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SIFMA, Chamber Give Thumbs Down to Finra's Data Collection Proposal.

Two more financial industry groups have called on Finra to rethink a proposal to collect reams of brokerage account information that the organization says will help it better detect fraudulent sales practices.

The [Securities Industry and Financial Markets Association](#), the trade group for large broker-dealers, and the U.S. Chamber of Commerce filed comment letters Friday and late Thursday, respectively, opposing Finra's Comprehensive Automated Risk Data System. They join the [Financial Services Institute Inc.](#), a lobbying group for independent broker-dealers, in [criticizing the idea](#).

The broker-dealer regulator put out a concept proposal in December. The comment deadline was Friday.

SIFMA warned that financial firms would be burdened with significant technology and compliance costs and that customers' financial privacy would be put at risk.

"CARDS would require firms to develop new systems and/or dramatically modify existing systems to collect data elements that they do not have currently, create storage capacity to store vast amounts of new data, develop methods to standardize data format ... and save the data for an unspecified period of time," wrote Ira Hammerman, SIFMA executive vice president and general counsel. "The information that will be requested through CARDS is a road map to an individual's financial life and virtually all investors' information will be housed in one place."

The Chamber said the system's costs would outweigh its benefits.

"While efforts to streamline and standardize this data collection are laudable, the [Chamber] remains very concerned that any wholesale changes to the way in which broker-dealers provide data to Finra will come at a significant cost not only to broker-dealers but also to their customers," wrote David Hirschmann, president and chief executive of the Chamber's Center for Capital Markets Competitiveness.

By [Mark Schoeff Jr.](#)

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