

FINRA Shares Practices to Transition to a Remote Work Environment during COVID-19

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On May 28, the Financial Industry Regulatory Authority (FINRA) issued Regulatory Notice 20-16 to share common themes observed through discussions with small, mid-size and large firms about the steps they reported taking to transition their associated persons and supervisory procedures to a remote work environment during the coronavirus (COVID-19) pandemic.

Challenges flagged by member firms included implementing business continuity plans (BCPs), closing branches and offices and supporting customers with these changes. Firms that relied on web-based tools, electronic document management systems and cloud-based services and regularly tested their remote connectivity, capacity, work processes and trading capabilities believed they faced fewer difficulties transitioning to a remote work and supervisory environment. In addition, some firms that had been making continuous updates to their BCPs and maintained hot (fully live and connected) disaster recovery sites also concluded that they experienced a smoother transition.

In addition, member firms generally acknowledged the challenges relating to remote supervision but also reported that they were relatively prepared to remotely supervise their associated persons using existing methods of supervision, such as supervisory checklists, surveillance tools, incident trackers, email review and trade exception reports. In particular, certain firms that already maintained comprehensive remote supervision capabilities reported they easily transitioned to supervising their associated persons in the new remote work environment.

The Notice is not intended to create new obligations, nor does it relieve firms of any existing obligations under federal securities laws and regulations. Instead, FINRA encouraged member firms to consider whether the practices described in the Notice would enhance their supervisory and compliance programs. The Notice is available [here](#).

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