Kilpatrick

Insights: Publications

Break From Tradition: Questioning the Primacy of Self-Regulation in American Securities Law

Michigan Business & Entrepreneurial Law Review

June 1, 2017

Since 1792, the American securities market has been primarily regulated through self-regulatory bodies. Indeed, the tradition of self-regulation is so well-established that even the most ardent advocates of Wall Street reform have not questioned whether it is necessary or wise to rely upon it as the primary means of regulating the securities market. This paper traces the primacy of self-regulation to a series of historical accidents, questions whether relying on self-regulation is necessary or wise, and then argues that a shift of power from the current self-regulatory organization (FINRA) to a strong federal regulator (the SEC) would be a welcome change.

To read the article, click here.