# Information Notice

# FINRA Reminds Firms That NSCC Has Modified the ACATS Transfer Process

October 21, 2025

### Notice Suggested Routing

- Compliance
- Legal
- Operations

### Notice Key Topics

- Automated Customer Account Transfer Service (ACATS)
- Customer Account Transfer Contracts
- National Securities Clearing Corporation (NSCC)

### Referenced Rules & Notices

- FINRA Rule 11870
- NSCC Important Notice A9646
- NSCC Rule 50

## Summary

The National Securities Clearing Corporation (NSCC) administers the Automated Customer Account Transfer Service (ACATS), a system that automates and imposes specified duties and performance timeframes to facilitate the transfer of accounts, in whole or in part, from one firm to another. The NSCC recently announced an amendment to NSCC Rule 50 (Automated Customer Account Transfer Service) to reflect, among other things, the removal of the settlement preparation stage ("Settle Prep" or the "Settle Prep Day") from the ACATS transfer process. The removal of Settle Prep became effective on October 17, 2025.

Questions concerning this *Notice* should be directed to Kathryn Mahoney, Senior Director, Office of Financial and Operational Risk Policy, at (646) 315-8428 or email.

## Background & Discussion

ACATS is a service NSCC provides that enables members to effect transfers of customer accounts among themselves. FINRA Rule 11870 (Customer Account Transfer Contracts) governs the process by which FINRA members facilitate requests by customers to transfer their securities account assets from one broker-dealer firm to another broker-dealer firm and includes timeframes that align with those in ACATS. Among other things, the rule requires FINRA members to use automated clearing agency customer account transfer services when both members are participants in the clearing agency and to "expedite and coordinate activities with respect to the transfer."[1] ACATS automates and standardizes procedures for the transfer of assets in a customer account.

NSCC has been working with the industry to streamline the ACATS process and shorten the time to complete a customer account transfer through ACATS. As announced in NSCC Important Notice A9646, the Settle Prep Day has been removed from the ACATS transfer process as of October 17, 2025. For more detailed information, refer to NSCC Important Notice A9646 and its underlying references to other Important Notices, and NSCC's associated proposed rule change, File No. SR-NSCC-2025-011, that amended NSCC Rule 50.[2]

FINRA

## Endnote

1. *See* Rule 11870(a)(1). Members are also required to "promptly resolve" any exception taken to a transfer instruction. *See* Rule 11870(b)(2).

2. NSCC Rule 50 was also amended to remove the second day of the Fund/Serv® pending acknowledgment process. *See* Securities Exchange Act Release No. 103890 (September 5, 2025), 90 FR 43709 (September 10, 2025) (Order Approving File No. SR-NSCC-2025-011).