

## Corporate & Financial Weekly Digest

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### **FINRA Reminds Firms of Sales Practice Obligations for Commodity Futures-Linked Securities**

*Co-authored by [Louis Froelich](#)*

The Financial Industry Regulatory Authority has issued a Regulatory Notice reminding firms of their sales practice obligations regarding securities that offer exposure to the commodities markets. FINRA cautions that firms must ensure that communications with the public about these securities are fair and balanced, that recommendations to customers are suitable and that firm registered representatives understand and can inform customers about these securities before recommending them. To meet these obligations, firms must train registered personnel about the characteristics, risks and rewards of these products before they allow their registered persons to sell the products to investors. Firms also must have adequate written supervisory procedures and controls in place reasonably designed to ensure that commodity-futures linked securities sales comply with applicable federal securities laws and FINRA rules.

Click [here](#) to read FINRA Regulatory Notice 10-51.

Katten Muchin Rosenman LLP  
Charlotte Chicago Irving London Los Angeles New York Washington, DC