



## Introduction

The Securities Industry/Regulatory Council on Continuing Education (Council) publishes the Firm Element Focus to assist industry participants with identification of potential topics to include in Firm Element training plans. Topics are identified from a review of industry, regulatory and self-regulatory organization (SRO) announcements, publications of significant events, the annual report from FINRA's Examination and Risk Monitoring Program, and the adoption by the U.S. Securities and Exchange Commission (SEC or Commission) of new rules or amendments.

The Council suggests that firms use the Firm Element Focus as an aid in evaluating and prioritizing their Firm Element needs and developing written training plans.

Firms are reminded not to rely on the Firm Element Focus as a comprehensive list of all areas they should consider. The Council recommends using all available tools to make Firm Element planning as efficient and effective as possible.

# New Releases

*This section highlights new rules and amendments that FINRA firms may find useful to train employees on as a part of their Firm Element training.*

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

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 effective date of the amended rule is March 30, 2026.

- [FINRA Regulatory Notice 26-05 2/27/2026 \(March 30, 2026\)](#): FINRA Adopts Amendments to Rule 3220 (Influencing or Rewarding Employees of Others)

## **Reducing Burdens and Providing Guidance on the Use of Negative Consent for the Bulk Transfer or Assignment of Customers' Accounts**

In furtherance of the FINRA Forward initiative to support member compliance, this Notice reduces unnecessary burdens by eliminating the current practice of submitting draft letters for the use of negative consent to FINRA staff for review and obtaining FINRA staff's "no objection" prior to sending the letter. In addition, the Notice consolidates guidance FINRA previously issued regarding the use of negative consent and provides members with effective practices to help guide their use of negative consent in future bulk transfers or assignments.

The effective date of the amended rule is March 30, 2026.

- [FINRA Regulatory Notice 26-03 2/6/2026](#): Reducing Burdens and Providing Guidance on the Use of Negative Consent for the Bulk Transfer or Assignment of Customers' Accounts

# New Releases

## **Final Rule: Holding Foreign Insiders Accountable Act**

The SEC is adopting final amendments to certain of its rules and forms under the Securities Exchange Act of 1934 to reflect the requirements of the Holding Foreign Insiders Accountable Act. The HFIA Act amended Section 16(a) of the Exchange Act to require directors and officers of a foreign private issuer with a class of equity securities registered under Section 12 of the Exchange Act to provide disclosure of their beneficial ownership and transactions involving the issuer's equity securities. The effective date for this amended rule is March 18, 2026.

- [Securities and Exchange Commission Final Rule 3/18/2026](#): Holding Foreign Insiders Accountable Act Disclosure.

## **Upcoming Trade Reporting Enhancements for Fractional Share Transactions**

FINRA is reminding firms of upcoming updates to its equity trade reporting guidance in connection with enhancements to the FINRA equity trade reporting facilities to support reporting of fractional share quantities. Under the updated guidance, members engaged in fractional share trading will be required to report fractional share quantities up to six digits after the decimal. FINRA is also providing additional guidance for fractional share reporting in circumstances involving fractional amounts smaller than six decimals.

The effective date of the updated trade reporting guidance is February 23, 2026.

- [FINRA Trade Reporting Notice 1/14/26 \(January 14, 2026\)](#): Upcoming Trade Reporting Enhancements for Fractional Share Transactions

## **FINRA Adopts Amendments to Rule 6730 (Transaction Reporting) to Streamline Allocation Reporting for BD/IAs**

FINRA has amended its TRACE reporting requirements to permit a firm that is both a broker-dealer and an investment adviser to report allocations of specified orders to managed customer accounts in a streamlined, aggregated manner. These amendments become effective on June 8, 2026. FINRA is not otherwise changing its TRACE reporting requirements.

- [FINRA Regulatory Notice 25-17 \(December 04, 2025\)](#): FINRA Adopts Amendments to Rule 6730 (Transaction Reporting) to Streamline Allocation Reporting for BD/IAs

# Topic Spotlight

*The Firm Element Committee would like to spotlight the following topics.*

## **Crypto Assets: Continuing and Emerging Trends Federal Securities Laws and Crypto Assets**

In March 2026, the SEC and Commodity Futures Trading Commission (CFTC) jointly issued an interpretation clarifying how the federal securities laws apply to certain crypto assets and transactions involving crypto assets. This is a major step in the Commission's efforts to provide greater clarity regarding the Commission's treatment of crypto assets and complements Congressional endeavors to codify a comprehensive market structure framework into statute. The CFTC joined in the Release to provide guidance that the CFTC and its staff will administer the Commodity Exchange Act (CEA) consistent with the SEC's interpretation.

- [2026 SEC Interpretive Release: Application of the Federal Securities Laws to Certain Types of Crypto Assets and Certain Transactions Involving Crypto Assets. Securities Act Release No. 33-11412, Exchange Act Release No. 34-105020 \(Mar. 17, 2026\)](#)[2026 CBOE Regulatory Circular 26-006 03/12/2026: Position and Exercise Limits for Options on Crypto Assets](#)



## **Tokenized Securities**

The SEC's the Division of Corporation Finance, Division of Investment Management, and Division of Trading and Markets are providing their views on the taxonomies associated with tokenized securities. There are a variety of models used to tokenize securities and they vary in terms of structure and the rights afforded to holders. Tokenized securities generally fall into two categories: (1) securities tokenized by or on behalf of the issuers of such securities; and (2) securities tokenized by third parties unaffiliated with the issuers of such securities. This statement is intended to assist market participants as they seek to comply with the federal securities laws.

- [2026 SEC Statement on Tokenized Securities \(Jan 28, 2026\):](#) Division of Corporation Finance, Division of Investment Management, Division of Trading and Markets

# Key Dates

*This section provides upcoming effective dates and recently implemented dates.*

## **FINRA Adopts Amendments to Rule 6730 (Transaction Reporting) to Streamline Allocation Reporting for BD/IAs**

FINRA has amended its TRACE reporting requirements to permit a firm that is both a broker-dealer and an investment adviser to report allocations of specified orders to managed customer accounts in a streamlined, aggregated manner. These amendments will take effect on June 8, 2026. FINRA is not otherwise changing its TRACE reporting requirements.

- [FINRA Adopts Amendments to Rule 6730](#) (Transaction Reporting to Streamline Allocation Reporting for BD/IAs)

## **FINRA Adopts Amendments to Extend the Trade Reporting Facilities Operating Hours**

FINRA has adopted amendments to Rules 6380A and 6380B to extend the operating hours of the FINRA Trade Reporting Facilities from opening at 8:00 a.m. Eastern Time to opening at 4:00 a.m. Eastern Time each business day. These amendments will take effect on March 30, 2026.

These amendments become effective on March 30, 2026.

- [FINRA Regulatory Notice 25-15 \(November 13, 2025\)](#): FINRA Adopts Amendments to Rule 6730 (Transaction Reporting) to Streamline Allocation Reporting for BD/IAs



## **Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Customer Information**

The SEC is adopting rule amendments that will require brokers and dealers (or “broker-dealers”), investment companies, investment advisers registered with the Commission (“registered investment advisers”), funding portals, and transfer agents registered with the Commission or another appropriate regulatory agency (“ARA”) as defined in the Securities Exchange Act of 1934 (“transfer agents”) to adopt written policies and procedures for incident response programs to address unauthorized access to or use of customer information, including procedures for providing timely notification to individuals affected by an incident involving sensitive customer information with details about the incident and information designed to help affected individuals respond appropriately. In addition, the amendments

# Key Dates

extend the application of requirements to safeguard customer records and information to transfer agents; broaden the scope of information covered by the requirements for safeguarding customer records and information and for properly disposing of consumer report information; impose requirements to maintain written records documenting compliance with the amended rules; and conform annual privacy notice delivery provisions to the terms of an exception provided by a statutory amendment to the Gramm-Leach-Bliley Act ("GLBA").

The amendments became effective on August 2, 2024. The compliance date was December 3, 2025 for larger firms and is June 3, 2026 for smaller firms.

- [SEC Release Nos. 34-100155; IA-6604; IC-35193; File No. S7-05-23 \(June 2, 2024\)](#): Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Customer Information

# Additional Resources

- For more information visit the [cecouncil.com](https://cecouncil.com) website or contact [cecounciladmin@cecouncil.org](mailto:cecounciladmin@cecouncil.org).
- For CE Transformation and Firm Element Resources, please visit [CE Transformation New Resources](#).
- FINRA and the CE Council publish Regulatory Element, in part, to help firms coordinate their overall training programs with the Regulatory Element. Click here to view [Regulatory Element Learning Plans for 2026](#).
- For FINRA compliance resources on issues affecting the securities industry, please visit [FINRA Key Topics](#) page.
- For insight into FINRA's findings into recent oversight activities of FINRA's Member Supervision, Market Regulation and Enforcement programs, please visit the [Report on FINRA's Examination and Risk Monitoring Program](#).
- For the SEC's priorities of examinations of certain practices, products and services, please see The Division of Examinations [report](#).
- For more insight into FINRA's current regulatory priorities, active rule filings and recently approved or immediately effective rule filings, please review [FINRA's Quarterly Regulatory Policy Agenda](#).