

Bond Case Briefs

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BDA Hosts Reg BI Conference Call with SEC, FINRA, and MSRB.

Today, the BDA along with Retail Committee leaders hosted a conference call with representatives from the SEC, FINRA, and the MSRB to discuss the implementation of the best interest standard known as [Regulation Best Interest \(Reg BI\)](#), which has a compliance date of June 30th. Following the [SEC announcement](#) stating that the Commission will continue to go forward with implementation of the Rule this summer, the BDA collected questions from membership to be answered by the regulators. The call worked through the questions and issues raised by BDA membership.

The discussion included:

- The SEC's expectation regarding rationale or justification for trades and steps firms and advisors need to take to ensure compliance;
- The inherent compliance obligations with the "risk-based" approach when surveilling portfolio construction and the evaluation of specific recommendations;
- How swaps should be treated for the Reg BI reporting process;
- How to disclose conflicts of interest regarding in principal trading and underwriting;
- Requirements of advisors to justify the suitability of each trade as part of the heightened responsibility stemming from the new Rule;
- Suitability requirements included in Reg BI; and
- Which costs and fees to disclose in layered disclosure documents.

Bond Dealers of America

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