

## FINRA Gifts Rule

### FINRA Adopts Amendments to Rule 3220 (Influencing or Rewarding Employees of Others)

Effective Date: March 30, 2026

#### Summary

As part of the FINRA Forward initiative, FINRA has adopted amendments to FINRA Rule 3220 (Influencing or Rewarding Employees of Others) to increase the gift limit from \$100 to \$300 per person per year; incorporate and substantially codify current guidance and interpretations; and provide for exemptive relief. FINRA has also adopted conforming amendments to raise the gift limit to \$300 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). These amendments represent a significant step toward modernizing the rules, while codifying existing guidance in a manner that will promote efficiency without reducing protection for investors.

The text of the rule change is set forth in [Attachment A](#).

Questions concerning this *Notice* should be directed to:

- ▶ Victoria Crane, Vice President and Associate General Counsel, Office of General Counsel (OGC), [email](#) or (202) 728-8104;
- ▶ Joseph Savage, Vice President and Associate General Counsel, OGC, by [email](#) or (240) 386-4534; or
- ▶ Ilana Herscovitz Reid, Associate General Counsel, OGC, by [email](#) or (202) 728-8268.

February 27, 2026

#### Notice Type

- ▶ Rule Amendment

#### Suggested Routing:

- ▶ Compliance
- ▶ Institutional
- ▶ Legal
- ▶ Mutual Fund
- ▶ Registered Representatives
- ▶ Senior Management

#### Key Topics:

- ▶ Gifts
- ▶ Gratuities
- ▶ Non-Cash Compensation

#### Referenced Rules & Notices:

- ▶ FINRA Rule 2310
- ▶ FINRA Rule 2320
- ▶ FINRA Rule 2341
- ▶ FINRA Rule 3220
- ▶ FINRA Rule 5110
- ▶ Notice to Members 06-69
- ▶ Regulatory Notice 16-29
- ▶ Regulatory Notice 25-04

## Background & Discussion

The amendments to FINRA Rule 3220 (the “Gifts Rule”) are part of the FINRA Forward initiative, which is intended to modernize FINRA’s rules, guidance and processes, and empower member compliance.<sup>1</sup> The Gifts Rule prohibits any member or person associated with a member, directly or indirectly, from giving anything of value in excess of a specified dollar limit per year to any person where such payment is in relation to the business of the recipient’s employer.<sup>2</sup> The rule seeks to avoid 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. The Gifts Rule does not apply to gifts from a member or its associated persons to individuals who are not employees of an Institutional Customer, including individual retail customers.

Informed by feedback from commenters,<sup>3</sup> FINRA has amended the Gifts Rule to increase the gift limit; incorporate and substantially codify current guidance and interpretations; and provide for exemptive relief.<sup>4</sup>

## Key Changes

### 1. Increased Gift Limit to \$300

FINRA has increased the gift limit from \$100 to \$300 per person per year. This responds to past and ongoing inflation, including the inflation since the gift limit was last raised in 1992.<sup>5</sup> A \$300 gift limit should account for ongoing inflation at current levels for approximately 10 years, thereby reducing the frequency of future upward adjustments to account for inflation. FINRA intends to review periodically the gift limit to determine if further increases are warranted.

### 2. Supplementary Material

FINRA has adopted new supplementary material that incorporates and substantially codifies existing guidance and interpretations.<sup>6</sup> As discussed in more detail below, the supplementary material clarifies that the Gifts Rule does not apply to gifts from a member to its own associated persons or to individual retail customers; addresses valuation, aggregation, supervision and recordkeeping requirements; and codifies several exceptions for which the gift limit and recordkeeping requirements in the Gifts Rule do not apply.

- ▶ **Gifts Incidental to Business Entertainment**—Rule 3220.01 provides that a gift given during the course of a business entertainment event is subject to the \$300 gift limit, unless it is a personal gift or of *de minimis*

value or a promotional or commemorative item. Although gifts given incidental to a business entertainment event are subject to the \$300 gift limit, the cost of the business entertainment event itself would not be included in the value of the gift.

- ▶ **Valuation of Gifts**—Rule 3220.02 requires that gifts (other than tickets to sporting or other events) be valued at cost, exclusive of tax and delivery charges. When valuing tickets to sporting or other events, the member must use the higher of cost or face value. FINRA believes it is appropriate to distinguish tickets to sporting or other events from other gifts because such tickets are commonly purchased on secondary markets at a cost that is different from the face value of the ticket, and the face value of tickets is typically readily determinable. If gifts are given to multiple recipients, members should record the names of each recipient and calculate and record the value of the gift on a pro rata per recipient basis.
- ▶ **Aggregation of Gifts**—Rule 3220.03 requires members to aggregate all gifts given by the member and each associated person of the member to a particular recipient over the course of the year for purposes of ensuring compliance with the \$300 gift limit. In addition, each member must state in its procedures whether it is aggregating all gifts given by the member and its associated persons on a calendar year, fiscal year or on a rolling basis beginning with the first gift to any particular recipient. The purpose of the aggregation requirement is to assure that the value of multiple gifts given throughout a year to a particular recipient does not exceed the gift limit. The aggregation requirement does not apply to *de minimis*, promotional, commemorative or personal gifts, as these gifts are not subject to the gift limit.
- ▶ **Personal Gifts**—Rule 3220.04 provides that gifts given for infrequent life events (*e.g.*, a wedding gift or a congratulatory gift for the birth of a child) are not subject to the \$300 gift limit or the recordkeeping requirements of the Gifts Rule,<sup>7</sup> provided that the gifts are customary and reasonable, personal in nature, and not in relation to the business of the employer of the recipient. In determining whether a gift is “personal in nature and not in relation to the business of the employer of the recipient,” members should consider a number of factors, including the nature of any pre-existing personal or family relationship between the person giving the gift and the recipient, and whether the associated person paid for the gift. When the member bears the cost of the gift, either directly or by reimbursing an associated person, FINRA presumes that such gift is not personal in nature and instead is in relation to the business of the employer of the recipient.

- ▶ **Bereavement Gifts**—Rule 3220.05 provides that customary and reasonable bereavement gifts are not considered to be in relation to the business of the employer of the recipient. Bereavement gifts are therefore not subject to the \$300 gift limit or the recordkeeping requirements of the Gifts Rule.
- ▶ **De Minimis Gifts and Promotional Items**—Rule 3220.06(a) provides that gifts of a *de minimis* value (*e.g.*, pens, notepads, modest desk ornaments) or promotional items of nominal value that display the member's logo (*e.g.*, umbrellas, tote bags, shirts) are not subject to the \$300 gift limit or the recordkeeping requirements of the Gifts Rule. The value of a *de minimis* gift or promotional item must be substantially below the \$300 limit. Gifts valued in amounts above or near \$300 would not be considered nominal.
- ▶ **Commemorative Items**—Rule 3220.06(b) provides that customary and reasonable solely decorative items commemorating a business transaction are not subject to the \$300 gift limit or the recordkeeping requirements of the Gifts Rule. Such solely decorative items commemorating a business transaction are excluded from the requirements of the Gifts Rule even if such items cost more than \$300.
- ▶ **Donations Due to Federally Declared Major Disasters**—Rule 3220.07 provides that donations by a member or an associated person to any person, principal, proprietor, employee, agent or representative of another person to provide assistance to the individual for losses sustained in a natural event that the president has declared to be a major disaster, such as a wildfire, hurricane, tornado, earthquake or flood, are not considered to be in relation to the business of the employer of the recipient. Thus, such donations are not subject to the \$300 gift limit or the recordkeeping requirements of the Gifts Rule.
- ▶ **Supervision and Recordkeeping**—Rule 3220.08 provides that to have a supervisory system reasonably designed to achieve compliance with the Gifts Rule, members are required to have systems and procedures reasonably designed to ensure that payments and gratuities in relation to the business of the employer of the recipient given by the member and its associated persons to employees of another person are: (i) reported to the member; (ii) reviewed for compliance with the Gifts Rule; and (iii) maintained in the member's records. Such procedures must be reasonably designed to ensure that an associated person who is giving a payment or gratuity is not responsible for determining whether such payment or gratuity is in relation to the business of the recipient's employer. Rule 3220.08 also makes explicit that the recordkeeping requirements of the Gifts Rule do not apply to gifts that are excluded from the restrictions of the rule (*i.e.*, personal gifts, bereavement gifts, *de minimis* gifts, promotional or commemorative items, or donations due to federally declared major disasters).<sup>8</sup>

- ▶ **Gifts to a Member's Associated Persons or Individual Retail Customers**—Rule 3220.09 makes clear that the Gifts Rule does not apply to gifts from a member to its own associated persons, or to gifts from a member or an associated person to individual retail customers.<sup>9</sup>

### **3. Exemptive Relief**

The amendments also authorize FINRA staff to grant exemptions from the Gifts Rule for good cause shown.<sup>10</sup>

### **Effective Date**

The amendments will become effective on March 30, 2026.

## Endnotes

- 1 See [FINRA Announces New “FINRA Forward” Initiatives to Support Members, Markets and Investors](#) (April 21, 2025).
- 2 The term “anything of value” is broad and includes both cash and non-cash compensation. It would not, however, include intangible items such as an associated person’s time.
- 3 See [Regulatory Notice 16-29](#) (August 2016); see also [Regulatory Notice 25-04](#) (March 2025).
- 4 See Securities Exchange Act Release No. 104830 (February 12, 2026), 91 FR 7570 (February 18, 2026) (Order Approving File No. SR-FINRA-2025-003).
- 5 FINRA used the annual rate of inflation data for the United States from the Federal Reserve Bank of St. Louis website to estimate the change in consumer prices since 1992.
- 6 By incorporating and substantially codifying existing guidance and interpretations, the amendments supersede such guidance and interpretations. See, e.g., [Notice to Members 06-69](#) (December 2006).
- 7 See Rule 3220(c).
- 8 Although recordkeeping is not required for excluded gifts, members may determine to implement a recordkeeping requirement for such gifts as part of their supervisory system to achieve compliance with the Gifts Rule. FINRA recognizes that there are a variety of methods for ensuring compliance with the Gifts Rule. Members should implement a reasonable process for assessing their individual needs and business models to determine systems and procedures that are reasonably designed to achieve compliance with the Gifts Rule.
- 9 Members may have policies and procedures that restrict or prohibit gifts to individual retail customers.
- 10 See Rule 3220(d).

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