

BROKER-DEALER

FINRA Issues Regulatory Notice Reminding Members of SEC's Adoption of a Best Interest Standard of Conduct

On August 7, the Financial Industry Regulatory Authority (FINRA) issued Regulatory Notice 19-26, reminding members of the Securities and Exchange Commission's (SEC) adoption of a "best interest" standard of conduct for broker-dealers and a relationship summary (Form CRS) delivery obligation.

Regulation Best Interest (Reg BI), adopted by the SEC on June 5, 2019, establishes a "best interest" standard of conduct for broker-dealers and associated persons making a recommendation of any securities transaction or investment strategy involving securities to a retail customer. Other new rules and forms were adopted that will require broker-dealers and investment advisers to provide a Form CRS to retail investors. Firms must comply with Reg BI and the Form CRS delivery obligation by June 30, 2020.

In connection with the new rules, a staff committee with representatives from the SEC's Division of Investment Management, Division of Trading and Markets, Division of Economic and Risk Analysis, Office of Compliance Inspections and Examinations and Office of the General Counsel was established to assist firms with planning for implementation. Firms may send any questions by email to IABDQuestions@sec.gov. In addition, FINRA will produce written and online content and hold in-person meetings and workshops to assist firms with their implementation efforts. A webpage is also available for members to obtain information about the new rules.

The Notice is available [here](#).

For additional coverage on financial and regulatory news, visit [Bridging the Week](#), authored by Katten's [Gary DeWaal](#).

For more information, contact:

FINANCIAL SERVICES

Janet M. Angstadt	+1.312.902.5494	janet.angstadt@kattenlaw.com
Henry Bregstein	+1.212.940.6615	henry.bregstein@kattenlaw.com
Wendy E. Cohen	+1.212.940.3846	wendy.cohen@kattenlaw.com
Guy C. Dempsey Jr.	+1.212.940.8593	guy.dempsey@kattenlaw.com
Gary DeWaal	+1.212.940.6558	gary.dewaal@kattenlaw.com
Kevin M. Foley	+1.312.902.5372	kevin.foley@kattenlaw.com
Mark D. Goldstein	+1.212.940.8507	mark.goldstein@kattenlaw.com
Jack P. Governale	+1.212.940.8525	jack.governale@kattenlaw.com
Arthur W. Hahn	+1.312.902.5241	arthur.hahn@kattenlaw.com
Christian B. Hennion	+1.312.902.5521	christian.hennion@kattenlaw.com
Carolyn H. Jackson	+44.20.7776.7625	carolyn.jackson@kattenlaw.co.uk
Susan Light	+1.212.940.8599	susan.light@kattenlaw.com
Richard D. Marshall	+1.212.94.8765	richard.marshall@kattenlaw.com
Fred M. Santo	+1.212.940.8720	fred.santo@kattenlaw.com
Christopher T. Shannon	+1.312.902.5322	chris.shannon@kattenlaw.com
Robert Weiss	+1.212.940.8584	robert.weiss@kattenlaw.com
Lance A. Zinman	+1.312.902.5212	lance.zinman@kattenlaw.com
Krassimira Zourkova	+1.312.902.5334	krassimira.zourkova@kattenlaw.com

.....
* Click [here](#) to access the *Corporate & Financial Weekly Digest* archive.

Attorney advertising. Published as a source of information only. The material contained herein is not to be construed as legal advice or opinion.
©2019 Katten Muchin Rosenman LLP. All rights reserved.

Katten

Katten Muchin Rosenman LLP www.kattenlaw.com

AUSTIN | CENTURY CITY | CHARLOTTE | CHICAGO | DALLAS | HOUSTON | LONDON | LOS ANGELES | NEW YORK | ORANGE COUNTY | SAN FRANCISCO BAY AREA | SHANGHAI | WASHINGTON, DC

Katten refers to Katten Muchin Rosenman LLP and the affiliated partnership as explained at kattenlaw.com/disclaimer.