

Corporate & Financial Weekly Digest

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FINRA Requests Comment on Proposed Consolidated FINRA Rules Governing Markups, Commissions and Fees

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The Financial Industry Regulatory Authority, Inc. is requesting comment on proposed consolidated FINRA rules governing markups, markdowns, commissions and fees. FINRA proposes to transfer National Association of Securities Dealers (NASD) Rule 2440, NASD Interpretive Material-2440-1 and NASD IM-2440-2 to the Consolidated FINRA Rulebook (Rulebook) as FINRA Rule 2121, subject to significant changes. Among other things, FINRA proposes to eliminate the “5% policy” and the “proceeds provision” in NASD Rule IM-2440-1. FINRA also proposes to require firms to provide commission schedule(s) for equity securities to retail customers, and to notify and obtain consent from a customer to charge a commission when a firm misses the market and trades with the customer on a principal basis. In addition, FINRA proposes to transfer NASD Rule 2430 to the Rulebook as FINRA Rule 2123, and to require member firms to provide retail customers with schedule(s) of charges and fees for services. Comments must be received by FINRA by March 28.

Click [here](#) to read FINRA Regulatory Notice 11-08.

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