

Guidance for Governing Documents and Attestations to Evidence Ownership

2024

Please note that the requirements listed below are not exhaustive. Depending on the facts and circumstances of your file, staff from FINRA's Membership Application Program Group (MAP staff) may require additional documentation.

Subject to entity-specific exceptions as noted below, all owners should provide:

- **Specific Owner Information:**
 - Provide governing documents (*e.g.*, by-laws, limited liability company (LLC) operating agreements, etc., and if applicable, their foreign equivalents translated into English) for any entity holding a 10% or more ownership interest in the applicant.
 - Provide CRD numbers, if applicable, for (i) individuals holding 10% or greater ownership in the applicant or (ii) individuals that hold less than 10% but are party to an agreement with other shareholders that results in a block of 10% or more (see Voting Agreements, below). If there is no CRD number, supply another form of identification.
- **Voting Agreements:** Provide any voting agreements among owners, if applicable. If a voting agreement results in a block of ownership, the block will be treated as a unit.
- **Attestations:**
 - When an entity or individual holds a less than a 10% ownership interest in the applicant, provide an attestation concerning the applicant's due diligence on the entity/individual, including all of the items noted in Appendix 1. To account for the events involving Russian sanctions, only provide attestations for which searches were conducted after February 24, 2022. See [Regulatory Notice 22-06](#) (U.S. Imposes Sanctions on Russian Entities and Individuals)..
 - An attestation may not suffice for owners that hold less than 10% ownership interest in the applicant that nonetheless exercise a level of control typically granted to a majority owner/control person (*e.g.*, a General Partner, certain Managers or Managing Members of an LLC, etc.).

Appendix 1 – Attestations

All attestations must be signed by the applicant or an individual authorized to act on behalf of the applicant, stating that:

1. There are no voting agreements among the investors at any levels noted in the ownership structure, if applicable.
2. The applicant has obtained the requisite investment representations and conducted due diligence on each investor, which includes customary investment and regulatory representations in subscription and governing documents, personal relationships, and reference and background checks where reasonable and appropriate.
3. The applicant has checked to determine whether each investor has ever been, or currently is, suspended or barred by any securities' regulatory authority, or is statutorily disqualified under any applicable securities rules and regulations.
4. The applicant has identified all owners by name and CRD number, if applicable, who each invested 10% or more in the applicant. If no investor meets this criterion, the applicant should so attest in writing.
5. Each current and proposed owner and investor in the applicant's ownership structure, regardless of the ownership percentage, has been the subject of an AML and OFAC check after February 24, 2022, the date that the US Department of the Treasury announced sanctions on Russia, and that no current or proposed owner, regardless of the owner's or investor's ownership percentage, constitutes a "Russian elite close to Russian President Vladimir Putin" pursuant to FINRA [Regulatory Notice 22-06](#) (U.S. Imposes Sanctions on Russian Entities and Individuals).

FINRA Compliance Tool Disclaimer – This optional tool is provided to assist member firms. This tool is provided as a starting point, and you must tailor this tool to reflect the size and needs of your firm. Using this tool does not guarantee compliance with or create any safe harbor with respect to FINRA rules, the federal securities laws or state laws, or other applicable federal or state regulatory requirements. This tool does not create any new legal or regulatory obligations for firms or other entities.

Updates – This tool was last reviewed and updated, as needed, on June 27, 2024. This tool does not reflect any regulatory changes since that date. FINRA periodically reviews and update these tools. FINRA reminds member firms to stay apprised of new or amended laws, rules and regulations, and update their WSPs and compliance programs on an ongoing basis.

Member firms seeking additional guidance on certain regulatory obligations should review the relevant FINRA [Topic Pages](#).

Staff Contact(s) – FINRA's Office of General Counsel (OGC) staff provides broker-dealers, attorneys, registered representatives, investors and other interested parties with interpretative guidance relating to FINRA's rules. Please see [Interpreting the Rules](#) for more information.

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