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FINRA Launches New Self-Reporting Initiative for 529 Savings Plan Violations.

The new initiative promises standard settlements for qualifying self-reported violations.

On January 28, 2019, the Financial Industry Regulatory Authority (FINRA) issued Regulatory Notice 19-04 announcing its 529 Plan Share Class Initiative (Initiative) to encourage member firms to self-report potential rules violations involving 529 plan recommendations. The Initiative follows the model of prior self-reporting initiatives undertaken by the Securities and Exchange Commission (SEC), including the 2014 Municipalities Continuing Disclosure Cooperation Initiative and the 2018 Share Class Selection Disclosure Initiative, and is the latest step in furtherance of FINRA360, a program that aims to increase the organization's efficiency and transparency. In announcing the Initiative, FINRA noted its concern that members' supervisory functions had a blind spot on 529 plans. The Initiative aims to remedy that blind spot by offering settlements of restitution and censure but no fine for qualifying self-reported violations.

Please see full [Alert](#) for more information.

by John Sikora Jr. & Stephen Wink

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