

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

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On January 31, 2013, the Financial Industry Regulatory Authority (“FINRA”) issued a Regulatory Notice requesting comment on new proposed FINRA rules governing markups, markdowns, commissions and other fees. FINRA’s proposal would transfer several existing NASD rules and interpretations and a New York Stock Exchange (“NYSE”) rule to the FINRA rulebook, while making several substantive changes. The proposal is similar to a 2011 FINRA proposal to revise the markup rules (the “2011 Proposal”). However, in response to comments received, FINRA abandoned the 2011 Proposal’s plan to eliminate FINRA’s long-standing “5% Policy” for markups and made a number of other substantive changes.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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