



**Via Electronic Delivery**

December 5, 2016

Brent J. Fields  
Secretary  
Securities and Exchange Commission  
100 F Street NE.  
Washington, DC 20549-1090

Re: SR-FINRA-2016-039 - Proposed Rule Change to Amend Rule 4512 (Customer Account Information) and Adopt FINRA Rule 2165 (Financial Exploitation of Specified Adults)

Dear Mr. Fields:

Thomson Reuters appreciates the opportunity to comment on the proposed rule change to address financial exploitation of specified customers (the “Specified Adults proposal”). Thomson Reuters<sup>1</sup> through our Financial & Risk business unit provides buy-side, sell-side and corporate customers with information, analytics, workflow, transaction and technology solutions/services that enable effective price discovery and support efficiency, liquidity and compliance. In particular, our wealth management offerings<sup>2</sup> include a complete suite of products that enable retail and institutional brokers to manage the daily tasks of their front, middle and back office operations. We provide new account opening and transaction management services to our clients in support of their back office processing. As such, we are directly impacted by the Specified Adults proposal.

We support FINRA’s efforts to address financial exploitation of seniors and other vulnerable adults (“specified adults”). In order to ensure an efficient implementation in a manner consistent with FINRA’s goals, we recommend the following changes to the proposal.

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<sup>1</sup>Thomson Reuters is the world’s leading source of intelligent information for businesses and professionals. Combining industry expertise with innovative technology, it delivers critical information to leading decision makers in the financial and risk, legal, tax and accounting, intellectual property and science and media markets powered by the world’s most trusted news organization. For more information about Thomson Reuters, please go to [www.thomsonreuters.com](http://www.thomsonreuters.com).

<sup>2</sup>For more information on Thomson Reuters Wealth Management offerings, see [here](#).



### **Include Holds on Transactions**

As proposed, the Specified Adults proposal applies only to disbursements and not to transactions. FINRA notes that, “While the proposed rule change does not apply to transactions, FINRA may consider extending the safe harbor to transactions in securities in future rulemaking.” FINRA’s recognition that holds on transactions may be suitable for similar rule-making indicates a willingness to address this issue. Rather than waiting for future rule-making, permitting holds on transactions should be addressed now in order to reduce implementation efforts particularly those associated with testing and training. Rather than two testing efforts, two sets of revisions to policies and procedures and two training efforts, FINRA has the opportunity to consolidate these efforts into a single implementation.

We also believe there are policy reasons associated with allowing holds on transactions. The motivation for proposing the Specified Adults proposal is to mitigate the impact of financial exploitation. Permitting holds on transactions would further address potential issues associated with imprudent activity that might result in losses or negative tax consequences.

### **Provide for an 18 month Implementation Period**

Thomson Reuters respectfully requests an eighteen month implementation period. Not only must we develop functionality to allow our clients to maintain and track specified adults with trusted contacts, we will also enhance functionality to support the review and release process to support the permitted holds. In addition to our development and testing efforts, we anticipate additional implementation activities on the part of our clients to support the Specified Adults proposal. Our clients have different business models and will need to determine the appropriate policies and procedures as well as associated training to support the proposal. These resources are already committed on mandatory implementation efforts with launch dates in 2017 and early 2018, including the Department of Labor’s Fiduciary Rule, FINRA/MSRB mark-up/mark-down confirmation disclosure rule, expansion of FINRA TRACE for Treasuries, FINRA clock synchronization requirements, the move to a shortened settlement cycle, modifications to OCC’s allocation system and FINRA’s TBA Margining rules.

In light of resource constraints and the nuances associated with implementing the Specified Adults proposal, we believe that eighteen months is required to ensure that appropriate functionality is developed, tested and deployed without jeopardizing any other mandated implementation effort.



**Conclusion**

We are aware that other issues associated with this proposal must also be addressed including the need for a safe harbor provision to protect brokers and firms from being subject to a reportable complaint as a result of a hold on transactions or disbursements. Modifying the Specified Adults proposal to incorporate the recommendations discussed will ensure a seamless implementation that will achieve FINRA's goal of addressing financial exploitation.

Regards,

*Manisha Kimmel*

Manisha Kimmel

Chief Regulatory Officer, Wealth Management  
Thomson Reuters