

# [FINRA Releases 2021 Report on Risk Monitoring + Examination Activities](#)

February 8, 2021



*New and improved format streamlines guidance for compliance professionals*

New for 2021, FINRA has significantly improved upon its reporting of annual examination priorities and prior year findings by combining two of its long-standing annual reports into [one reader-friendly format](#), providing a single compliance roadmap, online or as a downloadable PDF. Users viewing the report online can click on the interactive Table of Contents on the FINRA dedicated web page to easily link to the desired subject area. If they choose to download the PDF, they can click through the menu on the left-hand side to link to various topics. After the reader has navigated to a topic, they will be pleasantly surprised to find the information organized by the following areas:

- **Regulatory Obligations** including hyperlinks and citations to relevant rules and regulation.
- **Related Considerations** including key questions to ask themselves.
- **Exam Findings and Effective Practices** including what works for some firms, as well as what does not meet the obligations.
- **Additional Resources** including hyperlinks to more guidance in the form of FAQs, Tools, Regulatory Notices, Risk Alerts, Interpretations, and

other publications.

Embedded within some topics, FINRA has highlighted areas of **Emerging** issues in shaded boxes to focus the reader's attention on these new issues in addition to ongoing core responsibilities. In 2021, FINRA has highlighted the following emerging issues:

- **AML** with a focus on Microcap Fraud, SPAC risks, and Issuers based in restricted markets such as China.
- **Cybersecurity** risks, including system-wide outages, email and customer account takeovers, fraudulent wire requests, ransomware, and imposter websites.
- **OBAs/PSTs** that are not disclosed. (Interestingly, FINRA discovered certain undisclosed OBAs through Paycheck Protection Program ("PPP") loans that were issued for registered representatives in relation to those activities.)
- **Digital Communications** and social media platforms that include "game-like" features.
- **Targeted Examinations** on firms that offer "zero-commission" trading.

Other topics addressed in 2021 include a mix of new areas, such as Consolidated Audit Trail ("CAT"), and previously highlighted priorities that continue to be on FINRA's radar.

FINRA also opted to weave in supervision and senior investor issues in relevant topics throughout the report instead of addressing these areas separately, making it easier to understand how various topics intersect with these issues. In previous years, FINRA addressed these issues in silos and now seems to be looking at concerns more holistically. We agree with this approach.

Finally, FINRA has included an Appendix that outlines the various ways a firm can use FINRA Reports to enhance and improve its compliance programs.

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