

MEMO# 29682

February 1, 2016

SEC Approves FINRA Rule 2210 Amendments Requiring Reference and Link to BrokerCheck on FINRA Members Websites

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TO: ADVERTISING COMPLIANCE ADVISORY COMMITTEE No. 2-16
BANK, TRUST AND RETIREMENT ADVISORY COMMITTEE No. 4-16
BROKER/DEALER ADVISORY COMMITTEE No. 4-16
BROKER/DEALER ASSOCIATE MEMBERS No. 2-16
OPERATIONS MEMBERS No. 4-16
PRINCIPAL UNDERWRITERS WORKING GROUP
SEC RULES MEMBERS No. 6-16
SMALL FUNDS MEMBERS No. 3-16 RE: SEC APPROVES FINRA RULE 2210 AMENDMENTS
REQUIRING REFERENCE AND LINK TO BROKERCHECK ON FINRA MEMBERS WEBSITES

The SEC issued notice of FINRA's filing of proposed amendments to FINRA Rule 2210 (Communications with the Public) that would require FINRA member firms to include on their websites references and hyperlinks to BrokerCheck [\[1\]](#) in July 2015 (the "Amendments"). [\[2\]](#) The SEC approved the Amendments as proposed in October, [\[3\]](#) and FINRA announced the effective date of June 6, 2016 for the Amendments in December. [\[4\]](#)

More specifically, the Amendments will require FINRA member firms to include on each of their websites a readily apparent reference and hyperlink to BrokerCheck on: (i) the initial webpage that the member intends retail investors to view; and (ii) any other webpage that includes a professional profile of one or more registered persons who conduct business with retail investors. [\[5\]](#) FINRA's objective is to increase awareness and use of BrokerCheck, which it believes will help investors make more informed choices about the individuals with whom and firms with which they may wish to conduct business. ICI submitted a comment letter in August supporting the Amendments. [\[6\]](#)

In addition to setting the June 6, 2016 effective date for the Amendments, FINRA's Regulatory Notice notes the following:

- A link to the BrokerCheck home page (rather than using a "deep-link" to the firm or

associated person's individual BrokerCheck pages) suffices;

- FINRA is making BrokerCheck-related icons and other resources available to members to assist with compliance; [7] and
- Firms should adopt the perspective of a “reasonable retail investor” in determining what constitutes a “readily apparent” reference and link and should consider factors such as placement, font size, and font color, and FINRA generally does not believe that including the reference and link in a footer would satisfy the standard.

Matthew Thornton
Assistant General Counsel

endnotes

[1] BrokerCheck is a tool on FINRA's website that provides the public with information on the professional background, business practices, and conduct of FINRA member firms and their associated persons.

[2] Notice of Filing of a Proposed Rule Change to Amend FINRA Rule 2210 (Communications with the Public), SEC Release No. 34-75377 (July 7, 2015), available at www.sec.gov/rules/sro/finra/2015/34-75377.pdf. See Institute Memorandum No. 29167, dated July 10, 2015, for a summary of the Amendments and prior BrokerCheck proposals.

[3] Order Approving a Proposed Rule Change to Amend FINRA Rule 2210 (Communications with the Public), SEC Release No. 34-76105 (Oct. 8, 2015), available at www.sec.gov/rules/sro/finra/2015/34-76105.pdf.

[4] FINRA Regulatory Notice 15-50, “BrokerCheck” (Dec. 2015) (the “Regulatory Notice”), available at www.finra.org/sites/default/files/Notice_Regulatory_15-50.pdf.

[5] These requirements will not apply to a member that does not provide products or services to retail investors, or a directory or list of registered persons limited to names and contact information.

[6] See Institute Memorandum No. 29215, dated August 3, 2015, for the ICI comment letter. We supported the Amendments because we believe they will advance FINRA's objective without imposing undue burdens on FINRA members.

[7] Available at www.finra.org/industry/rule-2210-brokercheck.