



News Release

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FINRA Publishes 2021 Report on FINRA's Examination and Risk Monitoring Program

Report Combines and Replaces Annual Exam and Risk Monitoring Findings Report, Priorities Letter

Washington, D.C. – FINRA today published the [2021 Report on FINRA's Examination and Risk Monitoring Program](#) to inform member firms' compliance programs by providing annual insights from FINRA's Examinations and Risk Monitoring programs. The Report combines and replaces two previously published annual reports, the Report on Examination Findings and Observations and the Risk Monitoring and Examination Program Priorities Letter.

"FINRA continues to identify new ways to provide member firms with information they can use to assess and strengthen their compliance, supervisory and risk management programs," said Bari Havlik, Executive Vice President, Member Supervision. "This report is designed to give member firms a single, authoritative source that provides insights derived both from the last year's examinations and risk assessments, and from where we have identified emerging issues for the coming year."

The Report identifies the applicable rule and key related considerations for member firm compliance programs, summarizes noteworthy findings from recent examinations, outlines effective practices that FINRA observed during its oversight, and provides additional resources that may be helpful to member firms in fulfilling their compliance obligations.

The Report addresses 18 regulatory areas organized into four categories: Firm Operations, Communications and Sales, Market Integrity and Financial Management. These topics include:

- Regulation Best Interest and Form CRS;
- Consolidated Audit Trail compliance;
- Cybersecurity;
- Communications with the Public;
- Best Execution;
- Variable Annuities; and
- Anti-Money Laundering, among others.

As in prior years, FINRA will also adapt the areas of focus for its Examinations and Risk Monitoring programs during 2021 to address emerging regulatory concerns and risks for investors that may arise throughout the year.

FINRA expects to revisit the Report annually, as it did with the prior publications. Many of the areas addressed in the publication represent ongoing core compliance responsibilities that are reviewed as part of FINRA's regular risk-based exam program each year. Where applicable, FINRA will continue to evolve the information in these areas, as well as add new ones, to address changes in business models, technologies, compliance practices and other factors that may affect how regulatory obligations are fulfilled.

About FINRA

FINRA is a not-for-profit organization dedicated to investor protection and market integrity. It regulates one critical part of the securities industry – brokerage firms doing business with the public in the United States. FINRA, overseen by the SEC, writes rules, examines for and enforces compliance with FINRA rules and federal securities laws, registers broker-dealer personnel and offers them education and training, and informs the investing public. In addition, FINRA provides surveillance and other regulatory services for equities and options markets, as well as trade reporting and other industry utilities. FINRA also administers a dispute resolution forum for investors and brokerage firms and their registered employees. For more information, visit www.finra.org.

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