



Breakpoints Worksheet

When considering their obligations to provide all available breakpoint discounts on sales of Class A shares of front-end load mutual funds, member firms may review the following Breakpoints Worksheet, which may help member firms evaluate their breakpoint compliance programs and confirm whether they are capturing all relevant categories of information to provide customers all available breakpoint discounts.

FINRA reminds member firms that their registered representatives must understand the terms upon which mutual funds offer breakpoints – including the rules regarding rights of accumulation, letters of intent and householding – to confirm they are correctly providing breakpoint discounts to customers.

Account Name: _____ **SSN/TIN/BIN:** _____

Today's Date: _____ **Broker's Name:** _____

1. Total holdings of customer at firm:

TIN/BIN on Accounts	Holdings in Account (Current value (NAV) or historical cost)	Total
_____	\$ _____	
_____	\$ _____	
_____	\$ _____	\$ _____

2. Total holdings of customer directly with fund company or with another broker-dealer:

Customer declined to provide Customer provided (record below)

TIN/BIN on Accounts	Account Type	Holdings in Account (Current value (NAV) or historical cost)	Total
_____	_____	\$ _____	
_____	_____	\$ _____	
_____	_____	\$ _____	\$ _____



3. Total holdings of related parties:

- Customer declined to provide¹ Customer provided (record below)

TIN/BIN on Accounts	Account Type	Holdings in Account (Current value (NAV) or historical cost)	Total
_____	_____	\$ _____	
_____	_____	\$ _____	
_____	_____	\$ _____	\$ _____

4. Today's purchase amount: \$ _____

5. Total eligible holdings (including items 1-4): \$ _____

6. Are rights of reinstatement applicable? \$ _____

- Yes No

a. If yes, enter the amount of applicable sales charge. \$ _____

7. Does the total qualify for a breakpoint discount?

- Yes No

a. What breakpoint discount applies? _____%. \$ _____

8. Is there a letter of intent on file that would entitle the customer to a further breakpoint?

- Yes No

a. If customer has letter of intent, is it retroactive?

- Yes No

i. If yes, record the current value or historical costs of eligible prior purchases. \$ _____

ii. What breakpoint discount is available based upon the letter of intent? \$ _____

9. If there is not a letter of intent, should customer sign one?

10. Record the highest breakpoint discount available to the customer. _____%



FINRA Compliance Tool Disclaimer

This optional tool is provided to assist member firms in fulfilling their regulatory obligations. This tool is provided 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 February 1, 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](#), including the [Breakpoints Topic Page](#).

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.

OGC staff contacts:

Joe Savage
FINRA, OGC
1735 K Street, NW
Washington, DC 20006
(202) 728-8000