with the Public	Filing Requirements with Advertising Regulation Department	FINRA Rule 2210 – Communications with the Public
Sales Practices	Communications with the Public	Speaking Engagements; Scripts; Outlines; Media Participation	FINRA Rule 2210 – Communications with the Public

Sales Practices	Communications with the Public	Use of Social Media	Regulatory Notice 10-06 ("Guidance on Blogs and Social Networking Web Sites"); Regulatory Notice 11-39 ("Guidance on Social Networking Websites and Business Communications"); Regulatory Notice 17-18 ("Guidance on Social Networking Websites and Business Communications"); Regulatory Notice 19-31 ("Disclosure Innovations in Advertising and Other Communications with the Public")
Sales Practices	Communications with the Public	Communications Concerning Variable Insurance Products	FINRA Rule 2211 – Communications with the Public About Variable Life Insurance and Variable Annuities
Sales Practices	Communications with the Public	Use of Investment Company Rankings	FINRA Rule 2212 – Use of Investment Company Rankings in Retail Communications
Sales Practices	Communications with the Public	Investment Analysis Tools	FINRA Rule 2214 – Requirements for the Use of Investment Analysis Tools
Sales Practices	Communications with the Public	Communications Concerning Security Futures	FINRA Rule 2215 – Communications with the Public Regarding Security Futures
Sales Practices	Communications with the Public	Communications Concerning Collateralized Mortgage Obligations	FINRA Rule 2216 – Communications with the Public About Collateralized Mortgage Obligations (CMOs)
Sales Practices	Communications with the Public	Retail Communications Concerning Municipal Fund Securities; 529 Plans	Notice to Members 03-17 ("Sales Material for Municipal Fund Securities"); MSRB Rule G-21 – Advertisements by Brokers, Dealers or Municipal Securities Dealers
Sales Practices	Communications with the Public	Options Communications with the Public	FINRA Rule 2220 – Options Communications
Sales Practices	Communications with the Public	Communications Concerning Index and Currency Warrants	FINRA Rule 2357 – Communications with the Public and Customers Concerning Index Warrants, Currency Index Warrants and Currency Warrants
Sales Practices	Communications with the Public	Private Placement Communications	FINRA Rule 5122 – Private Placements of Securities Issued by Members; FINRA Rule 5123 – Private Placements of Securities; Regulatory Notice 20-21 ("FINRA Provides Guidance on Retail Communications Concerning Private Placement Offerings"); Regulatory Notice 21-26 ("FINRA Amends Rules 5122 and 5123 Filing Requirements to Include Retail Communications that Promote or Recommend Private Placements")
B. Disclosures to Customers			
Sales Practices	Customer Information and Disclosures	Customer Disclosure and Written Acknowledgment (Business on the premises of a financial institution)	FINRA Rule 3160 – Networking Arrangements Between Members and Financial Institutions
Sales Practices	Customer Information and Disclosures	Communications related to SIPC coverage	SIPC By-Laws, Art. 11, Sec. 4 Action in Cases of Personal Interest; FINRA Rule 2266 – SIPC Information
Sales Practices	Customer Information and Disclosures	Regulation S-P requirements related to: (1) providing customer privacy notices; (2) limitations on disclosure of customer nonpublic information and (3) safeguarding customers records and information	Regulation S-P – Privacy of Consumer Financial Information
Sales Practices	Customer Information and Disclosures	Investor Education and Protection	FINRA Rule 2267 – Investor Education and Protection
Sales Practices	Customer Information and Disclosures	Mortgage-Backed Securities: risk disclosure	Regulation AB – Regulation Asset Backed Securities
Sales Practices	Customer Information and Disclosures	Delivery of options disclosure documents	FINRA Rule 2360(b)(11) – Delivery of Current Disclosure Documents
Sales Practices	Customer Information and Disclosures	Disclosures	SEA Rule 10b-9 – Prohibited Representations in Connection with Certain Offerings
Sales Practices	Customer Information and Disclosures	Designated Securities/Penny Stocks	SEA Rules 15g(1) – (9); Notice to Members 92-38 ("SEC Adoption of Penny Stock Disclosure Rules Under the Securities Enforcement Remedies and Penny Stock Reform Act of 1990")
Sales Practices	Customer Information and Disclosures	Policies, Procedures, and Disclosures to Customers	FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; SEA Rule 10b-10 – Confirmation of Transactions; SEC Reg NMS, Rule 607; FINRA Rule 2231 – Customer Account Statements
Sales Practices	Customer Information and Disclosures	Disclosures to Certain Customers for Whom a Purchase or Sale of a Municipal Security was Effected or Holds a Municipal Securities Position	MSRB Rule G-10 Investor and Municipal Advisory Client Education and Protection
Sales Practices	Customer Information and Disclosures	Payment for Order Flow Disclosures	FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; SEA Rule 10b-10 – Confirmation of Transactions; SEC Reg NMS, Rule 606 – Disclosure of order routing information; FINRA Rule 2231 – Customer Account Statements; FINRA Rule 5310 – Best Execution and Interpositioning; Regulatory Notice 21-23 ("FINRA Reminds Member Firms of Requirements Concerning Best Execution and Payment for Order Flow")
Sales Practices	Customer Information and Disclosures	Disclosures for bank-affiliated broker-dealers, e.g., statement that investment is not FDIC insured, price fluctuations, etc.	FINRA Rule 3160 – Networking Arrangements Between Members and Financial Institutions
Municipal Securities Sales Practices	Customer Information and Disclosures	Disclosures in connection with new issues of municipal securities	MSRB Rule G-32 – Disclosures in connection with Primary Offerings
Municipal Securities Sales Practices	Customer Information and Disclosures	Municipal securities, disclosure by issuer	SEA Rule 15c2-12 – Municipal Securities Disclosure
Sales Practices	Customer Information and Disclosures	Prohibition against guarantees	FINRA Rule 2150 – Improper Use of Customers' Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts

Firm Supervision and Oversight	General Supervisory Obligations	Conduct and fair dealing; Fraud	MSRB Rule G-17 – Conduct of Municipal Securities and Municipal Advisory Activities; SEA Rule 15c1-2 – Fraud and Misrepresentation
C. Customer Information Controls			
Sales Practices	Customer Information Controls	New Account Review and Approval	17 CFR 240.15l-1 – Reg BI; FINRA Rule 2111 – Suitability; FINRA Rule 4512 – Customer Account Information; FINRA Rule 2090 – Know Your Customer; FINRA Rule 3210 – Accounts At Other Broker-Dealers and Financial Institutions; Regulatory Notice 16-22 (“SEC Approves Consolidated FINRA Rule 3210 (Accounts At Other Broker-Dealers and Financial Institutions)”); SEA Rule 17a-3 Records to be made by certain exchange members, brokers and dealers; FINRA Rule 4511 – General Requirements; MSRB Rule G-8 Books and Records to be Made by Brokers, Dealers, and Municipal Securities Dealers and Municipal Advisors
Sales Practices	Customer Information Controls	Identity Theft Controls	SEC Regulation S-ID – Identity Theft Red Flags
Sales Practices	Customer Information Controls	Verification of customer's background and financial information for options; maintenance of background information	FINRA Rule 2360(b)(16) – Options
Sales Practices	Customer Information Controls	Review/approve new options accounts	FINRA Rule 2360(b)(16) – Options
D. Suitability and Reg BI			
Sales Practices	Suitability and Reg BI	Suitability and Reg BI	FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; FINRA Rule 2111 – Suitability; FINRA Rule 2330 – Members’ Responsibilities Regarding Deferred Variable Annuities; Regulatory Notice 20-18 (“FINRA Amends Its Suitability, Non-Cash Compensation and Capital Acquisition Broker Rules in Response to Regulation Best Interest”); 17 CFR 240.15l-1 – Reg BI; FINRA Rule 4511 – General Requirements; FINRA Rule 5121 – Public Offerings of Securities with Conflicts of Interest; FINRA Rule 2310 – Direct Participation Programs; FINRA Rule 2353 – Suitability; FINRA Rule 2360(b)(19) – Options; MSRB Rule G-17 – Conduct of Municipal Securities and Municipal Advisory Activities; MSRB Rule G-19 – Suitability of Recommendations and Transactions
Sales Practices	Suitability and Reg BI	Discretionary Accounts	FINRA Rule 3260 – Discretionary Accounts; FINRA Rule 2111 – Suitability; 17 CFR 240.15l-1 – Reg BI; FINRA Rule 4512 – Customer Account Information; MSRB Rule G-19 – Suitability of Recommendations and Transactions
Sales Practices	Suitability and Reg BI	Sale of Designated Securities/Penny Stocks	SEA Rules 15g(1) – (9); FINRA Rule 2111 – Suitability; 17 CFR 240.15l-1 – Reg BI; Notice to Members 92-38 (“SEC Adoption of Penny-Stock Disclosure Rules Under the Securities Enforcement Remedies and Penny Stock Reform Act of 1990”); Notice to Members 92-42 (“Penny Stock Risk Disclosure Document”); Notice to Members 93-55 (“SEC Amends and Clarifies Penny Stock Rules”)
Sales Practices	Suitability and Reg BI	Suitability; review of subscription agreements	FINRA Rule 2111 – Suitability; 17 CFR 240.15l-1 – Reg BI; FINRA Rule 2310(b) – Direct Participation Programs
Sales Practices	Suitability and Reg BI	Identification of Sophisticated Municipal Market Professionals (SMMPPs)	MSRB Rule G-17 – Conduct of Municipal Securities and Municipal Advisory Activities
Sales Practices	Suitability and Reg BI	Minimum denomination amounts	MSRB Rule G-15 Confirmation, Clearance, Settlement and Other Uniform Practice Requirements with Respect to Transactions with Customers; MSRB Rule G-17 Conduct of Municipal Securities and Municipal Advisory Activities; MSRB Rule G-8 Books and Records to be Made by Brokers, Dealers, and Municipal Securities Dealers and Municipal Advisors
Sales Practices	Due Diligence	Hedge fund due diligence reviews	FINRA Rule 2111 – Suitability; 17 CFR 240.15l-1 – Reg BI; Notice to Members 03-07 (“NASD Reminds Members of Obligations When Selling Hedge Funds”)
Sales Practices	Due Diligence	Due diligence (public/private) review of prospective offerings and files	FINRA Rule 2111 – Suitability; 17 CFR 240.15l-1 – Reg BI; FINRA Rule 2310 – Direct Participation Programs; SEA Rule 10b-5 Employment of Manipulative and Deceptive Devices; Regulatory Notice 10-22 (“Obligation of Broker-Dealers to Conduct Reasonable Investigations in Regulation D Offerings”)
Sales Practices	Suitability and Reg BI	Powers of attorney/authority to act as agent on behalf of account/third party	SEA Rule 17a-4(b)(6) – Records to be Preserved by Certain Exchange Members, Brokers and Dealers; FINRA Rule 4511 – General Requirements; FINRA Rule 2090 – Know Your Customer
Sales Practices	Suitability and Reg BI	Short sale recommendations	FINRA Rule 2130 – Approval Procedures for Day-Trading Accounts; FINRA Rule 2111 – Suitability; 17 CFR 240.15l-1 – Reg BI
Sales Practices	Suitability and Reg BI	Suitability of solicited online transactions	FINRA Rule 2130 – Approval Procedures for Day Trading Accounts; Notice to Members 01-23 (“Suitability Rule And Online Communications”); FINRA Rule 2111 – Suitability; 17 CFR 240.15l-1 – Reg BI
E. Fees Charged to Customers			
Sales Practices	Fees Charged to Customers	Fair pricing, commissions fees charged to customers	FINRA Rule 2121 – Fair Prices and Commissions; FINRA Rule 2122 – Charges for Services Performed; FINRA Rule 2232 – Customer Confirmations; MSRB Rule G-15 – Customer Confirmations
Sales Practices	Fees Charged to Customers	Mark-ups Disclosures	FINRA Rule 2121 – Fair Prices and Commissions; FINRA Rule 2122 – Charges for Services Performed; FINRA Rule 2232(c) – Customer Confirmations; MSRB Rule G-15(a)(i)(f) – Customer Confirmations
F. Transaction Review and Handling of Customer Complaints			

Sales Practices	Reviewing Transactions and Handling Customer Complaints	Reviewing Transactions and Handling Customer Complaints	FINRA Rule 3110(b)(4) and (5) – Supervision FINRA Rule 4530 – Reporting Requirements; FINRA Rule 4513 – Records of Written Customer Complaints; Regulatory Notice 11-32 (“FINRA Provides Additional Guidance Regarding Reporting Requirements Under Rule 4530”); Regulatory Notice 11-06 (“SEC Approves Consolidated FINRA Rule Governing Reporting Requirements”)
Sales Practices	Reviewing Transactions and Handling Customer Complaints	Trade review (including unauthorized trading, churning, etc.)	SEA Rules 10b-5 (Employment of manipulative and deceptive devices) and 15c1-7 (Discretionary accounts); FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; FINRA Rule 2020 – Use of Manipulative, Deceptive, or Other Fraudulent Devices; FINRA Rule 2111 – Suitability; 17 CFR 240.15l-1 – Reg BI; FINRA Rule 3110 – Supervision; MSRB Rule G-27(c) – Written Supervisory Procedures
Sales Practices	Reviewing Transactions and Handling Customer Complaints	Customer Grievances – Options	FINRA Rule 2360(b)(17) – Options
V. FINANCIAL AND OPERATIONAL ISSUES			
A. Financial Reporting			
Firm Supervision and Oversight	FinOp Responsibilities	FinOp's duties and responsibilities (including FinOps registered with multiple firms)	FINRA Rule 1220(a)(4) – Financial and Operations Principal and Introducing Broker-Dealer Financial and Operations Principal; Notice to Members 06-23 (“NASD Reminds FinOps of their Obligations under NASD Rule 1022 and Issues Guidance to FinOps who Work Part-Time, Work Off-Site, or Hold Multiple Registrations”)
Financial and Operational	Filing of FOCUS and Related Forms	Financial Reporting- Net Capital Computation, FOCUS	SEA Rule 17a-5 – Reports to be made by certain brokers and dealers; SEA Rule 17a-11 – Notification provisions for brokers and dealers; Interpretations of Financial and Operational Rules – SEA Rule 17a-5 File (available on FINRA.org); FINRA By-Laws, Schedule A; FINRA Rule 4511 – General Requirements; FINRA Rule 4110 – Capital Compliance; FINRA Rule 4524 – Supplemental FOCUS Information; Regulatory Notice 19-02 (“FINRA Updates Supplemental Statement of Income”); Regulatory Notice 21-31 (“FINRA Establishes New Supplemental Liquidity Schedule”)
Financial and Operational	Filing of FOCUS and Related Forms	Policies and procedures to ensure timely filing of Schedule I annually. <i>Note: if firm has municipal securities revenue, include procedures for ensuring such revenue is recorded on Schedule I.</i>	
B. Handling of Customer Funds and Securities			
Financial and Operational	Handling of Funds and Securities	Net Capital Rule: Error procedures for handling customer funds received by fully-disclosed firms; handling customer funds in general; handling customer securities	SEA Rule 15c3-1 – Net Capital Requirements for Brokers or Dealers; SEA Rule 17a-11 – Notification Provisions for Brokers and Dealers; Interpretations of Financial and Operational Rules – SEA Rule 15c3-1 File (available on FINRA.org)
Financial and Operational	Handling of Funds and Securities	Customer Protection Rule; Reserve Computations; Quarterly Box Count; Safekeeping and Segregation of Customer Securities	SEA Rule 15c3-3 – Customer Protection – Reserves and Custody of Securities; FINRA Rule 1020 – Approval of Change in Exempt Status Under SEA Rule 15c3-3; Interpretations of Financial and Operational Rules – SEA Rule 15c3-3 File (available on FINRA.org); Notice to Members 99-44 (“SEC Approves Interpretations And Allocation Chart For Proprietary Accounts Of Introducing Broker/Dealers”); SEA Rule 17a-13 – Quarterly Security Counts to be made by Certain Exchange Members, Brokers, and Dealers; SEA Rule 8c-1 – Hypothecation of Customers' Securities; SEA Rule 15c2-1 – Hypothecation of Customers' Securities; SEA Rule 17a-3 – Records to be Made by Certain Exchange Members, Brokers and Dealers; FINRA Rule 4511 – General Requirements; FINRA Rule 2150 – Improper Use of Customers' Securities or Funds, Prohibition Against Guarantees and Sharing in Accounts
Financial and Operational	Handling of Funds and Securities	Prohibition against improper use of customer funds & securities	FINRA Rule 2150 – Improper Use of Customers' Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts; MSRB Rule G-25 – Improper Use of Assets
Financial and Operational	Handling of Funds and Securities	Escrow account maintenance; transmission or maintenance of payments received in connection with underwritings	SEA Rule 15c2-4 – Transmission or Maintenance of Payments Received in Connection with Underwritings
Financial and Operational	Handling of Funds and Securities	Receipt and reporting of cash receipts	SEA Rule 15c3-3 – Customer Protection Rule – Reserves and Custody of Securities; Interpretations of Financial and Operational Rules – SEA Rule 15c3-3 File (available on FINRA.org)
C. Capital and Credit Regulation			
Financial and Operational	Capital & Credit Regulation	Buy-In Procedures	FINRA Rule 11810 – Buy-In Procedures and Requirements
Financial and Operational	Capital & Credit Regulation	Sell-Out Procedures	FINRA Rule 11820 – Selling-Out
Financial and Operational	Capital & Credit Regulation	Short Sale Close-Out Procedures	Notice to Members 93-53 (“SEC Approves Amendments Relating to Close Outs of Short Sales and Bona Fide Fully Hedged or Arbitrated Positions”)
Financial and Operational	Capital & Credit Regulation	Parking of securities for net capital	FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; SEA Rules 10b-5 – Employment of manipulative and deceptive devices and 15c3-1 Net capital requirements for brokers or dealers
Financial and Operational	Capital & Credit Regulation	Parking of securities for manipulation	FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; SEA Rules 10b-5 – Employment of manipulative and deceptive devices and 15c3-1 Net capital requirements for brokers or dealers

Financial and Operational	Capital & Credit Regulation	Repurchases/ reverse repurchase transactions	<i>SEA Rules 15c3-1 – Net capital requirements for brokers or dealers and 15c3-3(b)(4)</i>
Financial and Operational	Capital & Credit Regulation	Bonds borrowed & loaned transactions	<i>SEA Rule 15c3-3(b)(3) Exhibit B – Formula for determination of security-based swap customer reserve requirements of brokers and dealers under §240.15c3-3</i>
Financial and Operational	Capital & Credit Regulation	Uniform Practice – Municipals	<i>MSRB Rule G-12 – Uniform Practice</i>
Financial and Operational	Capital & Credit Regulation	Disclosure of firm balance sheets upon customer request	<i>SEA Rule 17a-5 – Reports to be made by certain brokers and dealers; FINRA Rule 2261 – Disclosure of Financial Condition</i>
D. Margin			
Capital and Credit Regulation	Margin	Margin Requirements	<i>FINRA Rule 4210 – Margin Requirements; Regulation T – Credit by Brokers and Dealers; FINRA Rule 4240 – Margin Requirements for Credit Default Swaps</i>
Capital and Credit Regulation	Margin	Netting positions of accounts that are related or accounts under common control; Letter of authorization regarding guarantees/ cross guarantees	<i>Reg SHO Short-Selling of Equity Securities</i>
Capital and Credit Regulation	Margin	Joint Back Office Arrangements/ Central Counterparty Clearing Arrangements	<i>FINRA Rule 4210 – Margin Requirements; FINRA Rule 4240 – Security-Based Swap Margin Requirements</i>
VI. RECORDKEEPING			
Recordkeeping	Maintenance of Books and Records	Maintenance of books and records [main office; other offices; and update customer account information]	<i>SEA Rules 17a-3 – Records to be made by certain exchange members, brokers and dealers and 17a-4 Records to be preserved by certain exchange members, brokers and dealers; FINRA Rule 4511 – General Requirements; MSRB Rule G-8 – Books and Records to be Made by Brokers, Dealers, and Municipal Securities Dealers and Municipal Advisors; MSRB Rule G-9 – Preservation of Records; MSRB Rule G-15 – Confirmation, Clearance, Settlement and Other Uniform Practice Requirements with Respect to Transactions with Customers</i>
Recordkeeping	Customer Complaints	Maintaining records of written customer complaints	<i>FINRA Rule 4513 – Records of Written Customer Complaints; MSRB Rules G-8(a)(xii) Books and Records to be Made by Brokers, Dealers, and Municipal Securities Dealers and Municipal Advisors</i>
Recordkeeping	Order Tickets	Order Tickets/Order Ticket Procedures	<i>FINRA Rule 4511 – General Requirements; SEA Rule 17a-3 – Records to be made by certain exchange members, brokers and dealers; SEA Rule 10b-10 – Confirmation of Transactions; MSRB Rule G-15 – Confirmation, Clearance, Settlement and Other Uniform Practice Requirements with Respect to Transactions with Customers</i>
Recordkeeping	Confirmations	Confirmations	<i>FINRA Rule 2232 – Customer Confirmations; SEA Rule 10b-10 – Confirmation of Transactions; Regulatory Notice 17-24 (“FINRA Issues Guidance on the Enhanced Confirmation Disclosure Requirements in Rule 2232 for Corporate and Agency Debt Securities”)</i>
Recordkeeping	Electronic Communications	Instant Messaging	<i>Regulatory Notice 07-59 (“FINRA Provides Guidance Regarding the Review and Supervision of Electronic Communications”); Notice to Members 03-33 (“Clarification for Members Regarding Supervisory Obligations and Recordkeeping Requirements for Instant Messaging”); Regulatory Notice 11-39 (“Guidance on Social Networking Websites and Business Communications”); FINRA Rule 3110 – Supervision; FINRA Rule 4511– General Requirements; SEA Rule 17a-4 Records to be preserved by certain exchange members, brokers and dealers; Regulatory Notice 17-18 (“Guidance on Social Networking Websites and Business Communications”)</i>
Recordkeeping	Maintenance of Books and Records	Municipal books and records to be created and preserved	<i>MSRB Rule G-8 – Books and Records to be Made by Brokers, Dealers, and Municipal Securities Dealers and Municipal Advisors; MSRB Rule G-9 – Preservation of Records</i>
VII. INTERNAL CONTROLS			
Internal Controls	Account Transfers	Customer Account Transfers Contracts (ACATS)	<i>FINRA Rule 3120 – Supervisory Control System; FINRA Rule 11870 – Customer Account Transfer Contracts</i>
Internal Controls	Account Transfers	Verification of customer signature to transfer account, change address, etc.	<i>FINRA Rule 3110(c)(2)(B) and (C) – Internal Inspections; FINRA Rule 3120 – Supervisory Control System; FINRA Rule 11870 – Customer Account Transfer Contracts</i>
Internal Controls	Branch Office Controls	Review of order entry and account access centers and customer account access at branch offices	<i>FINRA Rule 3110(c) – Internal Inspections; FINRA Rule 3120 – Supervisory Control System; FINRA Rule 11870 – Customer Account Transfer Contracts</i>
Internal Controls	Branch Office Controls	Controls over branch office administrative and back-office functions	<i>FINRA Rule 3110(c) – Internal Inspections; FINRA Rule 3120 – Supervisory Control System; FINRA Rule 11870 – Customer Account Transfer Contracts</i>
Internal Controls	Clearing Firm Monitoring of Correspondents	Clearing Agreements (e.g., clearing firm forwarding complaints to introducing firms, etc.)	<i>FINRA Rule 4311 – Carrying Agreements</i>
Internal Controls	Customer Information Controls	Approval of account name or designation changes for orders	<i>FINRA Rule 4515 – Approval and Documentation of Changes in Account Name or Designation; SEA Rule 17a-4(b) Records to be preserved by certain exchange members, brokers and dealers; FINRA Rule 4511 – General Requirements</i>
Internal Controls	Risk Mitigation	Trading Limits and Other Controls	<i>SEA Rule 15c3-5 – Risk Management Controls for Brokers or Dealers with Market Access</i>
Internal Controls	Systems and Operations Controls	Signature guarantee requirements and proper execution	

Internal Controls	Systems and Operations Controls	Information security measures (e.g., securing equipment, preventing entry of unauthorized orders, controls on system entitlements, limits on password sharing, administrative procedures to change passwords, audit trail for tracking changes in entitlements, etc.)		
VIII. DIRECT PARTICIPATION PROGRAMS Including Real Estate Syndications; Oil and Gas Interests				
Direct Participation Programs	Suitability Determinations and Reviews	Disclosure; Review of subscription agreements	FINRA Rule 2111 – Suitability; FINRA Rule 2310 – Direct Participation Programs; 17 CFR 15l-1 – Reg BI	
Direct Participation Programs	General Supervisory Obligations	Rollups	FINRA Rule 2310 – Direct Participation Programs	
Direct Participation Programs	Organization and Offering Expenses	Review and determination for Fair and Reasonable DPP Expenses; Documentation for evidencing review	FINRA Rule 2310 – Direct Participation Programs	
Direct Participation Programs	Secondary Market Trading	Secondary Trading of DPP Shares	FINRA Rule 2111 – Suitability; 17 CFR 240.15l-1 – Reg BI; FINRA Rule 2310 – Direct Participation Programs; FINRA Rule 11580 – Transfer of Limited Partnership Securities; Rule 4512(c) Customer Account Information	
Direct Participation Programs	Secondary Market Trading	Trade Reporting of DPP Transactions		
IX. FIXED INCOME SECURITIES				
Municipal Securities	Municipal Securities	Financial Advisor Activities	MSRB Rule G-23 – Activities of Financial Advisors	
Municipal Securities	Municipal Securities	Disclosures in connection with primary offerings	MSRB Rule G-32 – Disclosures in Connection with Primary Offerings	
Municipal Securities	Municipal Securities	Underwriting and transaction assessments payable to MSRB	MSRB Rule A-13 – Underwriting and Transaction Assessments for Brokers, Dealers, and Municipal Securities Dealers	
Municipal Securities	Municipal Securities	Solicitation of municipal securities business	MSRB Rule G-38 – Solicitation of Municipal Securities Business	
Municipal Securities	Municipal Securities	Primary offering practices	MSRB Rule G-11 – Primary Offering Practices	
Municipal Securities	Municipal Securities	CUSIP Numbers, New Issue, and Market Information Requirements	MSRB Rule G-34 – CUSIP Numbers, New Issue, and Market Information Requirements; SEA Rule 15c2-12 – Municipal Securities Disclosure	
Municipal Securities Business	Delivery of Investor Brochure	Delivery of investor brochure upon receipt of complaint/ customer complaint brochure	MSRB Rule G-10 – Investor and Municipal Advisory Client Education and Protection	
Municipal Securities Business	Political Contributions	Political contributions	FINRA Rule 2030 – Engaging in Distribution and Solicitation Activities with Government Entities; MSRB Rule G-37 – Political Contributions and Prohibitions on Municipal Securities Business and Municipal Advisory Business; MSRB Rule G-38 – Solicitation of Municipal Securities Business	
Municipal Securities Business	Trade Reporting	Reports of sales or purchases	MSRB Rule G-14 – Reports of Sales or Purchases	
Municipal Securities Business	Municipal Securities Business	Use of ownership information obtained in Fiduciary or Agency Capacity	MSRB Rule G-24 – Use of Ownership Information Obtained in Fiduciary or Agency Capacity	
Municipal Securities Business	Municipal Securities Business	Customer suitability and fair pricing	MSRB Rule G-18 – Best Execution; MSRB Rule G-19 – Suitability of Recommendations and Transactions; MSRB Rule G-27 – Supervision; MSRB Rule G-30 – Prices and Commissions	
Fixed Income Securities	TRACE	Participation, trade reporting, dissemination of information, charges	FINRA Rules 6700 – 6770 – Trade Reporting and Compliance Engine (TRACE); FINRA Rule 7730 – Trade Reporting and Compliance Engine	
X. INVESTMENT COMPANY PRODUCTS				
Mutual Funds	Fees Charged to Customers	Sales Charges – Investment Company Products	FINRA Rule 2111 – Suitability; 17 CFR 240.15l-1 – Reg BI; FINRA Rule 2121 – Fair Prices and Commissions; FINRA Rule 2122 – Charges for Services Performed; FINRA Rule 2341 – Investment Company Securities; Regulatory Notice 21-07 (“FINRA Provides Guidance on Common Sales Charge Waivers and Discounts for Investment Company Products”)	
Mutual Funds	General Requirements	Prospectus delivery	Securities Act of 1933, Section 5(b)	
Mutual Funds	General Requirements	Non-Cash Compensation	FINRA Rule 2341 – Investment Company Compensation; 17 CFR 15l-1 – Reg BI	
Mutual Funds	Late Trading and Market Timing	Market timing and late trading activities	FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; FINRA Rule 2020 – Use of Manipulative, Deceptive, or Other Fraudulent Devices	
Mutual Funds	Mutual Fund Underwriters/ Dealers	Redemption procedures (Dealers only)	FINRA Rule 2341 – Investment Company Securities	
Mutual Funds	Customer Information and Disclosures	Selling dividends – limitations on disclosures	FINRA Rule 2341 – Investment Company Securities	
Mutual Funds	Fees Charged to Customers	Breakpoints, Letters of Intent, Rights of Accumulation	FINRA Rule 2342 – Breakpoint Sales; Regulatory Notice 21-07 (“FINRA Provides Guidance on Common Sales Charge Waivers and Discounts for Investment Company Products”)	
Mutual Funds	Suitability and Reg BI	Switching	FINRA Rule 2111 – Suitability; 17 CFR 15l-1 – Reg BI; Notices to Members 91-39 (“Limitations on Use of “Negative Response” Letters in Switching Customers From One Mutual Fund to Another”); 95-80 (“NASD Further Explains Members Obligations And Responsibilities Regarding Mutual Funds Sales Practices”); 94-16 (“NASD Reminds Members Of Mutual Fund Sales Practice Obligations”)	
Mutual Funds	Employee Supervision	Execution of investment company portfolio transactions; compensation, commissions, reciprocal activity	FINRA Rule 2341(k) – Execution of Investment Company Portfolio Transactions; MSRB Rule G-31 – Reciprocal Dealings with Municipal Securities Investment Companies	

XI. OPTIONS				
Options	Recordkeeping	Maintenance of records – central log, index or file for options complaints	FINRA Rule 2360(b)(17) – Maintenance of Records	
Options	Supervision of Options Accounts	Supervision of options accounts	FINRA Rule 2360(b)(20) – Supervision of Accounts	
Options	Supervision of Options Accounts	Adjustments to options contracts	Notice to Members 02-17 (“Alerting customer to adjustments to option contracts”)	
Options	Transaction Processing	Allocation procedures	FINRA Rule 2360(b)(23) – Tendering Procedures for Exercise of Options	
Options	Transaction Processing	Uncovered short option contracts	FINRA Rule 2360(b)(16)(E) – Uncovered Short Option Contracts; Notice to Members 06-54 (“Amendments to Option Disclosure Documents Delivery Requirements in Rule 2860”)	
Options	Transaction Processing	Position Limits/ Exercise Limits	FINRA Rule 2360(b)(3) – Position Limits; 2360(b)(4) – Exercise Limits	
Options	Transaction Processing	Reporting options positions	FINRA Rule 2360(b)(5) – Reporting of Options Positions	
Options	Transaction Processing	Position Limits Reporting Procedures	FINRA Rule 2360(b)(23) – Tendering Procedures for Exercise of Options	
Options	Transaction Processing	Cash and Margin Treatment for Certain Types of Options	Notice to Members 06-26 (“Amendments to Margin Rules to Reflect Additional Complex Option Spread Strategies”); Notice to Members 01-11 (“Cash and Margin Treatment for Certain Types of Options Positions”)	
XII. RESEARCH				
Research	General Supervisory Obligations	Research Analysts and Research Reports	FINRA Rule 2241 – Research Analysts and Research Reports; FINRA Rule 5280 – Trading Ahead of Research Reports; Regulatory Notice 19-32 (“FINRA Amends Rules 2210 and 2241 to Conform to the Fair Access to Investment Research Act of 2017”); Regulatory Notice 15-30 (“SEC Approves Consolidated Rule to Address Conflicts of Interest Relating to the Publication and Distribution of Equity Research Reports”); FINRA Rule 1220(b)(6) – Research Analyst; FINRA Rule 2241 – Research Analysts and Research Reports; Notice to Members 07-04 (“Codification of Interpretations to Rule 2711”); Notice to Members 04-81 (“SEC Approves New NASD Qualification Requirements for Supervisors of Research Analysts”); Notice to Members 04-18 (“NASD and NYSE Provide Further Guidance on Rules Governing Research Analysts’ Conflicts of Interest”)	
Research	General Supervisory Obligations	Quiet Periods	FINRA Rule 2241 – Research Analysts and Research Reports; FINRA Rule 2210 – Communications with the Public; Regulatory Notice 19-32 (“FINRA Amends Rules 2210 and 2241 to Conform to the Fair Access to Investment Research Act of 2017”)	
Research	Research	Fixed Income Research	FINRA Rule 2242 – Debt Research Analysts and Debt Research Reports; Regulatory Notice 15-30 (“SEC Approves Consolidated Rule to Address Conflicts of Interest Relating to the Publication and Distribution of Equity Research Reports”); Notice to Members 06-36 (“NASD and NYSE Joint Interpretive Guidance on Fixed Income Research”)	
XIII. UNDERWRITINGS AND PRIVATE PLACEMENTS				
Sales Practices	General Obligations	Private Placements	FINRA Rule 2111 – Suitability; 17 CFR 15l-1 – Reg BI; FINRA Rule 5122 – Private Placements of Securities Issued by Members; FINRA Rule 5123 – Private Placements of Securities; Regulation A; Regulation D, Rules 501 – 506 of the Securities Act of 1933; Regulatory Notice 10-22 (“Obligation of Broker-Dealers to Conduct Reasonable Investigations in Regulation D Offerings”)	
Sales Practices	General Obligations	Private Placement Filing Requirements with Corporate Financing Department	FINRA Rule 5122 – Private Placements of Securities Issued by Members; FINRA Rule 5123 – Private Placements of Securities	
Underwriting	Types of Offerings	Best Efforts and Private Placement (including procedures for contingent offerings)	FINRA Rule 5110 – Corporate Financing Rule – Underwriting Terms and Arrangements; FINRA Rule 5190 – Notification Requirements for Offering Participants; SEA Rule 10b-9 – Prohibited representations in connection with certain offerings; SEA Rule 15c2-4 – Transmission or maintenance of payments received in connection with underwritings; Regulation D Rules 501 – 506; Regulation A	
Underwriting	Types of Offerings	PIPES – Private Investments in Public Equities (including monitoring for impermissible trading in PIPE issuers)	FINRA Rule 5110 – Corporate Financing Rule – Underwriting Terms and Arrangements; FINRA Rule 5190 – Notification Requirements for Offering Participants; SEA Rule 10b-9 – Prohibited representations in connection with certain offerings; SEA Rule 15c2-4 – Transmission or maintenance of payments received in connection with underwritings; Regulation D Rules 501 – 506; Regulation A	
Underwriting	Types of Offerings	Self Underwriting	FINRA Rule 5121 – Public Offerings of Securities with Conflicts of Interests; FINRA Rule 5122 – Private Placements of Securities Issued by Members	
Underwriting	Types of Offerings	Intrastate Offerings	Securities Act of 1933, Sec. 3(a)(11) Intrastate Issues; Securities Act Rule 147	
Underwriting	Types of Offerings	SEC Rule 144 Stock	Securities Act of 1933 Rule 144 – Persons deemed not to be engaged in a distribution and therefore not underwriters	
Underwriting	Material Event Disclosure	Material Events	SEA Rule 15c2-12 – Municipal Securities Disclosures	
Underwriting	Securities Registration	Public Offerings (Securities Registration)	Securities Act of 1933, Sec. 5 – Prohibitions Relating to Interstate Commerce and the Mails	
Underwriting	Securities Registration	Misrepresentations as to registration	SEA Rule 15c1-3 – Misrepresentation by brokers, dealers, and municipal securities dealers as to registration	
Underwriting	Syndicate Settlement	Syndicate Management	FINRA Rule 11880 – Settlement of Syndicate Accounts	
Underwriting		Restricted Period; Underwriting Activity Report	FINRA Rule 5110 – Corporate Financing Rule – Underwriting Terms and Arrangements	
Underwriting		Filings required by Corporate Finance Department	FINRA Rule 5110 – Corporate Financing Rule – Underwriting Terms and Arrangements	

Underwriting		Non-cash compensation	FINRA Rule 5110 – Corporate Financing Rule – Underwriting Terms and Arrangements; 15 CFR 15l-1 – Reg BI
Underwriting		Disclosure of affiliation with issuer or interest in distribution	SEA Rule 15c1-5 – Disclosure of control; SEA Rule 15c1-6 – Disclosure of interest in distribution
Underwriting and Distribution		Regulation M – Rules 101 – 105	Regulation M – Anti-Manipulation Rules Concerning Securities Offerings
XIV. VARIABLE PRODUCTS			
Variable Products	Communications with the Public	Communications with the public about variable life insurance and variable annuities	FINRA Rule 2211 – Communications with the Public About Variable Life Insurance and Variable Annuities
Variable Products	General Obligations	Sales of Variable Insurance Products	FINRA Rule 2320 – Variable Contracts of an Insurance Company; FINRA Rule 2330 – Members' Responsibilities Regarding Deferred Variable Annuities; Notice to Members 99-35 ("The NASD Reminds Members of Their Responsibilities Regarding The Sales of Variable Annuities"); Notice to Members 00-44 ("The NASD Reminds Members of Their Responsibilities Regarding the Sale of Variable Life Insurance"); 17 CFR 15l-1 – Reg BI
Variable Products	Suitability and Reg BI	Twisting (trading among mutual funds, insurance products, and variable products)	FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; 17 CFR 15l-1 – Reg BI
Variable Products	Suitability and Reg BI	1035 Exchanges	IRS Code § 1035; FINRA Rule 2330 – Members' Responsibilities Regarding Deferred Variable Annuities; 17 CFR 15l-1 – Reg BI
Variable Products	Suitability and Reg BI	Replacements	FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; FINRA Rule 2330 – Members' Responsibilities Regarding Deferred Variable Annuities; 17 CFR 15l-1 – Reg BI
Variable Products	Suitability and Reg BI	Multiple Contract Sales	FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; FINRA Rule 2330 – Members' Responsibilities Regarding Deferred Variable Annuities; 17 CFR 15l-1 – Reg BI
Variable Products	Sales Practices	Non-Cash Compensation	FINRA Rule 2320 – Variable Contracts of an Insurance Company; 17 CFR 15l-1 – Reg BI
XV. TRADING AND TRADING OPERATIONS			
A. Trading: Supervisory System, Procedures, and Qualifications			
Trading	Supervision	Designation of Principal(s) responsible for overall supervisory system and procedures	FINRA Rule 3110(a)(2) – Supervisory System; FINRA Rule 3110(b) – Written Procedures; FINRA Rule 3120(a) – Supervisory Control System
Trading	Supervision	Designation of Principal(s) responsible for supervision of the member's trading area	FINRA Rule 3110(a) – Supervisory System; FINRA Rule 3120(a) – Supervisory Control System
Trading	Supervision	Designation, as an Office of Supervisory Jurisdiction ("OSJ"), of each location at which the order execution or market making functions are conducted	FINRA Rule 3110(a)(3) – Supervisory System; FINRA Rule 3110(f)(1) – Definitions
Trading	Supervision	Designation of Principal(s) in each OSJ location at which order execution or market making occurs	FINRA Rule 3110(a)(4) – Supervisory System; FINRA Rule 3110(b)(6) – Documentation and Supervision of Supervisory Personnel
Trading	Supervision	Procedures to ensure personnel are properly registered as required by SRO Rules	FINRA Rule 3110(b) – Written Procedures
Trading	Supervision	Procedures to help ensure a reasonable effort is made to determine supervisory personnel are qualified by virtue of experience or training to execute assigned responsibilities	FINRA Rule 3110(a)(6) – Supervisory System; FINRA Rule 3110(b)(6) – Documentation and Supervision of Supervisory Personnel
B. Order Handling			
Trading	Order Handling	If the firm routes orders to another market center: procedures to ensure compliance and to review for compliance with the Disclosure of Order Routing Information Rule	SEC Reg NMS, Rule 606 – Disclosure of order routing information
Trading	Order Handling	If the firm makes markets in covered securities: procedures to ensure compliance, and to review for compliance, with the Limit Order Display and Quote Dissemination Rules	SEC Reg NMS, Rules 604 – Display of customer limit orders and 602 Dissemination of quotations in NMS securities; FINRA Rule 6460 – Display of Customer Limit Orders
Trading	Order Handling	If the firm accepts limit orders: procedures to ensure compliance, and to review for compliance, with the Limit Order Protection Rules	FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; FINRA Rule 5320 – Prohibition Against Trading Ahead of Customer Orders
Trading	Order Handling	If the firm accepts market orders: procedures to ensure compliance and to review for compliance with the Market Order Protection Rule	FINRA Rule 5320 – Prohibition Against Trading Ahead of Customer Orders; Regulatory Notice 18-29 ("FINRA Reminds Firms of Their Obligations When Effecting OTC Trades in Equity Securities on a Net Basis"); FINRA Rule 5310 – Best Execution and Interpositioning; Regulatory Notice 21-23 ("FINRA Reminds Member Firms of Requirements Concerning Best Execution and Payment for Order Flow")

Trading	Order Handling	For firms that make markets OTC in any exchange-traded security, but are not registered as market makers: procedures to monitor member's trading activity to determine whether it has traded over 1% of the quarterly volume of any exchange-traded security, thereby making the security a "subject security" and the member a "responsible broker-dealer" that is required to communicate its best bid, offer, and size for each subject security to a national securities exchange association	SEC Reg NMS Rules 600(b)(65) – Participants and (73) Published bid and published offer and 602(b)(2) and (4) –Obligations of responsible brokers and dealers	
Trading	Order Handling	If the firm is an exchange or OTC market maker in NMS securities: procedures to ensure quotations are not communicated to vendors for display on a terminal, unless the security is a subject security with respect to the market maker	SEC Reg NMS Rule 602(b)(4) – Obligations of responsible brokers and dealers	
Trading	Order Handling	If the firm is a market center in NMS stocks: procedures to ensure compliance and review for compliance with the Disclosure of Order Execution Information Rule	SEC Reg NMS Rule 605 – Disclosure of order execution information	
C. Best Execution				
Trading	Best Execution	Procedures to ensure compliance and to review for compliance with the requirement to execute customer orders and orders for the customers of another broker-dealer at a price as favorable as possible under prevailing market conditions, including:	FINRA Rule 5310 – Best Execution and Interpositioning; MSRB Rules G-17 – Conduct of Municipal Securities and Municipal Advisory Activities and G-18 Best Execution; FINRA Rule 2020 – Use of Manipulative, Deceptive, or Other Fraudulent Devices; SEA Rule 10b-5 –Employment of manipulative and deceptive devices; Regulatory Notice 21-23 (“FINRA Reminds Member Firms of Requirements Concerning Best Execution and Payment for Order Flow”); Regulatory Notice 21-12 (“FINRA Reminds Member Firms of Their Obligations Regarding Customer Order Handling, Margin Requirements and Effective Liquidity Management Practices During Extreme Market Conditions”); Regulatory Notice 15-46 (“Guidance on Best Execution Obligations in Equity, Options and Fixed Income Markets”)	
Trading	Best Execution	Execution of customer orders as principal		
Trading	Best Execution	Execution of customer orders as principal after acquiring securities to fill the customer's order (i.e., riskless principal trading)		
Trading	Best Execution	Execution of customer orders as agent		
Trading	Best Execution	Execution of customer block-sized orders, "not-held" orders, and customer orders with special pricing terms/ conditions (e.g., VWAP, MOO, MOC, Capped)		
Trading	Best Execution	If member concurrently handles multiple orders subject to time/price trading discretion (e.g., "not held", "working", cost-based VWAP, etc.) establishing a process to ensure best execution obligations are met with respect to all orders and that shares are allocated to concurrently open orders in a fair and non-discriminatory manner		
Trading	Best Execution	Execution of orders routed to and executed by other parties, based on order-by-order routing decisions made by the member (a/k/a Regular and Rigorous Reviews)		
Trading	Best Execution	Procedures to ensure every effort is made to execute marketable customer orders fully and promptly.	FINRA Rule 5310.01 – Best Execution and Interpositioning; Regulatory Notice 22-04 (“FINRA Reminds Member Firms of Obligation to Execute Marketable Customer Orders Fully and Promptly”)	
Trading	Best Execution	Policies and procedures against adjusted trading	FINRA Rule 5330 – Adjustment of Orders	
Trading	Best Execution	Reallocation of trades/Allocation methodology and procedures		

Trading	Best Execution	Procedures to ensure compliance and to review for compliance with the requirements to ascertain the best interdealer market by obtaining and documenting quotations (a/k/a "3-Quote Rule")	<i>FINRA Rule 5310 Supplementary Material .06 – Orders Involving Securities with Limited Quotations or Pricing Information; Regulatory Notice 12-13 ("SEC Approves Consolidated FINRA Best Execution Rule"); Regulatory Notice 21-23 ("FINRA Reminds Member Firms of Requirements Concerning Best Execution and Payment for Order Flow"); Regulatory Notice 15-46 ("Guidance on Best Execution Obligations in Equity, Options and Fixed Income Markets")</i>
D. Anti-Intimidation/Coordination			
Trading	Anti-Intimidation/ Coordination	Procedures to prevent and detect the occurrence of prohibited trading practices including, among other practices: (i) coordinating the prices (including quotations), trades or trade reports of such member with any other member or person associated with a member, or any other person; (ii) directing or requesting another member to alter a price (including a quotation); or (iii) engaging, directly or indirectly, in any conduct that threatens, harasses, coerces, intimidates or otherwise attempts improperly to influence another member, a person associated with a member, or any other person.	<i>FINRA Rule 5240 – Anti-Intimidation/Coordination</i>
Trading	Anti-Intimidation/ Coordination	Procedures to prevent and detect the occurrence of prohibited conduct including threatening, coercion, or intimidation to improperly influence another person or member including: i. Refusals to honor firm quote obligations or to trade with other members, especially in a selective/ discriminatory fashion; ii. Executing orders in a manner intended to harass or annoy another member; iii. Reporting harassment and instances in which threats or attempts at coercion have been received; and iv. Educating personnel as to what constitutes improper conduct	<i>FINRA Rule 5240 – Anti-Intimidation/Coordination</i>
E. Equity Trade Reporting			
Trading	Trade Reporting	If the firm reports trades through a TRF, ADF or the ORF, procedures to ensure compliance and review for compliance with requirements to report trade accurately and timely	<i>FINRA Rule 6181 – Timely Transaction Reporting; FINRA Rule 6622 – OTC Transaction Reporting; FINRA Rule 7330 – OTC Trade Report Input; FINRA Rules 6182 and 6624 – Trade Reporting of Short Sales; FINRA Rules 6380A and 6380B – Transaction Reporting</i>
Trading	Trade Reporting	Procedures to ensure and review for compliance with TRF and/or ADF, and ORF requirements regarding: 1) The proper use of trade modifiers (e.g., .PRP, .SLD, .T, .W, etc.) when required, and refraining from use when not required; 2) Reporting riskless principal trades; 3) Accepting trades reported by another member (or entering a matching trade) in a timely manner	<i>FINRA Rule 6200 Series – Alternative Display Facility; FINRA Rule 6300 Series – Trade Reporting Facilities; FINRA Rule 6600 Series – OTC Reporting Facility; FINRA Rule 7300 Series – OTC Reporting Facility</i>
Trading	Trade Reporting	If another member or third-party reports trades on the firm's behalf (under an AGU, A2, QSR, or otherwise), procedures to ensure trades have been accurately reported on the member's behalf.	
F. Sale Transactions			
Trading	Sale Transactions	Procedures to ensure and review for compliance with requirements to (i) properly determine whether a sale is long, short, or short exempt and (ii) mark the member's order records accordingly as "long," "short," or "short exempt"	<i>Reg SHO, Rule 200(a) and (g) – Definition of "short sale" and marking requirements</i>

Trading	Sale Transactions	if the firm will utilize independent trading unit aggregation, procedures to ensure (1) the member's organization plan qualifies for independent trading unit aggregation, (2) each aggregation unit determines its net position for each security at the time of sale, (3) each unit engages only in its specified trading strategies and trading units do not coordinate strategies with each other, and (4) individual traders are assigned to only one aggregation unit at a time	<i>Reg SHO, Rule 200(f) – Definition of "short sale" and marking requirements</i>	
Trading	Sale Transactions	Procedures to ensure and review for compliance with requirements to locate (or arrange to borrow) securities being sold prior to execution	<i>Reg SHO, Rule 203(b) – Short sales</i>	
Trading	Sale Transactions	Procedures to ensure and review for compliance with requirements to refrain from accepting a short sale order for threshold securities in which the member has aged fails unless the member borrows, or enters into a bona-fide arrangement to borrow, the securities being sold prior to execution	<i>Reg SHO, Rule 203(b)(3) – Short sales</i>	
Trading	Sale Transactions	If the firm submits trade reports to FINRA for transactions in NMS stocks or OTC Equity Securities, procedures to ensure and review for compliance with requirements to report accurate short sale indicators (i.e., long, short, or short exempt) for customer and proprietary sale transactions	<i>FINRA Rule 6182 – Trade Reporting of Short Sales; FINRA Rule 6624 – Trade Reporting of Short Sales</i>	
Trading	Sale Transactions	If the firm is a trading center, procedures to ensure and review for compliance with the prohibitions on executing non-exempt short sales on a down tick if the price of the security decreases by 10% or more from the prior day's closing price.	<i>Reg SHO, Rule 201</i>	
G. Other Trading Rules				
Trading	Other Trading Rules	Procedures to ensure and review for compliance with the prohibitions on trading or quoting during a trading halt	<i>FINRA Rule 5260 – Prohibition on Transactions, Publication of Quotations, or Publication of Indications of Interest During Trading Halts; FINRA Rule 6121 – Trading Halts Due to Extraordinary Market Volatility; FINRA Rule 6440 – Trading and Quotation Halt in OTC Equity Securities</i>	
Trading	Other Trading Rules	Procedures to ensure and review for compliance with the requirements for the member to honor its quotes, refrain from "backing away" from its quotes and adequately staffing its trading desk	<i>FINRA Rule 5220 – Offers at Stated Prices; FINRA Rule 6272 – Character of Quotations; Reg NMS, Rules 602(b)(2) and (b)(3) Obligations of Responsible Brokers and Dealers</i>	
Trading	Other Trading Rules	Procedures to help ensure and review for compliance with requirements related to locked and crossed markets, including: If the member is an ADF participant, properly responding to "trade or move directed orders" during pre-opening trading; and if the member enters quotes in ADF, refraining from entering a quote that would lock or cross an existing quote	<i>FINRA Rule 6437 – Prohibition from Locking or Crossing Quotations in OTC Equity Securities; Regulation NMS Rule 610(d)</i>	
Trading	Other Trading Rules	If the firm enters quotes for OTC Equity securities in multiple real-time quotation systems, procedures to ensure and review for compliance with requirement to maintain identical quotes for a security in each system	<i>FINRA Rule 6438 – Displaying Priced Quotations in Multiple Quotation Mediums</i>	

Trading	Other Trading Rules	If the firm will use FINRA systems, procedures to ensure and review for compliance with requirements to maintain the physical security of equipment to prevent the improper use of, or unauthorized entry of information into FINRA systems	FINRA Rule 7220A – Trade Reporting Participation Requirements; FINRA Rule 7320 – Trade Reporting Participation Requirements	
H. Soft Dollar Accounts and Trading				
Trading	Soft Dollar Accounts and Trading	If the firm provides "soft dollar" credits to customers, procedures to ensure and review for compliance with requirements related to this activity including:	SEA Section 28(e)– Exchange, broker, and dealer commissions; brokerage and research services; Notice to Members 07-04 (“Codification of Interpretations to Rule 2711”); Notice to Members 05-04 (“SEC Approves Amendments to NASD Rule 2830(k) to Strengthen Prohibitions on Investment Company Directed Brokerage Arrangements”)	
Trading	Soft Dollar Accounts and Trading	(1) Preparing records that reflect which trades were executed by the member pursuant to agreements with customers to generate soft dollar credits	SEA Rule 17a-3 – Records to be Made by Certain Exchange Members, Brokers and Dealers; SEA Rule 17a-4 – Records to be Preserved by Certain Exchange Members, Brokers and Dealers; FINRA Rule 4511 – General Requirements	
Trading	Soft Dollar Accounts and Trading	(2) Monitoring trades for which soft dollar credits are accrued to determine whether they were within the SEC–established safe harbor for agency transactions and riskless principal transactions reported as such in accordance with FINRA trade reporting rules	SEA Sec. 28(e) – Exchange, Broker, and Dealer Commissions; Brokerage and Research Services	
Trading	Soft Dollar Accounts and Trading	(3) If/When operating outside the SEC–established safe harbor, undertaking reasonable affirmative steps to verify that the member is operating in compliance with all applicable securities rules and regulations, and is not aiding or abetting violations by others	SEA Sec. 28(e) – Exchange, Broker, and Dealer Commissions; Brokerage and Research Services	
Trading	Soft Dollar Accounts and Trading	(4) Preparing records that reflect the cost/value of research or other services provided to customers that reduce/eliminate accrued soft dollar credits	SEA Rule 17a-3 – Records to be Made by Certain Exchange Members, Brokers and Dealers; SEA Rule 17a-4 – Records to be Preserved by Certain Exchange Members, Brokers and Dealers; FINRA Rule 4511 – General Requirements	
Trading	Soft Dollar Accounts and Trading	(5) Monitoring research or services provided to ensure the items are within the SEC–established safe harbor	SEA Sec. 28(e) – Exchange, broker, and dealer commissions; brokerage and research services	
Trading	Soft Dollar Accounts and Trading	(6) Annual review of research analyst compensation	FINRA Rule 2241(b) – Identifying and Managing Conflicts of Interest (includes provisions requiring procedures for placing restrictions on research analyst compensation)	
I. Consolidated Audit Trail (“CAT”)				
Trading	CAT	Clock synchronization to include, at a minimum, how and when clocks are synchronized, who is responsible for clock synchronization, how the firm evidences that clocks have been synchronized, and how the firm will self–report clock synchronization violations	Regulatory Notice 20-31 (“FINRA Reminds Firms of Their Supervisory Responsibilities Relating to CAT”); FINRA Rule 6820; CAT Alert 2020–02	
Trading	CAT	Daily review of the CAT Reporter Portal to: (1) review file status to ensure files sent by the member or by their reporting agent were accepted and to identify/address any file submission or integrity errors; (2) identify late records; (3) identify and repair any data ingestion errors (syntax/semantic rejections); (4) identify and repair any linkage errors; (5) review reporting statistics and compare them to firm record counts to ensure the member firm or its reporting agent has reported all required records; (6) receive communications from FINRA CAT regarding CAT availability, announcements, software releases, etc.; and (7) update and maintain firm contact information.	Regulatory Notice 20-31 (“FINRA Reminds Firms of Their Supervisory Responsibilities Relating to CAT”); FINRA Rule 6800 series	

Trading	CAT	Periodic comparative reviews of accepted CAT data against order and trade records and the CAT Reporting Technical Specifications to ensure: (1) all reportable records are submitted to CAT; (2) data fields contain accurate information; (3) records are submitted in the correct time sequence (e.g., executions are not time-stamped prior to the receipt of a new order); (4) "Handling Instructions" are correctly populated; (5) "Account Holder Type" values are populated correctly; (6) the "Manual Flag" field is populated correctly; and (7) data is properly reported under the member's "Industry Member Identifier".	<i>Regulatory Notice 20-31 ("FINRA Reminds Firms of Their Supervisory Responsibilities Relating to CAT"); FINRA Rule 6800 series</i>	
Trading	CAT	Ongoing steps: (1) if applicable, communicate regularly with CAT reporting agent to ensure data is being properly submitted; (2) review CAT Announcements and FAQ pages; (3) review CAT Reporter Portal User Guide, CAT Technical Specifications, and Industry Member Reporting Scenarios as they are updated; (4) use the FINRA CAT Help Desk at (888) 696-3348 or help@finracat.com; and (5) report reporting issues to the FINRA CAT Help Desk.	<i>Regulatory Notice 20-31 ("FINRA Reminds Firms of Their Supervisory Responsibilities Relating to CAT"); FINRA Rule 6800 series</i>	
J. Other Rules				
Trading	Other Rules	Procedures to ensure and review for compliance with the prohibitions on the improper sharing of material, non-public information (including information about pending orders) between the member's trading desk(s)	<i>FINRA Rule 3110 – Supervision; FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade</i>	
Trading	Other Rules	Procedures to ensure and review for compliance with the requirement to accurately prepare and maintain required books and records pertaining to the trading area(s)	<i>SEA Rules 17a-3 – Records to be made by certain exchange members, brokers and dealers; and 17a-4 – Records to be preserved by certain exchange members, brokers and dealers; FINRA Rule 4510 Series – Books and Records Requirements</i>	
Trading	Other Rules	Procedures to ensure and review for compliance with the prohibitions against accepting payment or other consideration, directly or indirectly, from an issuer, affiliate, or promoter thereof	<i>FINRA Rule 5250 – Payments for Market Making</i>	
K. Use of Multiple Market Participant Identifiers ("MPIDs")				
Trading	Use of MPID	If the firm proposes to use multiple MPIDs, procedures to ensure and review for compliance with use of each MPID in accordance with (i) the representations made when requesting supplemental MPIDs, and (ii) the requirements/limitations related to the use of supplemental MPIDs	<i>FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade; FINRA Rule 6160 – Multiple MPIDs for Trade Reporting Facility Participants; FINRA Rule 6480 – Multiple MPIDs for Quoting and Trading in OTC Equity Securities</i>	
Trading	Use of MPID	If the firm proposes to use multiple MPIDs, procedures to ensure and review for compliance with limiting access of each MPID's user(s) to their own order/trading information and ensuring that order/trading information is not improperly shared between multiple MPID user(s)	<i>FINRA Rule 2010 – Standards of Commercial Honor and Principles of Trade</i>	
Trading	Use of MPID	If the firm proposes to use multiple MPIDs, procedures to ensure the member has incorporated activity conducted under all MPIDs into its supervisory system and procedures as needed	<i>FINRA Rule 3110 – Supervision; FINRA Rule 3120 – Supervisory Control System; FINRA Rule 3130 – Annual Certification of Compliance and Supervisory Processes; FINRA Rule 6160 Multiple MPIDs for Trade Reporting Facility Participants; FINRA Rule 6170 – Multiple MPIDs for Alternative Display Facility Participants; FINRA Rule 6480 – Multiple MPIDs for Quoting and Trading in OTC Equity Securities</i>	
L. Rules Applicable to ATSS				

Trading	ATS	Procedures to ensure and review for compliance with the requirements to file Form ATS-R on a quarterly basis	<i>Reg ATS, Rule 301(b)(9) – Requirements for alternative trading systems – Reporting; FINRA Rule 6250 – Quote and Order Access Requirements (ADF)</i>	
Trading	ATS	Procedures to ensure and review for compliance with the requirements to file and periodically update Form ATS-N	<i>Reg ATS, SEA Rule 304 – NMS Stock ATSS</i>	
Trading	ATS	Procedures to ensure compliance with Regulation SCI (for ATSs meeting the definition of “SCI alternative trading system”)	<i>Reg SCI</i>	
Trading	ATS	Procedures to ensure and review for compliance with the requirement to protect subscribers' confidential trading information including, a) limiting information access to ATS employees responsible for operating the ATS or for compliance with applicable rules, and b) implementing standards to control ATS employees trading for their own accounts	<i>Reg ATS, FINRA Rule 301(b)(10) – Requirements for alternative trading systems Written Procedures to Ensure the Confidential Treatment of Trading Information; FINRA Rule 6250 – Quote and Order Access Requirements (ADF)</i>	
Trading	ATS	Procedures to ensure and review for compliance with the prohibition on charging inconsistent fees	<i>Reg ATS, Rule 301(b)(4) – Fees</i>	
Trading	ATS/ECN	Procedures to monitor trading volume and determine whether the ATS has surpassed the "5% threshold" that would require it to comply with Reg ATS order display, execution access, and fair access requirements	<i>Reg ATS, Rule 301(b)(3) – Order Display and Execution Access and (b)(5) Fair Access</i>	
Trading	ATS/ECN	Procedures to monitor trading volume and determine whether the ATS has surpassed the "20% threshold" that would require it to comply with the Reg ATS requirements for capacity, integrity, and security of automated system	<i>Reg ATS, Rule 301(b)(6) –Capacity, Integrity, and Security of Automated Systems</i>	
Trading	ATS/ECN	If the firm proposes to be a "Reporting Party" (as defined in FINRA Rule 7210A) that reports trades to a TRF, procedures to ensure and review for compliance with TRF reporting requirements in FINRA Rules 7230A and 7230B, and 7330	<i>FINRA Rules 7230A – Trade Report Input, 7230B Trade Report Input, and 7330 – Trade Report Input</i>	
Trading	ATS/ECN	If the ATS enters quotes in FINRA's ADF, procedures to ensure and review for compliance with the requirement to execute orders in excess of the ECN's displayed quote size, when displaying a quote based on a reserved size order	<i>FINRA Rule 6279 – Alternative Trading Systems</i>	
Trading	ATS/ECN	Policies and procedures pursuant to which the firm will review and approve applicants seeking to subscribe to the ATS		