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FINRA PROPOSES AMENDMENTS TO RULE 2210 FOCUSING ON MODERNIZING SUPERVISION AND REVIEW OF RETAIL COMMUNICATIONS TO ADDRESS EVOLVING COMMUNICATION PRACTICES AND TECHNOLOGIES SUCH AS AI

On July 9, 2026, the Financial Industry Regulatory Authority, Inc. ("FINRA") published Regulatory Notice 26-14, requesting comment on a proposal to modernize certain requirements applicable to retail communications under FINRA Rule 2210 (Communications with the Public) (the "Proposal"). The Proposal represents one of the most significant modernization efforts relating to the review and supervision of broker-dealer communications in over a decade, undertaken as part of FINRA's broader "FINRA Forward" initiative. The Proposal addresses three key areas:

(1) Modernizing supervision and review of retail communications by replacing the current prescriptive principal pre-use approval requirement with risk-based standards for supervising retail communications;

(2) Modifying and streamlining retail communication filing requirements; and

(3) Modifying and streamlining the broker-dealer standard for communications containing recommendations.

FINRA RULE 2210

FINRA Rule 2210 governs written communications by FINRA member firms. The rule currently defines three categories of communications:

- **Correspondence**: Any written (including electronic) communication distributed or made available to 25 or fewer retail investors within any 30 calendar-day period (Rule 2210(a)(2)).
- **Retail Communications**: Any written (including electronic) communication distributed or made available to more than 25 retail investors within any 30 calendar-day period (Rule 2210(a)(5)).
- **Institutional Communications**: Written (including electronic) communications distributed or made available only to institutional investors (Rule 2210(a)(3)).

Under the current framework, Rule 2210(b)(1) requires that an appropriately qualified registered principal approve each retail communication before its first use or filing with FINRA's Advertising Regulation Department (the "Department"). By contrast, members may employ alternative supervisory procedures for correspondence and institutional communications, provided such procedures, among other things, are reasonably designed to ensure compliance with applicable content standards.

Rule 2210's principles-based content standards apply to all categories of communications. These standards require that communications be fair and balanced, provide a sound basis for evaluating the relevant facts, and prohibit false, exaggerated, unwarranted, promissory, or misleading statements or claims (*see* Rule 2210(d)(1)).

Industry participants have raised concerns about Rule 2210, identifying the rule's framework as overly prescriptive in light of evolving communications technology, social media practices, and the proliferation of artificial intelligence ("AI")-generated content.

RISK-BASED SUPERVISION AND REVIEW OF RETAIL COMMUNICATIONS

FINRA proposes to replace the prescriptive principal pre-use approval requirement under Rule 2210(b)(1) with a risk-based supervisory standard. Under the proposed amendments, members would be required to establish and maintain written procedures appropriate to their business, size and structure to determine which categories of retail communications warrant principal approval before first use. The proposal would require such procedures to be reasonably designed to ensure that retail communications comply with the applicable content standards. Where a member's procedures do not require review of all retail communications prior to first use, those procedures must include at a minimum (i) education and training of associated persons on the member's procedures governing retail communications; (ii) documentation of such education and training; and (iii) surveillance and follow-up to monitor compliance with the established procedures. Members would also be required to maintain evidence that their supervisory procedures have been implemented and carried out, and must make such evidence available to FINRA upon request.

The proposed standard is substantially similar to the review standard for institutional communications under Rule 2210(b)(3), with the addition of enumerated risk-based principles member should consider. Specifically, proposed Supplementary Material .01 to Rule 2210 would codify eight risk factors that members would have to consider in designing their supervisory procedures:

(1) The nature and complexity of the products or services discussed in the communication, including the member's or associated person's familiarity with the product or service;

(2) The qualifications and experience of the person who prepared the communication, including persons who are paid for or otherwise involved in the preparation of content, or who endorse or approve such content;

(3) Whether the communication makes a financial or investment recommendation or otherwise promotes a product or service of the member;

(4) Whether the communication promotes an affiliate's or third party's product or service;

(5) Whether the communication appears to be tailored to a specific audience or individual;

(6) The inclusion of performance data, rankings, or comparisons;

(7) The medium and distribution method of the communication; and

(8) The member's or associated persons' history of communication-related compliance concerns as to particular products, services or methods.

The proposal would retain mandatory principal pre-use review for retail research reports and preserves existing standards for communications filed with the Department by another member. The proposal would also retain the exemptive relief available for retail communications that would remain subject to a principal pre-use approval requirement (i.e., retail research reports).

TREATMENT OF SOCIAL MEDIA

The Proposal would eliminate the current distinction between "static" and "interactive" content that has governed social media communications under Rule 2210(b)(1)(D)(ii). FINRA acknowledges that the line between static content (which is subject to the principal pre-use approval requirement) and interactive content (which is carved out from such requirement) has blurred significantly over time and noted that the risk profile of social media communications depends on factors beyond whether the content is technically interactive. The rise of financial influencers or "finfluencers" in particular has created risks due to the finfluencer's potential lack of qualifications or conflicts of interest, and these risks persist regardless of whether the content is static or interactive.

Under the proposed framework, members would evaluate social media communications under the same eight risk factors applicable to all retail communications, considering the medium and distribution method for the communication, whether the communication appears tailored to a specific audience or an individual, and the qualification and experience of the preparer of the communication, including persons paid for or involved in the preparation of the content or who explicitly or implicitly endorsed or approved the content, such as finfluencers.

AI-GENERATED COMMUNICATIONS

FINRA notes that in practice, applying the principal pre-use approval requirement to AI-generated retail communications can be challenging, as the applicable supervisory standard depends on the nature and extent of the communication's distribution and whether it makes a recommendation or promotes the member's products or services. These challenges are compounded by the potential speed and volume of AI-generated communications. Moreover, commenters have indicated that the prescriptive principal pre-use approval requirement is incongruous with extensive use of AI to supervise, review or approve retail communications.

The proposed risk-based framework is intended to simplify supervision of AI-generated content by applying a consistent supervisory standard across all communications. FINRA indicates that members may consider the qualifications and experience of individuals responsible for supervising, validating, or reviewing the AI tool or technology when developing policies and procedures for reviewing AI-generated communications. Further, the Proposal would enable members to allocate resources more effectively by applying more rigorous pre-use review to higher-risk retail communications while streamlining the review process for lower-risk retail communications.

MODIFICATIONS TO FILING REQUIREMENTS

NEW MEMBER FIRMS

Pursuant to Rule 2210(c)(1)(A), new FINRA members must file widely disseminated retail communications with the Department at least 10 business days prior to first use during the first year following the member's Central Registration Depository ("CRD") effective date. The Proposal would change the trigger date from the CRD effective date to the date of the member's first filing with the Department after the CRD effective date.

INVESTMENT COMPANY PERFORMANCE RANKINGS AND COMPARISONS

Rule 2210(c)(2)(A) requires that certain retail communications concerning registered investment companies that include or incorporate self-published performance rankings or performance comparisons of the investment company with other investment companies be filed with the Department at least 10 business days prior to first use or publication (or such shorter period as the Department may allow). A member must withhold such communications from publication or circulation until any changes specified by the Department have been made.

The Proposal would change this to a post-use filing requirement. Members would file such communications within 10 business days of first use or publication. FINRA notes that the noncompliance rate for these filings is relatively low, with only approximately 13% (176 of 1,315 filings from 2023 through 2025), compared to 24% for all pre-use filings, and that a post-use review framework adequately protects investors while reducing burden on members.

SECURITY FUTURES COMMUNICATIONS

The proposal includes a technical deletion of the security futures pre-use/pre-publication filing requirement under Rule 2210(c)(2)(B), which is duplicative of an identical requirement contained in FINRA Rule 2215 (Communications with the Public Regarding Security Futures). A conforming change to Rule 2215(a) would delete the cross-reference to the eliminated provision.

STREAMLINED STANDARD FOR COMMUNICATIONS CONTAINING RECOMMENDATIONS

Current Rule 2210(d)(7) imposes prescriptive disclosure requirements on retail communications that include recommendations of securities. Among other things, the current rule requires members to disclose whether the member makes a market in the recommended security or whether the person who prepared the communication has a financial interest in the security, to offer to furnish supporting investment information upon request, and to provide detailed disclosures regarding past specific recommendations that would have been profitable to any person.

FINRA notes that several of these requirements were based on the SEC's former advertising rule under the Investment Advisers Act of 1940 (the "Advisers Act"), which was repealed in 2021. The current rule governing investment adviser marketing under the Advisers Act (the Marketing Rule) generally prohibits an advertisement from including "a reference to specific investment advice provided by the investment adviser where such investment advice is not presented in a manner that is fair and balanced."

The proposal would delete the prescriptive provisions under FINRA Rule 2210(d)(7) and replace them with a general prohibition against including a reference to a past specific recommendation that is not presented in a fair and balanced manner. Members would continue to be subject to Rule 2210's general content standards to ensure investors receive appropriate disclosures necessary to make a communication containing recommendations fair and balanced and not misleading.

The intent of this change is to better align broker-dealer communications standards with the principles-based approach adopted by the SEC for investment advisers. SEC Regulation Best Interest continues to apply separately when a member or associated person makes a recommendation to a retail customer, providing an additional layer of investor protection. FINRA has also separately filed a proposal with the SEC to align Rule 2210 more closely with investment adviser standards for communications that present hypothetical performance.

COMMENT DEADLINE AND NEXT STEPS

Written comments on Regulatory Notice 26-14 must be received by September 11, 2026. FINRA solicits comments on the proposed amendments as well as specific comments on eleven areas identified in the Regulatory Notice. These include requests for comment on how member firms are using AI to generate, supervise, review or approve communications with the public. In addition, comments are requested on ephemeral system-generated communications.

If adopted substantially as proposed, the amendments would require SEC approval before taking effect, and FINRA would be expected to provide a reasonable implementation period for members to update their systems, procedures, and training programs.

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CONTACTS

For more information about the topics raised in this Legal Update, please contact any of the following lawyers.

PARTNER
STEFFEN HEMMERICH
NEW YORK +1 212 506 2129
SHEMMERICH@MAYERBROWN.COM

PARTNER
ANNA PINEDO
NEW YORK +1 212 506 2275
APINEDO@MAYERBROWN.COM

ASSOCIATE
CARLOS JUAREZ
NEW YORK +1 212 506 2770
CJUAREZ@MAYERBROWN.COM