

A DEFINITIVE GUIDE TO **FINRA COMPLIANCE** Tools & Resources



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Financial Industry Regulatory Authority

INTRODUCTION

FINRA stands for Financial Industry Regulatory Authority, Inc., a non-governmental organization (NGO) tasked with overseeing the regulatory, enforcement, and arbitration activities of the New York Stock Exchange. In today's unpredictable financial market, investors need to know they have an advocate. As an independent, not-for-profit organization, FINRA's mission is to protect investors by making sure the securities industry operates fairly and honestly. They do that by writing the rules governing the activities of nearly 4,300 brokerage firms with approximately 630,000 brokers, enforcing those rules and the federal securities laws, examining firms for compliance, working to make the markets more transparent, and educating investors.

The types of financial instruments that FINRA regulates include equities, corporate bonds, securities futures, and options. In addition to this oversight function, FINRA also:

- ✓ licenses individuals and firms to the investment and securities industry;
- ✓ writes the rules and regulations that govern their behavior;
- ✓ examines member firms and individuals for regulatory compliance; and
- ✓ disciplines registered representatives and member firms that fail to comply with federal securities laws and FINRA's rules and regulations.



Yet our investment and securities firm clients that follow these recommendations are still burdened with the daunting responsibility of following countless complex regulations and protecting their clients' data from relentless outside attack.

To that end, FullScope IT will meticulously assess and strategically guide your firm's regulatory compliance, freeing you to both run your business and serve your clients with well-earned confidence in your systems.

As a first step toward complying with FINRA security guidelines, we recommend undertaking a comprehensive Center for Internet Security Critical Security Controls (CIS-20) assessment. With this assessment we will identify security gaps and prioritize remediation recommendations. Other FINRA-related services we provide include:

- ✓ Assessment and analysis scaled to your business;
- ✓ State-of-the-art network security evaluation;
- ✓ Hard copy delivery of assessments and analyses; and
- ✓ Best practices recommendations specific to investment and securities firms.

Finally, we strongly urge our clients to familiarize themselves with the abundance of free tools and resources available through FINRA, as outlined below.

FINRA WEBSITE

Your first stop should be www.finra.org, where a little exploring will reveal a large collection of information on FINRA rules, regulatory issues, compliance tools, services, and much more. Here you will find sections on **What's New**, some **Key Topics** (finra.org/rules-guidance/key-topics) of interest to the industry, information for **Small Firms** (finra.org/compliance-tools/small-firms-information), and a listing of pending and approved FINRA **Rule Filings** (tools.finra.org/rule_filings/).

Last but not least is the **FINRA Online Manual** (finra.org/rules-guidance/rulebooks), a comprehensive reference guide containing core regulatory content and a list of rules and by-laws, as well as recent rule updates, information on approved but not-yet-effective rules, historical versions of rules, bookmarks for frequently referenced rules, and customizable and printable reports.

COMMUNICATIONS

Up-to-date compliance-related information is actively communicated to firms via FINRA emails, publications, and website postings.

Emails

FINRA's emails deliver timely news on rules, regulations, investor issues, tools, and other FINRA services. Emails include Corporate Notifications, Weekly Updates, Deadlines, and **Subscriptions** (www.finra.org/subscriptions).

FINRA Notices (www.finra.org/notices)

FINRA Regulatory, Election, Trade Reporting, and Informational Notices provide detailed information on important regulatory topics.

Podcasts (www.finra.org/podcasts)

These streaming audio recordings offer information on specific topics to help clarify various compliance issues.

Disciplinary Review

(www.finra.org/disciplinaryreview)

The quarterly FINRA Review provides firms with a summary of recent disciplinary actions involving misconduct by registered representatives. These summaries provide examples of conduct that violates FINRA rules and may result in disciplinary action.

Examination Priorities Letter

(www.finra.org/exampriorities)

Look to this annual publication for invaluable insights into key examination and regulatory topics as you assess your firm's compliance, ethics, and supervisory programs.



APPLICATIONS

Firm Gateway (www.finra.org/firmgateway)

The FINRA Firm Gateway gives you consolidated access to the regulatory applications and timely information relevant to your firm. The Gateway also highlights critical tasks to help firms understand what they need to know and when they need to know it. Filing reminders are personalized for your firm, and a profile provides a consolidated view of the information your firm is required to keep up to date with FINRA.

Report Center (www.finra.org/reportcenter)

The Report Center, which is accessible through the Firm Gateway, supports your firm's compliance-monitoring programs by housing data and reports specific to your firm. Online guides are available to help firms understand certain reports.

Checklists, Templates, and Tutorials

(www.finra.org/compliancetools)

To help firms comply with specific rules, FINRA has developed a number of checklists, templates, forms, and tutorials, such as a Small Firm Cybersecurity Checklist, an Anti-Money Laundering Template, and an Electronic Storage Media Tutorial.



EDUCATION AND TRAINING

FINRA's compliance educational offerings help firms keep current on regulatory issues and their role in the compliance process.

Conferences and Events

(www.finra.org/conferences)

FINRA hosts conferences and events across the country year-round, providing an opportunity for firms to hear the most up-to-date compliance information directly from industry and regulatory experts. The most comprehensive event is the FINRA Annual Conference, where peers and regulators an opportunity to exchange ideas on timely compliance and regulatory topics.

For Compliance Professionals

(www.finra.org/education)

FINRA's compliance training programs include webinars, videos, and boot camps, designed to help firm members enhance their understanding of compliance responsibilities.

E-Learning (www.finra.org/elearning)

FINRA's e-learning courses (over 100 at last count!), which are developed by FINRA with input from industry experts, provide firms with an affordable solution for many of their training needs. Many of these courses are eligible for CFP continuing education credits.

INTERACTIVE TOOLS

Firms and their employees can use these interactive tools to gain more information or comply with specific rules.

FINRA Arbitration Awards Online

(finraawardsonline.finra.org)

This Arbitration Awards database allows for searches of FINRA and historical NASD arbitration awards, and historical awards for the NYSE, the American Stock Exchange, the Philadelphia Stock Exchange, and the MSRB.

Disciplinary Actions Online Database

(disciplinaryactions.finra.org)

This FINRA database includes case documentation for FINRA disciplinary actions issued during 2005 or later that are eligible for publication. It also includes opinions issued by the SEC and federal appellate courts that relate to appealed FINRA disciplinary actions.

OFAC Search Tool (www.finra.org/ofac)

The Office of Foreign Assets Control (OFAC) Search Tool gives you searchable access to the U.S. Treasury Office's Specially Designated Nationals and Blocked Persons (SDN) list. It helps you comply with OFAC regulations that prohibit transactions with prohibited persons or entities.

FINRA Fund Analyzer

(www.finra.org/fundanalyzer)

The Fund Analyzer offers information and analysis on more than 27,000 mutual funds, exchange-traded funds, and exchange-traded notes. This tool estimates the value of the funds and impact of fees and expenses on your investment, and also allows you to look up applicable fees and available discounts for funds.

Compliance Vendor Directory

(www.finra.org/industry/CVD)

The FINRA Compliance Vendor Directory was developed to provide firms with greater options when searching for vendors that offer compliance-related products and services. Vendors can apply to be listed in up to two compliance categories, free of charge. The directory currently lists vendors in nine categories. Firms can search the directory in the Firm Gateway.

FINRA Compliance Calendar

(www.finra.org/industry/calendar)

This Compliance Calendar provides firms with a view of upcoming required filings, a schedule of live educational opportunities and events, and significant deadlines. In addition, it features firm-specific information for a more customized view of upcoming events and deadlines.