



**Ilana Reid**  
Associate General Counsel  
Office of General Counsel

Direct: (202) 728-8268

December 2, 2025

Ms. Vanessa Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

**RE: File No. SR-FINRA-2025-003 (Proposed Rule Change to Amend FINRA Rule 3220) – Response to Comments No. 2**

Dear Ms. Countryman:

The Financial Industry Regulatory Authority, Inc. (“FINRA”) submits this letter to respond to comments the Securities and Exchange Commission (“SEC” or “Commission”) received on the above-referenced rule filing (the “Proposal”). The Proposal, as amended in Partial Amendment No. 1, would amend FINRA Rule 3220 (Influencing or Rewarding Employees of Others) (the “Gifts Rule”) to increase the gift limit from \$100 to \$300, provide for exemptive relief, and incorporate existing guidance and interpretive letters. The proposed rule change also would make a conforming change to the gift limit in Rule 2310 (Direct Participation Programs), Rule 2320 (Variable Contracts of an Insurance Company), Rule 2341 (Investment Company Securities), and Rule 5110 (Corporate Financing Rule – Underwriting Terms and Arrangements) (together, the “non-cash compensation rules”).

The Commission published the Proposal for public comment in the Federal Register on June 17, 2025.<sup>1</sup> The Commission received nine comment letters on the Proposal.<sup>2</sup> On

---

<sup>1</sup> See Securities Exchange Act Release No. 103226 (June 11, 2025), 90 FR 25674 (June 17, 2025) (Notice of Filing of File No. SR-FINRA-2025-003).

<sup>2</sup> See letter from Daniel LeGaye, Managing Partner, LeGaye Law Firm P.C., to FINRA Office of the Corporate Secretary, dated June 26, 2025; letter from Patricia Reinard-Kopsa, Chief Compliance Officer, Trubee Wealth Advisors, to SEC, dated July 3, 2025; letter from Jessica R. Giroux, Chief Legal Officer, American Securities Association, to Vanessa Countryman, Secretary, SEC, dated July 8, 2025; letter from Michael Decker, Senior Vice President, Research and Public Policy, Bond Dealers of America, to Secretary, SEC, dated July 8, 2025; letter from Clifford Kirsch & Eric Arnold, Eversheds Sutherland for the Committee of Annuity

September 11, 2025, FINRA responded to the comments and filed Partial Amendment No. 1 to propose amendments based on the comments received by the SEC.<sup>3</sup>

On September 17, 2025, the SEC published a notice and order in the Federal Register to solicit comments on the Partial Amendment and to institute proceedings pursuant to Section 19(b)(2)(B) of the Securities Exchange Act of 1934 to determine whether to approve or disapprove the Proposal as modified by the Partial Amendment.<sup>4</sup> The SEC received three individual comment letters in response to the Order, and approximately 1,716 comments following Form Letter Type A.<sup>5</sup> All of the commenters expressed support for the Proposal as amended; however one commenter suggested a modification. The following is FINRA's response to the commenter's suggested modification.

All commenters supported increasing the gift limit, but Reagan suggested that the gift limit be increased to \$500 on grounds that a further increase would more "fully reflect today's cost realities," align with the "best practice" for registered investment adviser gift

---

Insurers, to Secretary, SEC, dated July 8, 2025; letter from David T. Bellaire, Executive Vice President & General Counsel, Financial Services Institute, to Vanessa Countryman, Secretary, SEC, dated July 8, 2025 ("FSI"); letter from Tara Buckley, Deputy General Counsel, Investment Company Institute, to Ilana Reid, Associate General Counsel, FINRA, dated July 8, 2025; letter from Matt Billings, President, Robinhood Financial LLC, to Jennifer Piorko Mitchell, Office of the Corporate Secretary, FINRA, dated July 8, 2025 ("Robinhood"); and letter from Bernard V. Canepa, Managing Director and Associate General Counsel, SIFMA, to Vanessa Countryman, Secretary, SEC, dated July 8, 2025.

<sup>3</sup> See letter from Ilana Reid, Associate General Counsel, FINRA, to Vanessa Countryman, Secretary, SEC, dated September 11, 2025 ("First Response Letter") and Partial Amendment No. 1 to SR-FINRA-2025-003 filed on September 11, 2025, <https://www.finra.org/rules-guidance/rule-filings/sr-finra-2025-003>.

<sup>4</sup> See Securities Exchange Act Release No. 103958 (September 12, 2025), 90 FR 44855 (September 17, 2025) (Order Instituting Proceedings to Determine Whether to Approve or Disapprove File No. SR-FINRA-2025-003) ("Order").

<sup>5</sup> See letter from Clifford Kirsch & Eric Arnold, Eversheds Sutherland for the Committee of Annuity Insurers, to Secretary, SEC, dated October 8, 2025; letter from Jeanine Blackman, CCO, Reagan Securities, Inc., to Vanessa Countryman, Secretary, SEC, dated October 8, 2025 ("Reagan"); letter from Bernard V. Canepa, Managing Director and Associate General Counsel, SIFMA, to Vanessa Countryman, Secretary, SEC, dated October 8, 2025; and Form Letter Type A.

giving, reduce administrative burdens associated with monitoring low-value gifts, and continue to preserve investor protections.

In addition to Reagan, FSI and Robinhood both suggested a \$500 gift limit in prior comment letters.<sup>6</sup> In its First Response Letter, FINRA explained why it was not proposing to increase the gift limit to \$500.<sup>7</sup> Instead, FINRA explained that it was proposing a \$300 gift limit, which should account for future inflation for approximately 10 years. For the same reasons expressed in the First Response Letter, FINRA continues to believe that a \$300 gift limit is appropriate—it will facilitate compliance while protecting investors from improprieties, such as conflicts of interest, that may arise when a member or an associated person gives items of value to an employee of another person, such as an institutional customer, vendor or counterparty (“Institutional Customer”) with the hope of strengthening the business relationship with the Institutional Customer. Thus, FINRA has determined not to propose further changes to the gift limit at this time.<sup>8</sup>

In addition, FINRA notes that the Proposal reduces compliance costs by excluding some gifts, such as gifts of de minimis value and personal gifts, among others, from the restrictions and recordkeeping requirements of the Gifts Rule because such gifts do not typically create the types of improper incentives that the Gifts Rule seeks to avoid when gifts are given in relation to the business of the recipient’s employer.

---

<sup>6</sup> See supra note 2

<sup>7</sup> See supra note 3.

<sup>8</sup> Reagan’s examples of business courtesies that warrant a higher limit include meals and travel. To the extent this comment relates to FINRA’s non-cash compensation rules or business entertainment guidance, it is outside the scope of the Proposal. As stated in the Proposal, FINRA is not at this time proposing additional changes to the non-cash compensation rules or proposing a new rule related to business entertainment.

Ms. Vanessa Countryman  
December 2, 2025  
Page 4

FINRA believes that the foregoing responds to the material issues raised by the commenters to the rule filing and has determined not to further amend the Proposal in response to comments. If you have any questions, please contact me at (202) 728-8268, email: [ilana.reid@finra.org](mailto:ilana.reid@finra.org).

Best regards,

/s/ Ilana Reid

Ilana Reid  
Associate General Counsel