

**MEMO# 29167**

July 10, 2015

# **FINRA Proposes Requiring References and Links to BrokerCheck on Members' Websites**

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TO: ADVERTISING COMPLIANCE ADVISORY COMMITTEE No. 6-15  
BANK, TRUST AND RETIREMENT ADVISORY COMMITTEE No. 24-15  
BROKER/DEALER ADVISORY COMMITTEE No. 33-15  
OPERATIONS COMMITTEE No. 15-15  
PRINCIPAL UNDERWRITERS WORKING GROUP  
SMALL FUNDS COMMITTEE No. 20-15 RE: FINRA PROPOSES REQUIRING REFERENCES AND LINKS TO BROKERCHECK ON MEMBERS' WEBSITES

Earlier this week, the SEC issued notice of FINRA's filing with the SEC of a proposed amendment to FINRA Rule 2210 (Communications with the Public) (the "Proposal"). [\[1\]](#) The Proposal would require FINRA member firms to include on each of their websites a readily apparent reference and hyperlink to BrokerCheck [\[2\]](#) on: (i) the initial webpage that the member intends to be viewed by retail investors; and (ii) any other webpage that includes a professional profile of one or more registered persons who conduct business with retail investors. [\[3\]](#) FINRA's intent is to increase awareness of BrokerCheck, which it believes will help investors make more informed choices about the individuals and firms with which they conduct business.

This Proposal follows from prior FINRA proposals on BrokerCheck that were not adopted. In 2013, FINRA filed with the SEC a proposed rule change to amend FINRA Rule 2267 (Investor Education and Protection) to require all members to include a prominent description of and link to BrokerCheck on their websites, social media pages, and any comparable Internet presence, as well as on the websites, social media pages and any comparable Internet presence relating to a member's investment banking or securities business maintained by or on behalf of any person associated with a member. [\[4\]](#) ICI submitted a comment letter opposing this 2013 proposal, which we believed was vague and likely would have had an adverse impact on members' use of social media. [\[5\]](#)

In 2014, FINRA sought comment on a revised proposal, which would have required a reference and hyperlink to BrokerCheck in FINRA member firms' online retail communications with the public. [\[6\]](#) ICI again commented, but this time in general support

of this 2014 proposal, due largely to its more carefully defined and limited scope (particularly with respect to social media and other electronic communications). [7]

The scope of this 2015 Proposal is narrower still, because members' obligations to refer and link to BrokerCheck would be limited to certain places on their websites only.

Comments to this Proposal are due to the SEC within 21 days from the date it is published in the Federal Register (to date, it has not been published). Currently, ICI intends to submit a short comment letter supporting the Proposal. If you have questions or concerns about the Proposal or this approach, please reach out to me (202-371-5406 or [matt.thornton@ici.org](mailto:matt.thornton@ici.org)) within the next week. We will submit a draft of the comment letter to members for review in advance of filing it.

Matthew Thornton  
Counsel

#### endnotes

[1] SEC Release No. 34-75377 (July 7, 2015), available at [www.sec.gov/rules/sro/finra/2015/34-75377.pdf](http://www.sec.gov/rules/sro/finra/2015/34-75377.pdf).

[2] FINRA's BrokerCheck provides the public with information on the professional background, business practices, and conduct of FINRA member firms and their associated persons.

[3] These requirements would 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.

[4] SEC Release No. 34-68700 (Jan. 18, 2013), available at [www.sec.gov/rules/sro/finra/2013/34-68700.pdf](http://www.sec.gov/rules/sro/finra/2013/34-68700.pdf).

[5] Available at [www.sec.gov/comments/sr-finra-2013-002/finra2013002-15.pdf](http://www.sec.gov/comments/sr-finra-2013-002/finra2013002-15.pdf).

[6] FINRA Regulatory Notice 14-19, "BrokerCheck" (April 2014), available at [www.finra.org/sites/default/files/NoticeDocument/p496867.pdf](http://www.finra.org/sites/default/files/NoticeDocument/p496867.pdf). More specifically, this 2014 proposal would have required a firm to include a readily apparent reference and hyperlink to BrokerCheck on each website of the firm that is available to retail investors. In addition, it would have required a firm to include a readily apparent reference and hyperlink to BrokerCheck in online retail communications with the public that include a professional profile of, or contact information for, an associated person, subject to specified conditions and exceptions, including exceptions for electronic mail and text messages.

[7] Available at [www.finra.org/sites/default/files/NoticeComment/p532191.pdf](http://www.finra.org/sites/default/files/NoticeComment/p532191.pdf).