

*Now in our 45th year!*



*Why Go It Alone?*

March 13, 2020

Ms. Jennifer Piorko Mitchell  
Office of the Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington DC, 20006-1506

Re: FINRA Regulatory Notice 20-02: Request for Comment on the Effectiveness of Its Reporting Requirements Rule

Dear Ms. Mitchell,

The Association of Registration Management, Inc. ("ARM")<sup>1</sup> appreciates the opportunity to provide commentary on FINRA Rule 4530 and the effectiveness of the reporting requirements rule. ARM has collected feedback from firms within the financial securities industry and has summarized the views of our members on this rule and related topics.

Our member firms carefully review their reporting obligations, and the related deadlines for each obligation. Especially for larger firms with multiple exchange memberships, tracking these different requirements and ensuring proper, consistent updating is challenging. The variety of questions, submission processes, and deadlines create multiple opportunities for unintended discrepancies and disconnects between disclosures.

ARM believes that FINRA should review the reporting requirements of other regulators and consider an opportunity to create a consolidated reporting process, not unlike the consolidated registration forms and the related disclosure responses currently reviewed and processed by multiple exchanges and regulatory agencies.

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<sup>1</sup> The Association of Registration Management is an industry association founded in 1975, comprised of registration professionals from broker-dealers and investment advisers who deal with the regulatory community on licensing matters and related issues.

Along with FINRA Rule 4530, registered entities are required to make disclosures and update related details on forms such as the Uniform Application for Broker-Dealer Registration ("Form BD"). As an example, the reporting obligations between Rule 4530(1)(A), regarding the violation of *"any securities-, insurance-, commodities-, financial- or investment-related laws, rules, regulations or standards of conduct"* are quite similar to the Regulatory Action Disclosure questions under Sections 11C and 11D of Form BD.

Additionally, please consider the following list of separate reporting obligations from other financial service regulators:

- Boston Options Exchange (BOX) Rule 3100
- Chicago Board Options Exchange (CBOE) Rule 4.9
- CBOE BZX and CBOE EDGX Rule 18.5
- CBOE C2 Chapter 4
- Chicago Stock Exchange (CHX) Rule 8
- Miami International Securities Exchange (MIAX) Rule 304
- MIAX PEARL Chapter III
- Nasdaq BX 3070 (a) and Chapter III, Sec 5
- International Securities Exchange (ISE) Rule 409

Many of these rules cover similar topics and issues, and have similar requirements to FINRA 4530. Member firms are required to recognize the differences between these obligations and meet the specific requirements of each rule. This structure requires separate reports of similar instances, which invites opportunities for inconsistencies. ARM would appreciate a reduction and centralization of this reporting.

Through the introduction of the Central Registration Depository ("CRD"), the uniform applications shared on the CRD system by different regulatory bodies, and the subsequent update to those systems and forms, FINRA has demonstrated an ability to create common reporting and review practices that create efficiencies for both regulators and member firms. ARM believes that the opportunity for that consolidation exists again with regulatory reporting requirements, and suggests using the CRD and registration application submission platform model for the creation of more efficient and effective reporting.

ARM is willing to work with regulatory contacts and representatives from our member firms to coordinate a working group focused on creating a common process for these similar obligations. Our member firms appreciate the opportunity to provide their feedback, and we look forward to working with FINRA on improving the reporting processes in the future.

Ms. Piorko Mitchell, FINRA  
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Thank you for the extended time period in which to provide ARM's comments. Your time and consideration is very much appreciated. Please contact me if you wish to discuss the matter in more detail. If you have any questions or if I can assist with this initiative any further, let me know.

Sincerely,

On behalf of the ARM Board, Executive Committee and Members of the  
Association of Registration Management, Inc.

A handwritten signature in black ink that reads "Richard Izzo". The signature is written in a cursive style with a large, stylized "I" and "Z".

Richard Izzo  
President  
Association of Registration Management, Inc.  
[armgmt@armgmt.org](mailto:armgmt@armgmt.org)