Firstrade Affiliate Disclosures Guide

When a social media influencer posts information about a broker-dealer, they must include specific disclosures to ensure compliance with FINRA regulations. Here are some common disclosures that should be included:

General Disclosures

1. **Broker-Dealer Affiliation:** Clearly state that the influencer is affiliated with and/or compensated by the broker-dealer.
2. **Compensation Disclosure:** If the influencer receives any form of compensation for the post, this must be disclosed.
3. **Investment Risks:** Mention that investments involve risks, including the potential loss of principal. This must be spoken at end of each video post "All investing involves risks, please see caption for important information
4. **No Guarantee of Results:** Clarify that past performance is not indicative of future results.

Specific Disclosures for Promotional Content

1. **Promotional Nature:** Indicate that the content is promotional and part of a marketing campaign.
2. **Disclaimer of Advice:** State that the information provided is for informational purposes only and should not be considered as investment advice.
3. **Product or Service Description:** Provide a clear and accurate description of the products or services being promoted.
4. **Conflict of Interest:** Disclose any potential conflicts of interest that the influencer or the broker-dealer might have.

Example Disclosure Language

Here is an example of what the disclosure might look like:

Disclosure:

1. Affiliation: I am affiliated with [Broker-Dealer Name] and receive compensation for promoting their services.
2. Compensation: This post is sponsored by [Broker-Dealer Name].
3. Investment Risks: Investing involves risks, including the possible loss of principal. It is important to consider your investment objectives and risk tolerance before investing.
4. No Guarantee: Past performance is not indicative of future results. There is no guarantee that any investment strategy will be successful.
5. Promotional Content: This content is promotional in nature and part of a marketing campaign by [Broker-Dealer Name].
6. No Investment Advice: The information provided in this post is for informational purposes only and does not constitute investment advice. Please consult a financial advisor before making any investment decisions.
7. Conflict of Interest: I may have a potential conflict of interest due to my relationship with [Broker-Dealer Name].

Example:
Disclosure:

This content is promotional in nature and this is not recommendation to buy or sell any specific securities. The host is a Firstrade client and is receiving compensation for promoting its services.

Firstrade is an online brokerage platform for self-directed investors. It does not provide investment, financial, legal, or tax advice. All investments involve risk, and past performance is not indicative of future results. Investors should carefully consider their objectives, costs, and associated risks, as losses may exceed the principal invested. Engaging in fractional share trading poses unique risks and limitations. Before trading outside of regular market hours, an investor should review Extended Hours Trading Disclosure and be aware of unique risks involved including lower liquidity, heightened volatility, wider spreads and pricing uncertainty. Online trades are $0 for stocks, ETFs, options and mutual funds. See Firstrade's Pricing page for detailed pricing of all security types offered at Firstrade.

Firstrade Securities Inc is a registered member of FINRA and SIPC. For more information, visit https://www.firstrade.com.

It's crucial to tailor these disclosures to fit the specific context of the post and the regulatory requirements. Always consult with your compliance team or legal counsel to ensure that the disclosures meet all relevant guidelines.

Regulatory Obligations

Firstrade is governed by the Financial Industry Regulatory Authority (FINRA), which sets specific guidelines for communications, including those on social media. One key regulation is **FINRA Rule 2210**, which mandates that all communications must be fair, balanced, and not misleading. Communications must be approved by a qualified principal before being posted and may need to be filed with FINRA. Additionally, we are required to keep records of all communications, including social media posts, graphic, and video for a specified period. Proper disclosures must be included to ensure transparency and provide all necessary information to the audience.

To ensure compliance, we request your cooperation in the following areas: Email all social media content related to our firm to affiliate@firstrade.com for review and approval before posting. Include the anticipated start and end dates of usage. Provide us with copies of all posts and related communications to maintain accurate records as required by **SEA Rule 17a-4(b).** Ensure all required disclosures are included in your posts.

To ensure we remain compliant, we request your cooperation in the following areas:

- **Pre-Approval:** Please email all social media content related to our firm to affiliate@firstrade.com for designated principal's review and approval before posting. Be sure to include the anticipated start and end dates of usage.
- **Record Submission:** Provide us with copies of all posts and any related communications to maintain our records accurately. According to SEA Rule 17a-4(b) must preserve for a period of not less than three years, the first two years in an easily accessible place.
- **Disclosure Inclusion:** Ensure all required disclosures are included in your posts.