Friday, May 28, 2021

The Financial Industry Regulatory Authority (FINRA) has published its 2021 Annual Budget Summary (Budget Summary), which outlines how FINRA plans to deploy resources in 2021 to meet its various regulatory responsibilities, as well as the 2021 FINRA Industry Spotlight (Industry Spotlight), which is FINRA’s annual statistical report covering the brokerage firms, registered representatives and market activity that FINRA regulates.

As described in the Budget Summary, FINRA’s 2021 operating revenues are projected to be lower than 2020 operating revenues, due to the unique set of circumstances arising from the COVID-19 pandemic that contributed to increased revenues due primarily to higher trading volumes and a large number of public offerings. Operating expenses are anticipated to increase in 2021 over 2020 budgeted levels, with headcount gradually rising to budgeted levels and in-person testing and travel expected to increase throughout the year.

As described in the summary, the 2021 budget also includes $83.4 million for one-time, key initiatives, which include modernizing systems that support member firm registration, filing and reporting requirements; digitalization of FINRA’s Enforcement programs; compliance with Consolidated Audit Trail requirements; adjustments to FINRA’s real estate footprint in New York to relocate certain
functions to lower-cost properties; and significantly improving FINRA’s advanced analytics capabilities.

The 2021 edition of the Industry Spotlight includes new statistics on US Treasury volume and corporate financing filings. The Industry Spotlight also includes 2020 data on the size and geographic distribution of the firms FINRA regulates, the number of individuals in the industry, equity and fixed income trading activity, and how firms marketed their products and services during the last year. It also includes additional data sets, specifically data on Treasury market activity, focusing on volumes by both participant and product type.

FINRA 2021 Annual Budget Summary

2021 FINRA Industry Spotlight

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