

FINRA: PSTs and OBAs

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- Private securities transactions (PSTs)
 - No person associated with a Broker-Dealer shall participate in any manner in a private securities transaction unless:
 - Prior to participating in any private security transaction, an associated person must provide written notice to the Broker-Dealer, describing in detail the proposed transaction, the person's proposed role, and whether selling compensation is expected.

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- For transactions not involving compensation
 - Broker-Dealer shall provide prompt written acknowledgment and may, at its discretion, require the person to adhere to specified conditions.

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- For transactions involving compensation
 - Broker-Dealer shall advise the associated person in writing whether it approves or disapproves of the person's participation in the proposed transaction.
 - If approved, the transaction shall be recorded on the firm's books and records, and the firm shall supervise the person's participation as if the transaction were executed on behalf of the firm. If disapproved, the person shall not participate in the transaction in any manner.

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- Outside business activities (OBAs)
 - Prohibits any registered person from being an employee, independent contractor, sole proprietor, officer, director, or partner of another person; or
 - being compensated; or
 - having the reasonable expectation of compensation from another person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member

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- Broker-Dealer shall provide prompt written acknowledgment and may, at its discretion, require the person to adhere to specified conditions.