

Speech

Remarks at 2021 FINRA Annual Conference



Chair Gary Gensler

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Good afternoon. I want to thank the Financial Industry Regulatory Authority and Robert [Cook] for hosting me as part of this week's conference.^[1] I've known Robert since he joined the SEC to lead the Trading and Markets Division and I was at the CFTC, when we first worked together on what was called the "Flash Crash" in May of 2010.

As a self-regulatory agency, FINRA plays a role in protecting investors — writing and enforcing rules for registered brokers and broker-dealers, examining firms, educating investors, and more. I look forward to working with the whole team and Robert on our shared goals.

I also look forward to an active policy agenda at the SEC. Robert, we testified together a couple of weeks ago, so you and your members have heard a fair amount on those policy issues — whether it was the equity market structure, gamification, and market transparency issues at the heart of the hearing, or questions from members of Congress about crypto, climate risk disclosure, and human capital disclosure.

I anticipate you'll get back to some of those issues in our fireside chat.

Robert tells me there might be 1,700 market participants on this call, so I thought I'd take the opportunity to speak to you all directly.

Every day, I am animated by working families and what the SEC means to them. I'm also thinking every day about the SEC's three-part mission to protect investors, facilitate capital formation, and what links the two: fair, orderly, and efficient markets.

I would hope that you, too — the people on this call — are animated by the investing public, people trying to have a better future for their families and themselves.

Thus, best interest means best interest. Best execution means best execution.

So, if you're asking a lawyer, accountant, or adviser if something is over the line, maybe it is time to step back from the line. Remember that going right up to the edge of a rule or searching for some ambiguity in the text or a footnote may not be consistent with the law and its purpose.

There's an old saying: "When I see a bird that walks like a duck and swims like a duck and quacks like a duck, I call that bird a duck."

There's a reason why the '33 Act was called the Truth in Securities Law. Telling the truth matters.

So again, think about the spirit of the law. It's about protecting investors.

As we think about enforcement, to me, the idea is pretty simple: We need rules of the road and a cop on the beat to protect everyday investors and achieve our three-part mission. Enforcement is about following the facts

and the law, wherever they may lead, on behalf of investors and working families.

At the SEC, we are focused on going after misconduct wherever we find it in the financial system. That means holding individuals and companies accountable, without fear or favor, across the approximately \$100 trillion capital markets we oversee.

Individual accountability is an important part of any enforcement agenda. I believe we should continue to pursue bars and similar relief, where appropriate, to protect the public.

That also means bringing cases that matter to all parts of our mission — whether deceptive conduct by private funds, offering or accounting frauds, insider trading, market manipulation, failures to act in retail customers' best interests, reporting violations, best execution and fiduciary violations, or any other form of misconduct.

We need to do whatever we can to ensure that bad actors aren't playing with working families' savings and that the rules are enforced aggressively and consistently.

What's more, technology is always evolving, as are our markets. As we continue to stay abreast of those developments, the SEC and FINRA should be ready to bring cases involving issues such as crypto, cyber, and fintech.

I believe we also should remain focused on how our agencies use technology and data analytics to surveil the markets and enforce the law.

America's securities laws have been an important part of our economic success for the last 90 years, and enforcement is a key reason why. I look forward to working with our fellow cops on the beat at FINRA to protect American investors and capital markets.

Thank you.

[1] I'd like to note that my views are my own and not necessarily those of the Securities and Exchange Commission or my fellow Commissioners.