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NAPFA Responds to NASAA's Proposed Revisions to Broker-Dealer and Agent Practices

CHICAGO, IL (December 30, 2024) – The National Association of Personal Financial Advisors (NAPFA) has submitted a comment letter to the North American Securities Administrators Association (NASAA) in response to its Request for Comment on proposed revisions to the model rule on “Dishonest or Unethical Business Practices of Broker-Dealers and Agents.” NAPFA joins the Financial Planning Association (FPA) and CFP Board in commending NASAA for its commitment to investor protection through these important updates.

The proposed revisions aim to incorporate the principles of the U.S. Securities and Exchange Commission's Regulation Best Interest (Reg BI), ensuring that broker-dealers and agents uphold high standards of commercial honor. NAPFA supports these updates as critical enforcement tools for state regulators and a vital step in safeguarding investors against unethical practices.

NAPFA is particularly encouraged by NASAA's efforts to reduce investor confusion by restricting the misleading use of titles such as “advisor” and “adviser” without proper licensure. However, NAPFA urges NASAA to take these protections further by restricting dually registered financial professionals from using such titles when providing brokerage services exclusively. Additionally, NAPFA advocates for further clarity to prevent the misuse of related terms, ensuring a consistent understanding of professional roles across the financial industry.

“NAPFA applauds NASAA's leadership in promoting accountability and transparency in the financial services industry,” said Kathryn Dattomo, MNA, CAE, CEO of NAPFA. “By addressing these critical issues, NASAA reinforces investor confidence and the principle that all financial professionals must prioritize the best interests of those they serve.”

The full comment letter is available [here](#). NAPFA encourages stakeholders and the public to support NASAA's proposals and help advance a regulatory environment that prioritizes ethical practices and investor protection.

About NAPFA

Since 1983, the National Association of Personal Financial Advisors has set the standard for Fee-Only financial planning, providing its 4,600+ members with robust resources, professional development, and a shared commitment to serving the best interests of clients. NAPFA members adhere to rigorous standards of competency, ethics, and comprehensive financial planning. Learn more at www.napfa.org.