

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105355; File No. SR-FINRA-2026-001]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Amendment No. 1 and Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change, as modified by Amendment No. 1, to Adopt FINRA Rule 3290 (Outside Activities Requirements)

May 1, 2026.

I. Introduction

On January 22, 2026, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to adopt FINRA Rule 3290 (Outside Activities Requirements) to replace existing FINRA Rules 3270 (Outside Business Activities of Registered Persons) and 3280 (Private Securities Transactions of an Associated Person).

The proposed rule change was published for comment in the Federal Register on February 3, 2026.³ The public comment period closed on February 24, 2026. The Commission received comment letters in response to the Notice.⁴ On March 13, 2026, FINRA consented to an extension of the time period in which the Commission must approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Exchange Act Release No. 104746 (Jan. 29, 2026), 91 FR 5003 (Feb. 3, 2026) (File No. SR-FINRA-2026-001) (“Notice”).

⁴ The comment letters are available at <https://www.sec.gov/rules-regulations/public-comments/sr-finra-2026-001>.

approve or disapprove the proposed rule change to May 4, 2026.⁵ On May 1, 2026, FINRA responded to the comment letters received in response to the Notice and filed an amendment to modify the proposed rule change (“Amendment No. 1”).⁶

The Commission is publishing this order pursuant to Section 19(b)(2)(B) of the Exchange Act⁷ to solicit comments on the proposed rule change, as modified by Amendment No. 1 (hereinafter referred to as the “proposed rule change” unless otherwise specified), and to institute proceedings to determine whether to approve or disapprove the proposed rule change.

II. Description of the Proposed Rule Change

A. Background

1. FINRA Rule 3270

In general, FINRA Rule 3270 prohibits a registered person from being an employee, independent contractor, sole proprietor, officer, director or partner of another person, or being compensated, or having the reasonable expectation of compensation, by any other person as a result of any business activity outside the scope of the relationship with his or her member firm (“member”) (outside business activities or “OBA”), unless he or she has provided prior written notice to the member, in such form as specified by the member.

Upon receipt of a written notice, FINRA Rule 3270.01 requires the member to consider whether the proposed activity will: (1) interfere with or otherwise compromise the registered person’s responsibilities to the member and/or the member’s customers; or (2) be viewed by

⁵ See letter from Alicia Goldin, Vice President and Associate General Counsel, Office of General Counsel, FINRA (dated, March 13, 2026), <https://www.finra.org/sites/default/files/2026-03/SR-FINRA-2026-001-Extension1.pdf>.

⁶ See letter from Matthew E. Vitek, Associate General Counsel, Office of General Counsel, FINRA (dated May 1, 2026), <https://www.sec.gov/comments/SR-FINRA-2026-001/srfinra2026001-765807-2350615.pdf>; see also Amendment No. 1.

⁷ 15 U.S.C. 78s(b)(2)(B).

customers or the public as part of the member’s business based upon, among other factors, the nature of the proposed activity and the manner in which it will be offered. Based on the member’s review of such factors, the member must evaluate the advisability of imposing specific conditions or limitations on a registered person’s OBA, including where circumstances warrant, prohibiting the activity.⁸ FINRA Rule 3270.01 also requires a member to evaluate the registered person’s proposed activity to determine whether the activity is properly characterized as an OBA or whether it should be treated as an outside securities activity subject to the requirements of FINRA Rule 3280. Additionally, FINRA Rule 3270.01 requires a member to keep a record of its compliance with these obligations with respect to each written notice received and must preserve this record for the period of time and accessibility specified in Exchange Act Rule 17a-4(e)(1).

2. FINRA Rule 3280

FINRA Rule 3280(a) prohibits an associated person of a member from participating in any manner in a private securities transactions (“PST”)⁹ except in accordance with the following requirements:

- FINRA Rule 3280(b) requires an associated person, prior to participating in any private securities transaction, to provide written notice to the member with which he or she is associated, describing in detail the proposed transaction and the person’s proposed role

⁸ FINRA Rule 3270.01.

⁹ FINRA Rule 3280(e)(1) defines a PST as any securities transaction outside the regular course or scope of an associated person’s employment with a member, excluding: (1) transactions subject to the notification requirements of FINRA Rule 3210 (Accounts at Other Broker-Dealers and Financial Institutions); (2) transactions among immediate family members (as defined in FINRA Rule 5130 (Restrictions on the Purchase and Sale of Initial Equity Public Offerings)) for which no associated person receives any selling compensation; and (3) personal transactions in investment company and variable annuity securities. FINRA Rule 3280(e)(2) defines “selling compensation” as any compensation paid directly or indirectly from whatever source in connection with or as a result of the purchase or sale of a security.

therein and stating whether he or she has received or may receive selling compensation in connection with the transaction;¹⁰

- FINRA Rule 3280(c)(1) requires a member that has received notice from one of its associated persons regarding a proposed transaction for which the associated person has received or may receive selling compensation to advise the associated person in writing whether it approves¹¹ or disapproves¹² the person's participation in the proposed transaction; and
- FINRA Rule 3280(d) requires a member that has received notice from one of its associated persons regarding a proposed transaction or series of related transactions for which the associated person has not and will not receive any selling compensation to provide the associated person prompt written acknowledgment of his or her notice.¹³

B. The Proposed Rule Change

The proposed rule change would delete current FINRA Rules 3270 and 3280 and replace them with proposed new FINRA Rule 3290. As discussed in more detail below, the new rule would retain many of the existing requirements of the current rules, including: (1) requiring that persons provide prior written notice of outside investment-related activities and outside securities transactions to members; (2) requiring members receiving a notice to assess the activity; and (3)

¹⁰ In the case of a series of related transactions in which no selling compensation has been or will be received, an associated person may provide a single written notice. FINRA Rule 3280(b).

¹¹ If the member approves its associated person's participation in a proposed transaction, the transaction must be recorded on the books and records of the member and the member must supervise the associated person's participation in the transaction as if the transaction were executed on behalf of the member. FINRA Rule 3280(c)(2).

¹² If the member disapproves its associated person's participation in a proposed transaction, the associated person must not participate in the transaction. FINRA Rule 3280(c)(3).

¹³ The member may also require the associated person to adhere to specified conditions in connection with his or her participation in the transaction. See FINRA Rule 3280(d).

requiring members' prior written approval or disapproval of certain activities. Proposed FINRA Rule 3290 also would codify FINRA guidance on the application of FINRA Rules 3270 and 3280 to, among other things, acting as a portfolio manager or investment committee member for certain entities; activity pursuant to a contractual relationship between a member and an unaffiliated entity; certain outside securities activity at banks and other financial institutions; and formal allocation agreements between members.¹⁴ The proposed rule change would also make several changes, such as: excluding from the rule's coverage, or eliminating the reporting and assessment of, certain activities that FINRA categorizes as "lower risk";¹⁵ and replacing the supervision and recordkeeping requirements for outside unaffiliated investment adviser activity with a notice and assessment requirement. FINRA stated that the proposed rule change would, among other things, enable members to redirect supervisory and compliance resources away from low-risk activities that pose minimal investor protection concerns toward higher-risk investment-related activities.¹⁶

Each of the proposed rule changes is discussed below in turn.

1. Outside Activities

a. Registered Person's Obligations

Proposed FINRA Rule 3290(a) (Obligations of a Registered Person for Outside Activity) would require a registered person who intends to participate in an investment-related activity¹⁷

¹⁴ Notice at 5004.

¹⁵ Id.

¹⁶ Id. at 5007.

¹⁷ Proposed FINRA Rule 3290(f)(3) states that the term "investment-related activity" would mean pertaining to financial assets and include, but not be limited to: (1) acting as or being associated with a broker-dealer, issuer, insurance agent or company, investment company, investment adviser, futures commission merchant, commodity trading advisor, commodity pool operator, municipal advisor, futures sponsor, money services business, bank, savings association, or credit union; and (2) an associated person's

outside the scope of such person’s relationship with the member¹⁸ that is not in connection with a securities transaction (“outside activity”) to provide prior written notice to the member regarding such outside activity. Similarly, proposed FINRA Rule 3290(a) would require a registered person to update any prior written notice to the member if there is a material change to the outside activity. For any such notice, the registered person would be required to describe in detail the proposed outside activity and the person’s proposed role therein.¹⁹

b. Member’s Obligations

Proposed Rule 3290(c) (Obligations of a Member for a Registered Person’s Outside Activity) would require a member receiving written notice of a registered person’s outside activity to assess, at a minimum, whether the outside activity: (1) is an outside securities transaction;²⁰ (2) involves a customer of the registered person; (3) will interfere with or otherwise compromise the registered person’s responsibilities to the member or the member’s customers; and (4) will be viewed by the member’s customers or the public as part of the member’s business based upon, among other factors, the nature of the proposed activity and the manner in which it will be offered.²¹ Based on the member’s review of such factors, the member would be required to evaluate the advisability of imposing specific conditions or limitations on a registered person’s outside activity, including where circumstances warrant, prohibiting the

participation in any manner in a personal investment involving a securities transaction, other than transactions indicated in proposed FINRA Rule 3290(g)(3)(A). See also Amendment No. 1.

¹⁸ Proposed FINRA Rule 3290.04 states that an associated person’s activity that is pursuant to a contract between a member and another entity would not be subject to proposed FINRA Rule 3290 if such activity is conducted on behalf of the member as it is within the scope of the associated person’s relationship with the member.

¹⁹ Proposed FINRA Rule 3290(a).

²⁰ If the member determines that the activity is an outside securities transaction, the member would be required to follow the obligations listed in proposed FINRA Rule 3290(d), as discussed below.

²¹ Proposed FINRA Rule 3290(c)(1).

activity.²² If a member imposes conditions or limitations on a registered person’s participation in an outside activity pursuant to proposed FINRA Rule 3290(c)(2), proposed FINRA Rule 3290.06 would require the member to reasonably supervise the person’s compliance with such conditions or limitations.²³

2. Outside Securities Transactions

a. Associated Person’s Obligations

Proposed FINRA Rule 3290(b) (Obligations of an Associated Person for Outside Securities Transactions) would require an associated person who intends to participate in an investment-related activity that is in connection with a securities transaction but outside the scope of such person’s relationship with the member (“outside securities transaction”)²⁴ to provide prior written notice to the member, describing in detail the proposed transaction, the person’s proposed role therein, and whether the person will receive selling compensation.²⁵ Similarly, FINRA Rule 3290(b)(2) would require an associated person to update any prior written notice if there is a material change to the outside securities transaction described in such

²² Proposed FINRA Rule 3290(c)(2).

²³ Amendment No. 1.

²⁴ See supra note **Error! Bookmark not defined.** Proposed FINRA Rule 3290.02 states that an associated person would not be considered to be participating in an outside securities transaction to the extent the associated person’s activities are limited to acting as portfolio manager or investment committee member for registered investment companies, unregistered investment companies, business development companies, real estate investment trusts, and entities that are recognized as tax exempt. Such activity would be considered an outside activity of a registered person. This exception would not include an associated person’s activities related to purchasing or selling such entities’ shares (unless otherwise excluded under proposed FINRA Rule 3290(g) (discussed *infra*)).

²⁵ Proposed FINRA Rules 3290(b)(1), (3). Proposed FINRA Rule 3290(b)(1)(A) would permit an associated person who intends to participate in an outside securities transaction that is in connection with a series of related securities transactions not for selling compensation to provide a single prior written notice to the member. Similarly, proposed FINRA Rule 3290(b)(1)(B) would permit an associated person acting as portfolio manager or investment committee member for registered investment companies, unregistered investment companies, business development companies, real estate investment trusts, and entities that are recognized as tax exempt, and who is not selling an entity’s shares for selling compensation to provide a single prior written notice to the member. See proposed FINRA Rule 3290.02.

notice. Where the associated person intends to participate in an outside securities transaction for selling compensation, the associated person also would need to obtain prior written approval from the member (including approval for any material change to any information provided pursuant to proposed FINRA Rule 3290(b)(1)).²⁶

b. Member's Obligations

Proposed Rule 3290(d) (Obligations of a Member for an Associated Person's Outside Securities Transactions) would require a member receiving written notice of an associated person's outside securities transaction to assess, at a minimum, whether the securities transaction: (1) is a securities transaction for selling compensation; (2) involves a customer of the associated person; (3) will interfere with or otherwise compromise the associated person's responsibilities to the member or the member's customers; and (4) will be viewed by the member's customers or the public as part of the member's business based upon, among other factors, the nature of the proposed activity and the manner in which it will be offered.²⁷

In addition, if the outside securities transaction is not for selling compensation, proposed FINRA Rule 3290(d)(2) would require the member to: (1) provide the associated person prompt written acknowledgement of such notice²⁸ and (2) at the member's discretion, require the associated person to adhere to specified conditions or limitations²⁹ in connection with the

²⁶ Proposed FINRA Rules 3290(b)(1), (2). FINRA Rule 3290(f)(5) would define "selling compensation" as any compensation paid directly or indirectly from whatever source in connection with or as a result of the purchase, sale or exchange of a security.

²⁷ Proposed FINRA Rule 3290(d)(1)(A)-(D). The proposed rule change would not require members to assess the securities transaction pursuant to proposed Rule 3290(d)(1) when disapproving an outside securities transaction for selling compensation under proposed Rule 3290(d)(3)(C). Proposed FINRA Rule 3290(d)(1).

²⁸ A single written acknowledgement may be used in the case of a series of related outside securities transactions not for selling compensation. Proposed FINRA Rule 3290(d)(2).

²⁹ Amendment No.1.

associated person's participation in the transaction. If a member imposes conditions or limitations on an associated person's participation in an outside securities transaction not for selling compensation pursuant to proposed FINRA Rule 3290(d)(2), proposed FINRA Rule 3290.06 would require the member to reasonably supervise the person's compliance with such conditions or limitations.³⁰

If the outside securities transaction is for selling compensation, proposed FINRA Rule 3290(d)(3) would require the member to notify the associated person in writing of the member's decision to: (1) approve the proposed transaction after making a reasonable determination based on the criteria enumerated in proposed FINRA Rule 3290(d)(1); (2) approve the proposed transaction subject to specific conditions or limitations after a reasonable determination based on the criteria enumerated in proposed FINRA Rule 3290(d)(1); or (3) disapprove the proposed transaction.³¹ If a member imposes conditions or limitations on an associated person's participation in an outside securities transaction for selling compensation pursuant to proposed FINRA Rule 3290(d)(3), proposed FINRA Rule 3290.06 would require the member to reasonably supervise the person's compliance with such conditions or limitations.³²

Proposed FINRA Rule 3290(d)(4) would require a member to record each approved outside securities transaction for selling compensation on the books and records of the member³³

³⁰ Id.

³¹ Proposed FINRA Rule 3290(d)(3)(A)-(C).

³² Amendment No. 1.

³³ Proposed FINRA Rule 3290(e) would require a member to keep a record of its compliance with the obligations under proposed FINRA Rule 3290 and preserve this record for the period of time and accessibility specified in Exchange Act Rule 17a-4(e)(1).

and supervise the person's participation in the transaction as if executed on behalf of the member.³⁴

c. Exclusions from Proposed FINRA Rules 3290(b), (d)

i. Activity at an Unaffiliated Registered Investment Adviser

Proposed FINRA Rule 3290.03 states that an associated person's activity at an investment adviser registered either with the Commission under Section 203 of the Investment Advisers Act or with a state securities commission (or any agency or office performing like functions) would be considered an outside activity of a registered person and not an outside securities transaction for purposes of proposed FINRA Rule 3290.

**ii. Activity Subject to the Gramm-Leach-Bliley Act (GLBA)
or Regulation R under the Exchange Act (Regulation R)**

Proposed FINRA Rule 3290.05 states that an associated person's securities activity that is not covered by proposed FINRA Rule 3290.04 but that qualifies under the GLBA or Regulation R's exception to broker or dealer registration requirements would be considered an outside activity of a registered person and not an outside securities transaction for purposes of this proposed Rule.

3. Exclusions from Proposed FINRA Rule 3290

Proposed FINRA Rule 3290(g) would exclude from proposed FINRA Rule 3290: (1) an associated person's (including a registered person's) activity on behalf of a member or its

³⁴ Proposed FINRA Rule 3290.01 states that for purposes of proposed FINRA Rule 3290, if a member approves an associated person's participation in an outside securities transaction involving selling compensation and that person is associated with more than one member, the members may develop a written allocation arrangement whereby at least one member agrees to be responsible for compliance with respect to all applicable securities laws and regulations and FINRA rules regarding the proposed activity, including those requiring supervision and recordkeeping.

affiliate;³⁵ (2) an associated person's (including a registered person's) securities transactions among immediate family for which the associated person receives no selling compensation;³⁶ and (3) the following personal investments: (a) an associated person's (including a registered person's) securities transactions subject to or delineated in FINRA Rule 3210 (Accounts at Other Broker-Dealers and Financial Institutions); (b) an associated person's (including a registered person's) personal investments in non-securities; and (c) an associated person's (including a registered person's) purchase, sale, rental or lease of a main home and up to two secondary homes that are: (i) solely owned by the associated person or the associated person and immediate family; (ii) owned by the associated person as a sole proprietorship; (iii) owned by a corporation, LLC, partnership, limited partnership, or other entity that is solely owned by the associated person or the associated person and immediate family; or (iv) owned by a trust with the associated person or the associated person and immediate family as the sole beneficiaries.³⁷

4. General Exemptive Authority

Proposed FINRA Rule 3290(h) would authorize FINRA staff, for good cause shown after taking into consideration all relevant factors, to conditionally or unconditionally grant an exemption pursuant to the FINRA Rule 9600 Series from any provision of proposed FINRA Rule 3290 to the extent that such exemption is consistent with the purpose of the rule, the protection of investors, and the public interest.

³⁵ Proposed FINRA Rule 3290(g)(1). Proposed FINRA Rule 3290(f)(1) would define "affiliate" as any entity that controls, is controlled by, or is under common control with a member.

³⁶ Proposed FINRA Rule 3290(g)(2). Proposed FINRA Rule 3290(f)(2) would define "immediate family" to have the same meaning as in paragraph (c) of Rule 3240 (Prohibition on Borrowing from or Lending to Customers).

³⁷ Proposed FINRA Rule 3290(g)(3)(A)-(C). Proposed FINRA Rule 3290(f)(4) would define "secondary home" as a property that is used for residential purposes by the associated person for at least part of the year.

III. Proceedings to Determine Whether to Approve or Disapprove File No. SR-FINRA-2026-001 and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act to determine whether the proposed rule change should be approved or disapproved.³⁸ Institution of proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to the proposed rule change.

Pursuant to Section 19(b)(2)(B) of the Exchange Act, the Commission is providing notice of the grounds for disapproval under consideration.³⁹ The Commission is instituting proceedings to allow for additional analysis and input concerning whether the proposed rule change is consistent with the Exchange Act and the rules thereunder.

IV. Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposed rule change. In particular, the Commission invites the written views of interested persons concerning whether the proposed rule change is consistent with the Exchange Act and the rules thereunder.

Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will

³⁸ 15 U.S.C. 78s(b)(2)(B).

³⁹ Id.

consider, pursuant to Rule 19b-4, any request for an opportunity to make an oral presentation.⁴⁰

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change, as modified by Amendment No. 1, should be approved or disapproved by [INSERT DATE 21 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER]. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by [INSERT DATE 35 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER].

Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-FINRA-2026-001 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-FINRA-2026-001. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of such filing will be available for inspection and copying at the principal office of FINRA. Do not

⁴⁰ Section 19(b)(2) of the Exchange Act, as amended by the Securities Acts Amendments of 1975, Pub. L. 94-29, 89 Stat. 97 (1975), grants the Commission flexibility to determine what type of proceeding – either oral or notice and opportunity for written comments – is appropriate for consideration of a particular proposal by a self-regulatory organization. *See* Securities Acts Amendments of 1975, Report of the Senate Committee on Banking, Housing and Urban Affairs to Accompany S. 249, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-FINRA-2026-001 and should be submitted on or before [INSERT DATE 21 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER]. If comments are received, any rebuttal comments should be submitted on or before [INSERT DATE 35 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴¹

J. Matthew DeLesDernier,

Deputy Secretary.

⁴¹ 17 CFR 200.30-3(a)(12); 17 CFR 200.30-3(a)(57).