

SEC Broker-Dealer Reporting Rules

FINRA Announces Updates of the Interpretations of Financial and Operational Rules

Executive Summary

FINRA is updating the imbedded text of Securities Exchange Act (SEA) reporting rules for broker-dealers in the Interpretations of Financial and Operational Rules to reflect the effectiveness of amendments the SEC adopted.¹ The updated imbedded text relates to SEA Rules 17a-5 and 17a-11. FINRA is also making available related updates of the Interpretations of Financial and Operational Rules that have been communicated to FINRA staff by the staff of the SEC's Division of Trading and Markets (SEC staff). The updated interpretations relate to SEA Rule 17a-5.

Questions concerning this *Notice* should be directed to:

- ▶ Yui Chan, Managing Director, Risk Oversight and Operational Regulation (ROOR), at (646) 315-8426; or
- ▶ Susan DeMando Scott, Associate Vice President, ROOR, at (240) 386-4620.

Background & Discussion

In July 2013, the SEC adopted amendments to the reporting rules for broker-dealers. FINRA is updating the imbedded SEC rule text in the Interpretations of Financial and Operational Rules to reflect the amendments that became effective on June 1, 2014.² The updated imbedded text relates to SEA Rules 17a-5 and 17a-11. The interpretation updates resulting from the SEC's July 2013 amendments to SEA Rule 17a-5 are set forth below. Page references are to the hardcopy version. These interpretations are being updated with specific additions, revisions and rescissions.

June 2014

Notice Type

- ▶ Guidance

Suggested Routing

- ▶ Compliance
- ▶ Finance
- ▶ Legal
- ▶ Operations
- ▶ Regulatory Reporting
- ▶ Senior Management

Key Topics

- ▶ Books and Records
- ▶ Notification Provisions

Referenced Rules & Notices

- ▶ Regulatory Notice 08-56
- ▶ Regulatory Notice 13-44
- ▶ Regulatory Notice 14-06
- ▶ Regulatory Notice 14-12
- ▶ SEA Rule 17a-5
- ▶ SEA Rule 17a-11

The following interpretation has been **revised**:

- ▶ SEA Rule 17a-5(m)(1)/01 (Audit Extension Request) on page 3281.

The following interpretation has been **rescinded**:

- ▶ SEA Rule 17a-5(c)(2)/01 (Additional Time on Sending Audited and Unaudited Statements to Customers) on page 3222.

These rule text and interpretation updates are available in portable digital format (PDF) on FINRA's [Interpretations of Financial and Operational Rules](#) page.

Further, SEC staff continues to communicate and issue written and oral interpretations of the financial responsibility and reporting rules including the newly amended sections of the rules. FINRA has previously updated the Interpretations of Financial and Operational Rules on its website in [Regulatory Notices 08-56, 13-44, 14-06](#) and [14-12](#).

FINRA member firms and others that maintain the hardcopy version of the Interpretations of Financial and Operational Rules may refer to the accompanying [updated pages](#), containing the aforementioned rule text updates, which are being made available to enable the replacement of existing pages in the hardcopy version of the Interpretations of Financial and Operational Rules. The filing instructions for the new pages are as follows:

SEA Rule	Remove Old Pages	Add New Pages
17a-5	3201-3284	3201-3284
17a-11	3301-3304	3301-3304

Endnotes

1. See Securities Exchange Act Release No. 70073 (July 30, 2013), 78 FR 51910 (August 21, 2013) (Broker-Dealer Reports).
2. See note 1.