



July 8, 2025

Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: SR-FINRA-2025-003 – Proposed Amendments to FINRA Rule 3220 (Influencing or Rewarding Employees of Others) – Gifts Rule

Dear Ms. Countryman:

The American Securities Association¹ (ASA) appreciates the opportunity to comment on FINRA's proposed amendments to Rule 3220 (Gifts Rule), as set forth in SR-FINRA-2025-003.

Support for Modernization and Regulatory Consistency

To promote regulatory consistency and reduce unnecessary complexity for firms registered as both broker-dealers and investment advisers, we appreciate FINRA's filing with the SEC proposing to increase its annual limit on gifts and gratuities from the longstanding \$100 cap to \$250 per person, per year and codify various guidance issued related to the rule which will allow for uniform application across the industry.

By raising the FINRA limit to \$250, the proposed change would help alleviate some of the operational burdens faced by dual registrants who must currently navigate differing standards. The change would also provide greater clarity and fairness across the industry, making compliance more transparent and streamlined. We believe this adjustment strikes a more appropriate balance between effective oversight and practical administration, supporting both investor protection and the operational efficiency of member firms. We encourage continued efforts to further harmonize these standards in the future.

Key Elements of the Proposal

ASA supports the following aspects of the proposed amendments:

- **Gift Limit Increase:** Raising the annual gift limit from \$100 to \$250 per person per year is a long-overdue update that reflects inflation and current business realities, while maintaining appropriate safeguards to prevent conflicts of interest and excessive inducements.
- **Exemptive Relief:** The introduction of a process for exemptive relief provides needed flexibility and recognizes the diversity of firm sizes, business models, and circumstances in the industry.

¹ ASA is a trade association that represents the retail and institutional capital markets interests of regional financial services firms who provide Main Street businesses with access to capital and advise hardworking Americans how to create and preserve wealth. ASA's mission is to promote trust and confidence among investors, facilitate capital formation, and support efficient and competitively balanced capital markets. This mission advances financial independence, stimulates job creation, and increases prosperity. ASA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions of the United States.





- **Conforming Amendments:** Updating related rules (2310, 2320, 2341, and 5110) to reflect the new \$250 threshold will further promote consistency and reduce confusion for firms subject to multiple regulatory frameworks.
- **Codification of Guidance:** Incorporating existing interpretive guidance and letters into the rule text and supplementary material will improve transparency, facilitate compliance, and reduce ambiguity.
- **Clarification of Scope and Exclusions:** The proposal's explicit exclusions for gifts to a member's own associated persons and to individual retail customers, as well as codification of the treatment of personal, de minimis, and disaster-related gifts, are welcome clarifications that will help firms implement more effective compliance programs.
- **Recordkeeping and Supervision:** The continued emphasis on robust recordkeeping and supervision—while excluding certain categories of gifts from these requirements—appropriately balances regulatory objectives with practical compliance burdens.

Additional Considerations

We appreciate FINRA's responsiveness to industry feedback, including the decision to value most gifts at cost (exclusive of tax and delivery), rather than the higher cost or market value, which will reduce subjectivity and compliance costs. The aggregation and supervisory requirements are appropriately tailored to the rule's purpose and provide clear direction for firms.

While we support the current proposal, we encourage FINRA to continue its periodic review of the gift limit to ensure it remains appropriate in light of future inflation and evolving business practices. We also support ongoing dialogue to further harmonize standards across regulatory regimes, which will benefit both firms and investors.

Conclusion

We believe the proposed amendments will enhance regulatory clarity, promote consistency, and maintain investor protection. We urge the SEC to approve the proposal and look forward to continued engagement with FINRA on these and related issues.

Sincerely,

Jessica Giroux

Jessica R. Giroux
Chief Legal Officer
American Securities Association

