

News Release

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FINRA Releases 2020 Risk Monitoring and Examination Priorities Letter

WASHINGTON—FINRA today released its [2020 Risk Monitoring and Examination Priorities Letter](#), highlighting new priorities as well as identifying areas of ongoing concern that FINRA will continue to focus on in the coming year.

New for this year is a focus on Regulation Best Interest (Reg BI) and Form CRS (Client Relationship Summary). In the first part of the year, FINRA will review firms' preparedness for Reg BI to gain an understanding of implementation challenges they may face. After the June 30, 2020 compliance date, FINRA will examine firms' compliance with Reg BI, Form CRS and related U.S. Securities and Exchange Commission guidance and interpretations.

Among other issues identified in the 2020 priorities letter are:

- Communications with the public, with a focus on private placement retail communications and communications via digital channels;
- Cash management and bank sweep programs;
- Direct market access controls;
- Best execution;
- Disclosure of order routing information; and
- Cybersecurity

In addition, FINRA will continue to review for firms' compliance in consistently important areas such as systems for supervision, sales practice risks, anti-money laundering and fraud, insider trading and manipulation across markets and products.

FINRA may update its view on risks throughout the year, as well as provide observations on both concerns and effective practices relevant to some of these areas in FINRA's annual [Report on Examination Findings and Observations](#).

“FINRA continues to identify new ways to provide firms with information they can use to assess and strengthen their compliance, supervisory and risk management programs,” FINRA CEO Robert Cook said. “To that end, this year’s Priorities Letter includes a list of practical considerations and questions that firms may use in evaluating these programs.

About FINRA

FINRA is a not-for-profit organization dedicated to investor protection and market integrity. It regulates one critical part of the securities industry – brokerage firms doing business with the public in the United States. FINRA, overseen by the SEC, writes rules, examines for and enforces compliance with FINRA rules and federal securities laws, registers broker-dealer personnel and offers them education and training, and informs the investing public. In addition, FINRA provides surveillance and other regulatory services for equities and options markets, as well as trade reporting and other industry utilities. FINRA also administers a dispute resolution forum for investors and brokerage firms and their registered employees. For more information, visit www.finra.org.