

# FINRA Issues Report on Broker-Dealer Conflicts of Interest

October 22, 2013 | Client Update

On October 14, 2013, FINRA issued a [Report on Conflicts of Interest](#). The report summarizes FINRA's observations following an initiative, launched in July 2012, to review conflict management policies and procedures at a number of broker-dealer firms. The report focuses on approaches to identifying and managing conflicts of interest in three broad areas: enterprise-level conflicts governance frameworks; new product conflicts reviews; and compensation practices.

While the report does not break new ground or create or alter legal or regulatory requirements, it offers insight into the approach that FINRA expects firms to take in implementing a robust conflict management framework. In particular, the report identifies effective practices that FINRA observed at various firms. Broker-dealers should use this report as a basis for reviewing and potentially strengthening their policies and procedures relating to managing conflicts of interests.

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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