

FINRA Proposes Changes to Rules Governing Communications with the Public

On April 16, 2015 FINRA announced proposed amendments and revisions to FINRA rules governing communications with the public. The proposed changes are part of a retrospective rule review launched by FINRA in April 2014 and are aimed at better aligning the investor protection benefits and economic impacts of these rules. The proposed amendments revise the filing requirements in FINRA Rules 2210 and 2214 and the content and disclosure requirements in FINRA Rule 2213.

FINRA proposes to narrow new firm filing requirements in Rule 2210. For a one-year period new member firms will be required to file any generally accessible website, or material changes to such a website, within 10 business days of first use. This would change the previous rule which required new member firms to file all retail communications used in any electronic or other public media at least 10 business days prior to first use. FINRA also proposes to eliminate the requirement to file retail communications that include performance rankings and comparisons of registered investment companies and instead will require member firms to maintain a copy of the ranking or performance used in their records.

Under the proposed changes to Rule 2210 member firms will no longer require blanket filings of retail communications concerning registered investment companies but instead will require only that retail communications promoting or recommending a specific registered investment company or family of registered investment companies be filed within 10

business days of first use or publication. Further, FINRA proposes to exclude from filing requirements shareholder reports that have already been filed with the SEC.

The template filing exclusion would be expanded. Member firms will not be required to file retail communications that are based on templates already filed, the changes to which are limited to updates of statistical information or other non-narrative and non-predictive information. Further, proposed changes to Rule 2214 FINRA would eliminate the filing requirements for written report templates produced by, or retail communications concerning, investment analysis tools.

Under proposed changes to Rule 2213 retail communications that include bond mutual fund volatility ratings will only be required to be filed within 10 business days of first use. The proposal also streamlines the content and disclosure requirements for the use of bond mutual fund volatility ratings.

[Explanations and the full text of the proposed changes are available here.](#)