



March 7, 2025

Chairwoman Wendy Harrison
Senate Committee on Institutions
Vermont State Senate
115 State Street
Montpelier, VT 05633-5301

**Written Testimony on
Senate Bill 71 – An act relating to consumer data privacy and online surveillance**

Chairwoman Harrison and Members of the Committee:

The Financial Industry Regulatory Authority (“FINRA”)¹ appreciates this opportunity to submit written testimony on Senate Bill 71 (“S.71”). FINRA is a 501(c)6 not-for-profit regulator of the securities industry that operates under authority granted under the Securities Exchange Act of 1934 (“the 1934 Act”). FINRA is registered with the Securities and Exchange Commission (“SEC”) as a national securities association and a regulator of the brokerage industry under the 1934 Act.² FINRA is overseen by the SEC and works closely with the SEC and the Vermont State Department of Financial Regulation (“Department”) to protect investors and safeguard the integrity of the country’s vibrant capital markets.

FINRA’s regulatory work includes the oversight of the more than 144,000 individuals and the more than 1,250 broker-dealer offices registered to do business in Vermont. FINRA also monitors the nation’s top exchanges and off-exchange venues for market manipulation, operates a toll-free helpline for senior investors, administers a specialized arbitration forum with a focus on investor protection, administers licensing qualification examinations³ and takes enforcement actions on potential violations of FINRA’s rules and federal securities laws. As part of this work, FINRA regularly communicates with the Division about the brokerage firms and their associated persons, including securities salespersons, who fall under the jurisdiction of both FINRA and the Department.

FINRA collects and shares data – including personal information – only for regulatory purposes. The limited information that is shared is provided only to law enforcement and other regulators, such as the SEC or the Department, in connection with our general oversight and enforcement efforts. FINRA neither sells this information nor uses it for any commercial, advertising, or marketing purposes.

¹ For more information, please visit www.FINRA.org/about.

² Pursuant to the Maloney Act of 1938, 15 U.S.C. §§ 78o-3, et seq., amending the Securities Exchange Act of 1934, 15 U.S.C. §§ 73a, et seq.

³ FINRA develops and administers qualifying examinations to securities industry professionals, which serve as a prerequisite to FINRA registration. FINRA also administers state law examinations on behalf of the North American Securities Administrators Association (“NASAA”), which Vermont uses for state licensing purposes.
www.finra.org

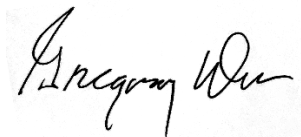
S.71's intent to protect personal data is laudable. FINRA is keenly aware of the risks faced by the securities industry and is committed to protecting investor and market data. However, we are concerned that FINRA, a not-for-profit entity that regulates the brokerage industry pursuant to the 1934 Act and with the oversight of the SEC may unintentionally be covered by certain restrictions in S.71, as it is currently drafted. These restrictions could interfere with FINRA's ability to protect Vermont investors and share information with the Department and law enforcement agencies.

To make certain that FINRA can continue to protect Vermont investors and fulfill its regulatory mission as set out in the 1934 Act, FINRA respectfully urges you to consider adding the following language to § 2417 (a):

"A self-regulatory organization as defined in Section 3(a)(26) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78a, et seq., as amended) and the rules and implementing regulations promulgated thereunder."

This language would permit FINRA to continue to protect investors and oversee the brokerage industry in Vermont and is consistent with other state comprehensive data privacy laws⁴. If you have any questions, or if there is further information we can provide, please reach out to Kristen Standifer at kristen.standifer@finra.org or (415) 217-1126. Thank you for your consideration.

Sincerely,



Gregory J. Dean, Jr.
Senior Vice President
Office of Government Affairs
FINRA

⁴ This includes laws in California, Colorado, Connecticut, Delaware, Florida, Indiana, Iowa, Montana, Tennessee, Texas, Utah and Virginia.