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**VIA ELECTRONIC MAIL**

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Marcia E. Asquith  
Office of the Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington, D.C. 20006-1506

**Re: Regulatory Notice 11-14/Third-Party Service Providers**

Dear Ms. Asquith:

BOK Financial Corporation (BOKF<sup>1</sup>) appreciates the opportunity to comment on proposed FINRA Rule 3190 (Use of Third-Party Service Providers) governing the obligations and supervisory responsibilities of member firms when outsourcing certain functions and/or activities related to their activities as registered broker-dealers. We are concerned that, as currently written, the rule may be interpreted in such a way as to improperly include those functions of a bank-affiliated broker-dealer which have been traditionally outsourced and/or entirely performed by the bank affiliate.

**Summary**

In *Regulatory Notice 11-14, "Third Party Service Providers"* (the "Proposal"), FINRA proposed Rule 3190 to provide clarification to previously-issued guidance regarding the responsibilities of a member firm for services "related to the member's business as a regulated broker-dealer"<sup>2</sup> delegated to third party service providers. The Rule specifically states that a member firm is responsible for "establish[ing] and maintain[ing] a supervisory system and written procedures for any functions or activities performed by a third-party service provider...that are reasonably designed to achieve compliance with applicable securities laws and regulations and with applicable FINRA and MSRB rules."<sup>3</sup> While specifically exempted from the coverage of this system and procedures are "ministerial activities performed on behalf of a member,"<sup>4</sup> as specifically noted in Supplementary Material .01 in the Proposal "third-party service provider" is defined to include affiliates of the broker-dealer<sup>5</sup>.

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<sup>1</sup> BOKF is a \$24 billion regional financial services company based in Tulsa, Oklahoma. The company's stock is publicly traded on NASDAQ under the symbol: BOKF. Our assets are centered in seven full-service banking divisions - Bank of Oklahoma, Bank of Texas, Bank of Albuquerque, Bank of Arkansas, Bank of Arizona, Colorado State Bank and Trust and Bank of Kansas City - with additional assets within a subsidiary broker-dealer, BOSC, Inc. ("BOSC"). BOSC is a registered broker/dealer, registered investment adviser, member FINRA/SIPC. BOKF was the largest commercial bank holding company not to accept TARP funds.

<sup>2</sup> Proposal at 9.

<sup>3</sup> *Id.*

<sup>4</sup> Proposal at 11.

<sup>5</sup> *Id.*

***Interpretation Risk***

As with many other bank-affiliated broker-dealers, BOSC has a number of functions “related to” its business as a broker-dealer which are performed by its bank affiliate. These include various human resources functions related to the recruitment/hiring/firing of employees, (excluding the licensing and registration functions), internal audit functions utilized in the preparation of BOSC’s annual report, and data security functions. While not necessarily “designed to achieve compliance with applicable securities laws and regulations,” these functions are frequently integral to BOSC’s efforts to achieve such compliance – for example, internal audit performs testwork necessary to the completion of BOSC’s required annual financial statement.

We would request that FINRA provide some clarification as to the acceptable threshold for services so delegated to affiliates to be supervised by the affiliate and not by the broker-dealer. Such delegation is markedly different than delegation to an unaffiliated third party via agreement, as the latter often contains a limit to the liability of the unaffiliated party while the former, although limited by the separate nature of the entities, is by definition less limited due to the affiliation between the two parties. Without such clarification, we are concerned that the realm of functions requiring oversight would be interpreted to be overly inclusive of such functions, which would likely result in the delegation of resources of the broker-dealer to supervise functions more appropriately supervised by the entity performing them.

BOKF appreciates the opportunity to comment on this issue. Thank you for your time and attention.

Sincerely,



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