

FINRA FOCUS 2025

See highlights of FINRA’s continuing and emerging concerns on our **2025 FINRA Chart** below, which keeps track of articulated priorities from year to year.*

* Items highlighted in **gold** are new for 2025

CATEGORY	PAGE #				
	2021	2022	2023	2024	2025
Financial Crimes Prevention			5	4	3
-Cybersecurity and Cyber-Enabled Fraud*	8	10	5	4	3
<i>--Exam Findings:</i>					
Account Access Authentication			6	7	
New Account Opening Identity Validation			6	7	
Identity Theft Prevention Program			6	7	
Inadequate Risk Assessment Process		11			
Data Loss Prevention Programs (not encrypting all confidential data)	9	11	6	7	3
Insufficient Branch Policies, Controls and Inspections	9	11	6	7	
Insufficient Training	9	11			
Insufficient Vendor Controls	9	11	6	7	
Insufficient Access Control Management	9	12			
Inadequate Change Management Supervision	9	12			
Limited Testing and System Capacity	9	12			
Digital Transformation and the Adoption of Cloud			7	7	
Log Management Practices			7	7	
Updating WSPs			7	7	
Suspicious Activity Report (SAR) Filings			7	7	
New SEC Cybersecurity Rules				4	
New Account Fraud					3
Quishing					3
<i>--Emerging Risks</i>					
Vendor Risk		12		6	
Systemwide Outages	10				
Email and Account Takeovers**	10				3
Fraudulent Wire Requests	10				
Imposter Websites**	10			6	3
Ransomware**	10			6	3
Insider Threat**				6	3
Artificial Intelligence**				10	4
Quasi-Advanced Persistent Threats (Quasi-APTs)					4
Cybercrime-as-a-Service					4
Quantum Computing Risks					5
-Anti-Money Laundering, Fraud and Sanctions#	5	5	9	11	6
<i>--Exam Findings:</i>					
Misconstruing Obligation to Conduct CIP and CDD			11	13	7
Unreasonable Procedures Concerning CIP and CDD					7
Inadequate Verification of Customer Identities			11	13	7
Inadequate Responses to Red Flags				13	7
Identity Theft			11		
Inadequate Due Diligence			11	13	8
Inadequate Ongoing Monitoring and Reporting of Suspicious Transactions		7	11	13	8
Inadequate Handling of FinCEN Information Requests			11	13	
Inadequate Testing			11	13	8
Inadequate Training					9

CATEGORY	PAGE #				
	2021	2022	2023	2024	2025
Inadequate AML Transaction Monitoring	5				
Limited Scope for Suspicious Activity Reports (SARs)	5				
Inadequate AML Framework for Cash Management Accounts	6				
Unclear Delegation of AML Responsibilities	6				
Data Integrity Gaps	6				
Failure to Document Investigations	6				
Concerns About High-Risk Trading by Foreign Legal Entity Accounts	6				
Insufficient Independent Testing	6	7			
Improper Reliance on Clearing Firms	6				
Insufficient Compliance With Certain Requirements of the BSA	6	7			
<i>--Emerging Risks</i>					
Manipulative Trading in Small Cap IPOs			11		
Sanctions Evasion			12		
ACATS Fraud			13		
New Account Fraud				15	
Investment Fraud by Bad Actors Targeting Investors Directly					6
Continuing Risk: ACH Fraud					9
Adversarial Use of Generative Artificial Intelligence					12
-Manipulative Trading			15	18	13
<i>--Exam Findings:</i>					
Inadequate WSPs			16	19	14
Non-Specific Surveillance Thresholds			16	19	14
Surveillance Deficiencies			16	19	14
<i>--Emerging Risks</i>					
Manipulative Trading in Small Cap IPOs					15
Crypto Asset Developments				21	
Crypto Asset-Related Market Abuse				23	
Targeted Examination on Crypto Asset Retail Communications ^A				23	
Firm Operations	5	5	18	26	17
-Third-Party Risk Landscape					17
<i>--Exam Findings:</i>					
Establishing Adequate Third-Party Vendor Risk Management Policies					17
Conducting Initial or Ongoing Due Diligence					17
Validating Data Protection Controls					17
Involving Third-Party Vendors in Testing of Incident Response Plans					17
Maintaining a List of Third-Party Services, Hardware and Software					17
Procedure for Return or Destruction of Firm Data at Contract Termination					17
Third-Party Vendors' Use of Vendors					17
<i>--Emerging Risks</i>					
Artificial Intelligence					19
-Technology Management					20
<i>--Exam Findings:</i>					
Not Updating WSPs					21
Supervisory System Not Reasonably Designed Per Regulation S-P					21
Identity Theft Prevention Program (ITPP)					21
Inaccurate Privacy Notices					21
<i>--Emerging Risks</i>					
None Listed					
-Outside Business Activities and Private Securities Transactions	11	13	18	26	23
<i>--Exam Findings:</i>					
Incorrect Interpretation of Compensation		14	18	26	23

CATEGORY	PAGE #				
	2021	2022	2023	2024	2025
Inadequate Approval Process for Potential PSTs			19	26	23
Inadequate Consideration of Need to Supervise		14			
Incorrect Interpretation of Requirements	11				
No Documentation	11	14	19	27	23
No or Insufficient Notice and Notice Reviews	11	14	19	27	23
No PST Monitoring/Inadequate Controls	12	14	19	27	23
No Review and Recordkeeping of Digital Asset Activities	12	14	19	27	23
--Emerging Risks					
Paycheck Protection Program (PPP) Loans for Registered Representatives	12				
-Books and Records	13	16	20	29	25
--Exam Findings:					
Misinterpreted Obligations	14	16	22	30	
Failure to Maintain Email Correspondence			22	30	26
Not Maintaining Electronic Communications					26
Failure to Maintain Converted Records			22	31	26
No ESM Notification	14	16			
Inadequate Due Diligence of Third-Party Vendors					26
Inadequate Supervision of Third-Party Vendors					27
Inadequate Supervision					26
Inadequate WSPs					26
Inadequate Reviews					27
--Emerging Risks					
Direct Mutual Fund Business Risk		17			
Off-Channel Communications**				30	27
-Regulatory Events Reporting	14	18	22	31	
--Exam Findings:					
No Reporting to the Firm	15	18	23	32	
Inadequate Surveillance	15	18	23	32	
No Reporting to FINRA	15	18	23	33	
Incorrect Rule 4530 Product/Problem Codes	15	18	23	33	
--Emerging Risks					
None Listed					
-Firm Short Positions and Fails-to-Receive in Municipal Securities		19	24		
--Exam Findings:					
Inadequate Controls and Procedures		20	25		
Inadequate Lottery Systems		20	25		
Not Complying with the Prescribed Close-Out Timing			25		
Excluding Institutional Customers			25		
--Emerging Risks					
None Listed					
-Trusted Contact Persons		20	26	34	28
--Exam Findings:					
No reasonable Attempt to Obtain TCP Information		20	26	34	28
No Written Disclosures		21	26	35	28
No Documented Training			26	35	28
No Documented Internal Review			26	35	28
Attempted Circumvention of FINRA Rule 3241				35	28
--Emerging Risks					
Customer Account Information Risks		22			
Senior Investors			28		29
-Crowdfunding Offerings: Broker-Dealers and Funding Portals~		22	28	36	30
--Exam Findings:					
Failure to Obtain Attestation		23	29	37	31
Inadequate Supervision					31
Missing Disclosures		23	29	37	31
Failure to Report Customer Complaints		23	29	37	31
Untimely Required Filings		23	29	37	31
Not Filing CMAAs		23	29	37	31
Offering Investment Advice or Recommendations			29	37	31

CATEGORY	PAGE #				
	2021	2022	2023	2024	2025
Misleading Statements			29	37	32
Failing to Transmit Funds			30	37	32
Failing to Take Measures to Reduce Risk of Fraud			30	37	32
Issues Regarding Maintenance and Transmission of Funds					32
--Emerging Risks					
None Listed					
-Member Firms' Nexus to Crypto					33
--Exam Findings:					
Communications with the Public					33
Supervision					33
Anti-Money Laundering Compliance Programs					33
--Emerging Risks					
Crypto Asset-Related Market Abuse					35

Communication and Sales	18	24	31	39	37
-Reg BI and Form CRS	18	24	31	43	39
--Exam Findings:					
Early Stages of FINRA's Review	19				
WSPs That Are Not Reasonably Designed to Achieve Compliance with Reg BI and Form CRS		26			
Inadequate Staff Training		26			
Failure to Comply With Care Obligation		27	34	47	39
Failure to Comply with Conflict of Interest Obligation			34	47	40
Not Identifying and Addressing All Potential Conflicts of Interest			35		
Failure to Comply with Disclosure Obligation			35	48	40
Failure to Comply with Compliance Obligation			35	48	40
Improper Use of the Terms "Advisor" or "Adviser"		27			
Insufficient Reg BI Disclosures		27			
Deficient Form CRS Filings		27	36	48	41
Failing to Properly Deliver Form CRS			36	49	41
Form CRS Not Posted Properly on Website		27	36	49	41
Inadequate Form CRS Amendments		27	36	49	42
Misconstruing Obligation to File Form CRS		28	36	49	42
--Emerging Risks					
None Listed					
-Communications with the Public	19	30	39	39	37
--Exam Findings:					
False, Misleading and Inaccurate Information in Mobile Apps		32	41	40	37
Inadequate Supervision of Firms' Social Media Influencers					37
Deficient Digital Assets Communications	21	33	41	40	40
Municipal Securities Advertisements			41	41	41
Communications Promoting ESG Factors			41	41	41
Misrepresentations in Cash Management Accounts Communications	21	33			
Insufficient Supervision and Recordkeeping for Digital Communication	21	33			
No WSPs and Controls for Communication That Use Non-Member or OBA Names (so-called "Doing Business As" or "DBA" Names)	21	33			
Municipal Securities Advertisements		33			
--Emerging Risks					
New Digital Platforms With Interactive and "Game-Like" Features	22				
Retail Communications Focused on Registered Index-Linked Annuities					37
Targeted Exam Letter on Crypto Asset Retail Communications			43		
-Private Placements	24	35	44	51	44
--Exam Findings:					
Late Filings	25	36	45	52	44
Failure to Comply with Reg BI's Conflicts of Interest Obligation				52	44
Failure to Comply with Reg BI's Care Obligation					45
No Reasonable Investigation	25	36	45	52	45
Failure to Evidence Due Diligence				53	45
Failure to Comply with SEC Rules Regarding Contingency Offerings					45

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	2021	2022	2023	2024	2025
Concerning Third-Party Due Diligence	25	36			
--Emerging Risks					
Private Placements Offerings of Pre-IPO Securities					45
Conservation Donation Transactions Risks		38			
-Variable Annuities	26	39	46	55	46
--Exam Findings:					
WSPs					47
Exchanges					48
Reg BI Care Obligation Violation					48
False or Misleading Documentation					48
Not Addressing Buyouts	27	40	47	56	
Unsuitable Exchanges	27	40	47	56	
Inadequate Surveillance				56	
Inadequate Source of Funds Review	27				
Insufficient Training	27	40	47	56	
Poor and Insufficient Data Quality		40	47	56	48
Additional Deposits			48	56	
Reasonably Available Alternatives			48	56	48
--Emerging Risks					
RILAS					47
Market Integrity	30	42	50	59	51
-Consolidated Audit Trail (CAT)	30	42	50	59	51
--Exam Findings:					
Incomplete Submission of Reportable Events			51	60	51
Failure to Repair Errors Timely				60	51
Early Stages of FINRA's Review	30				
Inaccurate Reporting of CAT Orders		42	51	60	51
Late Resolution of Repairable CAT Errors		43	51		
Failure to Submit Corrections			51	60	51
Inadequate Vendor Supervision		43	51	60	
Unreasonable Supervision					51
Recordkeeping			51	60	51
--Emerging Risks					
Data Integrity and Timeliness Issues in Municipal Underwriting Filings					53
-Best Execution	31	43	53	62	53
--Exam Findings:					
No Assessment of Execution vs. Competing Markets	32	44	54	63	54
No Review of Certain Order Types	32	45	54	63	54
Unreasonable "Regular and Rigorous Reviews"			54	63	54
Securities with Limited Quotations or Pricing Information					54
No Evaluation of Required Factors	32	45			
Conflicts of Interest	32	45	54	63	
Inadequate SEC Rule 606 Disclosures	32				
--Emerging Risks					
Zero Commission Trading	32				
Targeted Review of Wholesale Market Makers		45			
-Disclosure of Routing Information		46	55	64	
--Exam Findings:					
Inaccurate Quarterly Reports		46	56	65	54
Incomplete Disclosures		47	57	66	55
Incomplete Disclosure When Incorporating by Reference			57	66	55
Deficient Communications		47	57	66	55
Not Held Customer Reports			57	66	55
Insufficient WSPs		47	57	66	55
--Emerging Risks					
None Listed					
-Fixed Income Fair Pricing	16		58	68	60

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	2021	2022	2023	2024	2025
<i>--Exam Findings:</i>					
Incorrect PMP Determinations	17		59	69	60
Mark-up/Mark-down Reviews			59	69	60
Failure to Consider Impact of Mark-Up on Yield to Maturity				69	60
Unreasonable Supervision				69	60
Exception Reports			59		
Incorrect Compensation Disclosures	17				
Failure to Provide Accurate Time of Execution	17				
Disclosure for Structured Notes	17				
Incorrect Designation of Institutional Accounts	17				
<i>--Emerging Risks</i>					
None Listed					
-OTC Quotations in Fixed Income Securities					61
<i>--Exam Findings:</i>					
Inadequate Supervisory Controls and Procedures					62
Failing to Test Applicability					62
Failing to Prevent Potential Quotations					62
<i>--Emerging Risks</i>					
None Listed					
-Fractional Shares - Reporting and Order Handling			60		67
<i>--Exam Findings:</i>					
Reporting Failures			60		
Inadequate Supervisory Systems and Procedures			60		
<i>--Emerging Risks</i>					
None Listed					
-Regulation SHO - Bona Fide Market Making Exemptions and Reuse of Locates for Intraday Buy-to-Cover Trades			61	67	59
<i>--Exam Findings:</i>					
Non-Bona Fide Market Making			61	68	59
Impermissible Reuse of Locates			61		
Use of ADR Conversions for Close Out of Fails				68	59
<i>--Emerging Risks</i>					
None Listed					
-OTC Quotations in Fixed Income Securities				70	70
<i>--Exam Findings:</i>					
Inadequate Supervisory Controls and Procedures				71	71
Failing to Test Applicability				71	71
Failing to Prevent Potential Quotations				71	71
-Advertised Volume				72	72
<i>--Exam Findings:</i>					
Inflated Trading Volume				72	72
Unreasonable Supervision				72	72
-Large Trader Reporting	33				
<i>--Exam Findings:</i>					
No WSPs	34				
No Monitoring for Unidentified Large Traders	34				
Failure to Report LTID	34				
<i>--Emerging Risks</i>					
None Listed					
-Market Access	35	48		73	63
<i>--Exam Findings:</i>					
Insufficient Controls	35	48		73	63
Failure to Consider Additional Data				74	63
Impermissible Exclusions				74	63
Inadequate Financial Risk Management Controls	35	48		74	63
Reliance on Vendors	35	48		74	63
Inadequate Post Trade Surveillance					64

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	2021	2022	2023	2024	2025
Failure to Document Annual Review of Effectiveness				74	64
--Emerging Risks					
None Listed					
-Extended Hours Trading					65
--Exam Findings:					
Inadequate Supervision					66
Reporting Failures					66
--Emerging Risks					
None Listed					
-Vendor Display Rule	36				
--Exam Findings:					
Failure to Provide Consolidated Display (Missing Consolidated Display/Elements)	37				
Insufficient WSPs	37				
--Emerging Risks					
None Listed					
Financial Management	38	50	63	76	67
-Net Capital	38	50	63	76	67
--Exam Findings:					
Inadequate Supervision					68
Inaccurate Classification of Receivables, Liabilities and Revenue	38	50			
Failed to Deliver and Failed to Receive Contracts (Fails)	38	50			
Incorrect Capital Charges for Underwriting Commitments	39	51	63	77	68
Inaccurate Net Capital Deductions and Concentration Charges			63	77	68
Inadequate WSPs			63	77	
Inaccurate Recording of Revenue and Expenses	39	51	64	77	68
Late or Inadequate Filings					68
Insufficient Capital for Underwriting Participation					68
Inaccurate OCC Charges					68
Insufficient Documentation Regarding Expense-Sharing Agreements	39	51			
--Emerging Risks					
None Listed					
-Liquidity Management	40	52	64	78	69
--Exam Findings:					
Insufficient Stresses on Clearing Deposit Requirements					69
Unreasonable Stress Test Assumptions					69
Inadequate Supervision					70
Establishing Inaccurate Clearing Deposit Requirements		52	65	79	
Not Extending the Stress Test Period	40		65		
Not Modifying Business Models	40	52	65		
No Liquidity Contingency Plans	40	52	65	79	70
Inaccurate SLS Reporting				79	70
--Emerging Risks					
None Listed					
-Credit Risk Management	41	53	67	81	
--Exam Findings:					
No Credit Risk Management Reviews	42	54	67	81	
No Credit Limit Assignments	42	54	67		
No Monitoring Exposure	42	54	67	81	
Inadequate Systems to Monitor Customer and Counterparty Limits			67		
--Emerging Risks					
None Listed					
-Segregation of Assets and Customer Protection	43	55	70	84	71
--Exam Findings:					
Inadequate Supervision					71
Inconsistent Check-Forwarding Processes	43	56	71		

CATEGORY

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	2021	2022	2023	2024	2025
Inaccurate Reserve Formula Calculations	43	56	71	84	71
Improper Withdrawals from Reserve Bank Account				84	
Inaccurate Segregation of Customer Securities			71	84	72
Inadequate Handling of Customer Checks					72
Omitted or Inaccurate Blotter Information	43	56			
<i>--Emerging Risks</i>					
FINRA Reminds Firms of Their Obligations to Designate FINOPs					73
-Portfolio Margin and Intraday Trading		56	68	82	
<i>--Exam Findings:</i>					
Inadequate Recordkeeping				83	
Incorrect Account Equity				83	
Accounts Below Minimum Equity				83	
No Internal Audit Review of Portfolio Margin Process				83	
Inadequate Monitoring Systems		57	69		
Not Promptly Escalating Risk Exposures		57	69		
Insufficient WSPs		57	69		
Non-Eligible Products Included in the Portfolio Margin Methodology			69		
<i>--Emerging Risks</i>					
None Listed					

Gold = New for 2025

- * Previously listed as "Cybersecurity and Technology Governance."
- ** No longer included in "Emerging Risks" but as a key consideration.
- # Previously listed as "Anti-money Laundering."
- ~ Previously listed as "Funding Portals and Crowdfunding Offerings."
- ^ Previously included in "Communications with the Public."

Source: 2025 Report on FINRA's Examination and Risk Monitoring Program
 Compiled by Alex Russell, Senior Managing Director, White Collar, Regulatory and Internal Investigations