



September 2025

# Firm Element Needs Analysis Quarterly Highlights

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## Introduction

The Securities Industry/Regulatory Council on Continuing Education (Council) publishes the Firm Element Needs Analysis Quarterly Highlights to assist industry participants with identification of potential topics to include in Firm Element training plans. Topics are identified from a review of industry, regulatory and self-regulatory organization (SRO) announcements, publications of significant events, and the annual report from FINRA's Examination and Risk Monitoring Program, and the adoption by the U.S. Securities and Exchange Commission (SEC or Commission) of new rules or amendments.

The Council suggests that firms use the Firm Element Needs Analysis Quarterly Highlights as an aid in evaluating and prioritizing their Firm Element needs and developing written training plans.

Firms are reminded not to rely on the Firm Element Needs Analysis Quarterly Highlights as a comprehensive list of all areas they should consider. The Council recommends using all available tools to make Firm Element planning as efficient and effective as possible.

For more information, contact

[cecounciladmin@finra.org](mailto:cecounciladmin@finra.org)

## New Content Quick Reference

- [FINRA Regulatory Notice 24-08 \(July 23, 2025\)](#): FINRA Adopts Exemption from FINRA Rules 5130 and 5131 for Business Development Companies

## Sales & Trading

### Trade Practices

#### **(New) FINRA Adopts Exemption from FINRA Rules 5130 and 5131 for Business Development Companies**

FINRA has adopted amendments to exempt business development companies (BDCs) from FINRA Rule 5130 (Restrictions on the Purchase and Sale of Initial Equity Public Offerings) and from paragraph (b) (Spinning) of FINRA Rule 5131 (New Issue Allocations and Distributions). The amendments maintain the integrity of the public offering process while facilitating vibrant capital markets by expanding access to initial public offerings (IPOs) through a highly regulated entity. The amendments became effective on July 23, 2025.

- [FINRA Regulatory Notice 24-08 \(July 23, 2025\)](#): FINRA Adopts Exemption from FINRA Rules 5130 and 5131 for Business Development Companies

#### **Order Approving a Proposed Rule Change to Amend NYSE National Rules 7.37 and 7.44**

In April 2025, the Exchange amended NYSE National rules 7.37 (Order Execution and Routing) and 7.44 (Retail Liquidity Program) to adopt the Retail Price Improvement Seeking routing strategy, an optional routing strategy available for Type 1 Retail Orders.

- [Securities Exchange Act Release No. 102912 \(April 22, 2025\), 90 FR 17655 \(April 28, 2025\)](#): Order Approving File No. SR-NYSENAT-2025-05

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### Margin

#### **FINRA Announces Publication of Updated Interpretations of FINRA's Margin Rule with Guides to the Updates**

FINRA updated the set of interpretations of the margin rule. The updated set of interpretations is available on the FINRA website and became effective on August 9, 2024. To assist members, there is a [guide](#) to the updated interpretations that includes a text comparison with the previous interpretations and other information about the updates.

- [FINRA Regulatory Notice: 24-11 \(August 9, 2024\)](#): FINRA Announces Publication of Updated Interpretations of FINRA's Margin Rule with Guides to the Updates

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## Regulation Best Interest

### **FINRA Highlights Available Guidance and Resources Related to Regulation Best Interest**

*Regulatory Notice 23-20* discusses the guidance and other resources available to assist members with their compliance efforts in connection with the SEC's Regulation Best Interest (Reg BI). In particular, FINRA highlights the SEC's series of Staff Bulletins (Bulletins) reiterating standards of conduct for broker-dealers (BDs or members) and investment advisers (IAs): [SEC Staff Bulletin: Standards of Conduct for Broker-Dealers and Investment Advisers Account Recommendations for Retail Investors](#); [SEC Staff Bulletin: Standards of Conduct for Broker-Dealers and Investment Advisers Conflicts of Interest](#); and [SEC Staff Bulletin: Standards of Conduct for Broker-Dealers and Investment Advisers Care Obligations](#). FINRA encourages members to review these Bulletins closely, along with the Reg BI Adopting Release and the other guidance and resources identified in this Notice, as part of their ongoing efforts to meet their best interest obligations.

- [FINRA Regulatory Notice: 23-20 \(December 5, 2023\)](#): FINRA Highlights Guidance and Resources Related to Regulation Best Interest

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## **Firm Operations**

### Guidance

#### **Guidance to Members Affected by California Wildfires**

FINRA recognizes that member firms and their personnel have been experiencing significant disruptions to their business operations due to the devastating impact of the California wildfires, which started on January 7, 2025. The wildfires have also had a major impact on customers. For instance, customers may be unable to communicate with their financial professional or receive mail during this time. This Notice provides guidance to those members and other affected persons, including relief from certain regulatory requirements, in such areas as emergency office relocations, regulatory filings and inquiries, fees, customer communications, holding customer mail, delivery of customer checks, donations, examination windows and registered personnel engaged in active military duty.

FINRA will continue to closely monitor the impact of the California wildfires and may provide additional relief, as appropriate. Members or other affected persons with questions or requiring additional assistance are encouraged to contact FINRA for further guidance.

- [FINRA Regulatory Notice 25-02 \(January 27, 2025\)](#): Guidance to Members Affected by California Wildfires

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## Conduct

### Borrowing and Lending Arrangements

#### **FINRA Adopts Amendments to Rule 3240**

FINRA adopted amendments to Rule 3240 (Borrowing From or Lending to Customers) to strengthen the rule's general prohibition against borrowing and lending arrangements between registered persons and their customers, narrow some existing exceptions to the general prohibition, modernize the "immediate family" definition, and enhance the notice and approval requirements related to permissible arrangements. The amendments became effective on April 28, 2025.

- [FINRA Regulatory Notice 24-12 \(October 23, 2024\)](#): FINRA Adopts Amendments to Rule 3240

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#### **Additional Resources**

- For more information visit the [cecouncil.com](https://cecouncil.com) website or contact CE Council member organizations.
- For compliance resources on issues affecting the security issue please visit [FINRA Key Topics](#) page.
- For insight into FINRA's findings into recent oversight activities of FINRA's Member Supervision, Market Regulation and Enforcement programs, please visit the [Report on FINRA's Examination and Risk Monitoring Program](#).
- For the SEC's priorities of examinations of certain practices, products and services, please see The Division of Examinations [report](#).