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FINRA Publishes Report on Conflicts of Interest.

Today, FINRA published a report on conflicts of interest in the broker-dealer industry to highlight effective conflicts management practices that may go beyond current regulatory requirements and identify potential problem areas. In July 2012, FINRA initiated a dialogue with several large firms to review their conflicts management practices to better understand how the industry identifies and manages conflicts.

While many firms have made progress in improving the way they manage conflicts, our review reveals that firms should do more. To help firms analyze the conflicts they face and implement a conflicts management framework appropriate to the size and scope of their business, we are publishing examples of how some large broker-dealer firms address conflicts. These practices—as well as those that are based on FINRA’s experience and analysis—can help firms of all sizes improve their conflicts management practices. Of course, there is no one-size-fits-all framework. Firms need to assess the approach that is most effective for their particular circumstances.

<http://www.finra.org/web/groups/industry/@ip/@reg/@guide/documents/industry/p359971.pdf>