

Attn: Trading and Market Making/Legal and Compliance/Operations/Systems

UNIFORM PRACTICE ADVISORY (UPC #06-20) 3/12/2020

Pandemic-Related Guidance in Connection with Company-Related Action Submissions

FINRA Rule 6490 relates to the processing of Company-Related Actions, which includes SEA Rule 10b-17 Actions and Other Company-Related Actions. Rule 6490 requires that issuers provide FINRA with notice of an SEA Rule 10b-17 Action in line with the timeframe set forth in SEA Rule 10b-17¹ and, similarly, requires that issuers provide FINRA with notice of an Other Company-Related Action at least 10 calendar days prior to the proposed effective date of the Company-Related Action. Notice of an SEA Rule 10b-17 Action or Other Company-Related Action submitted after these timeframes is deemed “late” by FINRA’s Market Operations Department (“Department”) and subject to a late fee, as set forth in Rule 6490(c).

Due to the recent outbreak of coronavirus disease (COVID-19), FINRA is issuing this Notice to advise issuers that the Department may deem a Company-Related Action submission as not “late” for purposes of assessing the late fees prescribed in Rule 6490(c) where, due to the COVID-19 outbreak, an issuer is unable to provide notice sufficiently in advance of the record or effective date.²

FINRA encourages issuers to consider modifying record dates to avoid other complications that may result from late submissions, particularly concerning the declaration of an ex-date. The timeliness of receipt of information by the Department regarding a Company-Related Action can impact the timing of when the ex-date ultimately is announced on the Daily List, and in rare cases, a corporate action may be announced by FINRA without an ex-date.³

Questions regarding this notice should be directed to: FINRA Market Operations: 1-866-776-0800.

¹ SEA Rule 10b-17 generally requires the issuer of a class of publicly-traded securities to provide FINRA with notice of an SEA Rule 10b-17 Action no later than 10 days prior to the record date of a dividend or distribution. See 17 CFR 240.10b-17.

² This guidance shall not alter the obligations of an issuer under SEA Rule 10b-17 or relieve an issuer of any violations under such rule.

With respect to FINRA Rule 6490(c), in determining whether a Company-Related Action submission will be deemed late, the Department will request that the issuer or duly authorized representative provide adequate documentation substantiating the COVID-19 outbreak-related reasons for the delayed notice.

³ See UPC Notice #55-13 (FINRA Ex-Date Announcements) (12/19/2013), *available at* <https://www.finra.org/sites/default/files/UPCNotice/p411640.pdf>.