

**MEMO# 30630**

March 9, 2017

## **ICI Draft Comment Letter on Proposed Amendments to FINRA Rule 2210**

[30630] March 9, 2017 TO: Advertising Compliance Advisory Committee

Chief Compliance Officer Committee

Closed-End Investment Company Committee

Internal Sales Managers Roundtable

Sales and Marketing Committee

SEC Rules Committee

Small Funds Committee RE: ICI Draft Comment Letter on Proposed Amendments to FINRA Rule 2210

FINRA has issued a Regulatory Notice requesting comment on proposed amendments to Rule 2210 (Communications with the Public).<sup>[1]</sup> Notwithstanding the rule's general prohibition on communications that predict or project performance, the proposed amendments would permit investment planning illustrations that include the projected performance of an asset allocation or other investment strategy (but not an individual security), subject to specified conditions.<sup>[2]</sup>

ICI's draft comment letter (attached below) supports FINRA's proposal. If adopted, it would permit FINRA member firms to provide their customers with a type of information—investment planning illustrations—that could help inform their investment decision-making. In addition, we recommend that the proposal be enhanced further by: (i) removing the “customization” requirement; and (ii) providing guidance regarding the precise scope of the proposed and existing exceptions to the rule's general prohibition on projections, so that members can put them to wider and better use (e.g., in educational materials).

If you have any comments on the attached letter, please reach out to me (202-371-5406 or [matt.thornton@ici.org](mailto:matt.thornton@ici.org)) by March 20. Comments are due to FINRA by March 27.

Matthew Thornton  
Assistant General Counsel

[Attachment](#)

**endnotes**

<sup>[1]</sup> *FINRA Requests Comment on Proposed Amendments to Rules Governing Communications with the Public*, FINRA Regulatory Notice 17-06 (February 2017), available

at: [www.finra.org/sites/default/files/notice\\_doc\\_file\\_ref/Regulatory-Notice-17-06.pdf](http://www.finra.org/sites/default/files/notice_doc_file_ref/Regulatory-Notice-17-06.pdf). See Institute [Memorandum](#) No. 30584, dated February 16, 2017, for a more detailed summary of the proposal.

[2] Specifically, the illustration would require a “reasonable basis” and certain disclosures, and would be subject to supervisory requirements.

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