



July 30, 2020

Submitted via e-mail: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Mr. Matthew DeLesDernier  
Assistant Secretary  
Securities Exchange Commission  
Division of Trading & Markets  
100 F Street, NE  
Washington, DC 20549-1090

Re: SR-FINRA-2020-020

Dear Mr. DeLesDernier:

Thank you for the opportunity to provide feedback with regard to the SEC's notice to solicit comments on the proposed rule change from the Financial Industry Regulatory Authority, Inc. ("FINRA"). The proposed rule would amend Rule 3241 to limit a FINRA registered person from being named a customer's beneficiary or holding a position of trust for a customer. SIFMA appreciates the importance of this proposal in promoting trust and confidence in the securities industry and supports FINRA's efforts to protect customers through the implementation of this proposed rule.

We appreciate the efforts of FINRA to be a leader in protecting older clients. In recent years, FINRA has put in place new Rule 2165 and amended Rule 4512. Rule 2165 permits a financial services provider to place a temporary hold on a disbursement of funds from the account when the firm reasonably believes there is financial exploitation. This has been a helpful tool in protecting assets from inappropriately leaving the exploited client's possession at the institution and enriching bad actors. Rule 4512 requires firms to request from a client the name of a trusted contact with whom the firm may communicate under certain circumstances. Our firms have found this request to be an opportunity to expand their conversations with their clients in very positive ways, leading to deeper discussions with the clients, thereby creating a stronger connection that helps to insulate against future exploitation.

The FINRA proposal that the SEC is considering here would require a registered person to decline being named a beneficiary of a customer's estate or receiving a bequest from a customer's estate or being named as a fiduciary to the client, unless the registered person provides notice to and receives written approval from the member firm. As FINRA recognizes in its proposal, many of our firms currently enforce policies limiting a registered person's ability

to be named in such capacities. This proposal will ensure that all firms put in place appropriate policies to protect their senior and vulnerable clients.

If we can provide any further assistance, please feel free to contact me at [REDACTED]

Sincerely,

*Lisa Bleier*

Lisa Bleier  
Managing Director