# Information Notice

# 2017 Holiday Trade Date, Settlement Date and Margin Extensions Schedule

# **Executive Summary**

FINRA is providing the following schedule to assist firms and reduce the number of requests for Federal Reserve Board Regulation T and Securities Exchange Act (SEA) Rule 15c3-3 extensions of time that may be denied around holidays due to incorrect due dates specified when such requests are made. Requests of extensions of time under Regulation T and SEA Rule 15c3-3 that are made for "regular way" transactions effected on the business days prior to and after a holiday when the exchanges are closed, will be subject to the schedule noted below.

Questions regarding this *Notice* should be directed to Theresa Reynolds, Senior Credit Regulation Coordinator, ROOR, at (646) 315-8567.

# Background

Brokers, dealers and municipal securities dealers should use the following when requesting extensions of time for "regular way" transactions effected on dates prior to and after a holiday when the exchanges are closed.

Firms should note that the SEC is proposing to amend SEA Rule 15c6-1(a) to shorten the standard settlement cycle for most broker-dealer transactions from T+3 to T+2.<sup>1</sup> Representatives from the industry, including SIFMA, the Depository Trust & Clearing Corporation and the Investment Company Institute, have identified September 5, 2017, as the implementation date for the transition to a T+2 settlement cycle.<sup>2</sup> In anticipation of this move, for all trade dates beginning September 5, 2017, firms should consider the move to a shortened settlement cycle (T+2), which may affect when the extension has to be submitted.

# December 14, 2016

#### Suggested Routing

- ► Compliance
- Internal Audit
- ► Legal
- Municipal/Government Securities
- Operations
- ► Trading

#### Key Topic(s)

- Holiday Extension Dates
- Holiday Settlement Dates

#### **Referenced Rules and Notices**

- Regulation T 220.4 and 220.8
- Regulatory Notice 14-13
- SEA Rule 15c3-3



As specified in Sections 220.4(d) and 220.8(b)(4) of Regulation T of the Federal Reserve Board, a broker-dealer must promptly cancel or otherwise liquidate a customer purchase transaction in a margin account or cash account if payment is not received within one payment period<sup>3</sup> from the date of purchase or, pursuant to Section 220.4(c)(3) and 220.8(d) (1), apply to extend the time period specified. The date by which firms must take such action for "regular way" transactions effected on dates prior to and after a holiday when the exchanges are closed is shown below in the column titled "**Regulation T Date.**"

Similarly, SEA Rule15c3-3 requires firms to take prompt steps to obtain possession or control of securities pursuant to paragraph (m) through a buy-in procedure or otherwise, if securities are not received within ten business days from the settlement date of the sale, or, pursuant to paragraph (n), apply to extend the time period specified therein. The date by which firms must take such action for "regular way" transactions effected on dates prior to and after a holiday when the exchanges are closed is shown below in the column titled **"SEA Rule 15c3-3(m) Extension Date."** 

All SEA Rule 15c-3-3 extension requests **must be** received on the due dates listed below.

SEA Rule 15c3-3 Subparagraph		Date Due
(d)(2)	-	on the 30th calendar day after settlement date
(d)(3)	-	on the 45th calendar day after settlement date
(d)(4)	-	on the 2nd business day after the 30th calendar day from the date the segregation deficit occurred. <sup>4</sup>
(h)	-	on the 45th calendar day after settlement date
(m)	-	on the 10th business day after settlement date

These dates also apply to any securities traded on a foreign exchange. Firms must file SEA Rule 15c3-3 extensions on the appropriate dates regardless of the settlement cycle established by the foreign security market on which the security is traded.

# New Year's Day

The securities exchanges will be closed on **Monday, January 2, 2017**, in observance of New Year's Day.

Trade Date	Settlement Date	Regulation T Date	SEA Rule 15c3-3(m) Extension Date
Dec 23	Dec 29	Jan 3	Jan 13
26 (Markets Closed)	N/A	N/A	N/A
27	30	4	17
28	Jan 3	5	18
29	4	6	19
30	5	9	20
Jan 2 (Markets Closed)	N/A	N/A	N/A
3	6	10	23

# Martin Luther King, Jr. Day

The securities exchanges will be closed on **Monday, January 16, 2017**, in observance of Martin Luther King's birthday.

Trade Date	Settlement Date	Regulation T Date	SEA Rule 15c3-3(m) Extension Date
January 9	January 12	January 17	January 27
10	13	18	30
11	17	19	31
12	18	20	February 1
13	19	23	2
16 (Markets Closed)	N/A	N/A	N/A
17	20	24	3

# Presidents' Day

The securities exchanges will be closed on **Monday, February 20, 2017**, in observance of Presidents' Day.

Trade Date	Settlement Date	Regulation T Date	SEA Rule 15c3-3(m) Extension Date
February 13	February 16	February 21	March 3
14	17	22	6
15	21	23	7
16	22	24	8
17	23	27	9
20 (Markets Closed)	N/A	N/A	N/A
21	24	28	10

# Good Friday

The securities exchanges will be closed on **Friday, April 14, 2017**, in observance of Good Friday.

Trade Date	Settlement Date	Regulation T Date	SEA Rule 15c3-3(m) Extension Date
April 7	April 12	April 18	April 26
10	13	18	28
11	17	19	May 1
12	18	20	2
13	19	21	3
14 (Markets Closed)	N/A	N/A	N/A
17	20	24	4

# Memorial Day

The securities exchanges will be closed on **Monday, May 29, 2017**, in observance of Memorial Day.

Trade Date	Settlement Date	Regulation T Date	SEA Rule 15c3-3(m) Extension Date
May 22	May 25	May 30	June 9
23	26	31	12
24	30	June 1	13
25	31	2	14
26	June1	5	15
29 (Markets Closed)	N/A	N/A	N/A
30	2	6	16

# Independence Day

The securities exchanges will be closed on **Tuesday, July 4, 2017**, in observance of Independence Day.

Trade Date	Settlement Date	Regulation T Date	SEA Rule 15c3-3(m) Extension Date
June 27	June 30	July 5	July 17
28	July 3	6	18
29	5	7	19
30	6	10	20
July 3	7	11	21
4 (Markets Closed)	N/A	N/A	N/A
5	10	12	24

# Labor Day

The securities exchanges will be closed on **Monday, September 4, 2017**, in observance of Labor Day. All trade dates beginning September 5, 2017, firms should consider the move to a shortened settlement cycle (T+2), which may affect when the extension has to be submitted.

Trade Date	Settlement Date	Regulation T Date	SEA Rule 15c3-3(m) Extension Date
August 28	August 31	September 5	September 15
29	September 1	6	18
30	5	7	19
August 31	6	8	20
*September 1	7	11	21
4 (Markets Closed)	N/A	N/A	N/A
*5	7	11	21

\* Double Settlement Day Scenario (Holiday - September 4, 2017, Trade Dates – September 1 and September 5, 2017, Double Settlement Day – September 7, 2017)

# **Columbus** Day

The securities exchanges will be open for trading on Columbus Day, **Monday, October 9**, **2017**. Therefore, it is considered a business day for receiving customers' payments under Regulation T of the Federal Reserve Board and for receiving customers' securities under SEA Rule 15c3-3. Please note that Monday, October 9 is not a settlement date because banking institutions will be closed.

Trade Date	Settlement Date	Regulation T Date	SEA Rule 15c3-3(m) Extension Date
October 2	October 4	October 6	October 18
3	5	9	19
4	6	10	20
5	10	12	24
6	11	13	25
9	11	13	25
10	12	16	26

# Veteran's Day

Veteran's Day is on **Saturday, November 11, 2017**, and will not be observed. Regular way settlement will be as expected.

# Thanksgiving Day

The securities exchanges will be closed on **Thursday**, **November 23**, **2017**, in observance of Thanksgiving Day.

Trade Date	Settlement Date	Regulation T Date	SEA Rule 15c3-3(m) Extension Date
November 16	November 20	November 22	December 5
17	21	24	6
20	22	27	7
21	24	28	8
22	27	29	11
23 (Markets Closed)	N/A	N/A	N/A
24	28	30	12

### Christmas Day

The securities exchanges will be closed on **Monday, December 25, 2017**, in observance of Christmas Day.

Trade Date	Settlement Date	Regulation T Date	SEA Rule 15c3-3(m) Extension Date
December 18	December 20	December 22	January 5, 2018
19	21	26	8
20	22	27	9
21	26	28	10
22	27	29	11
25 (Markets Closed)	N/A	N/A	N/A
26	28	January 2, 2018	12

#### Endnotes

- See Securities Exchange Act Release No. 78962 (September 28, 2016), 81 FR 69240 (October 5, 2016) (Amendment to Securities Transaction Settlement Cycle) (File No. S7-22-16).
- See press release, ISC, US T+2 ISC Recommends Move to Shorter Settlement Cycle On September 5, 2017 (March 7, 2016).In this press release, the T+2 industry steering committee, organized by DTCC and co-chaired by SIFMA and ICI, noted that "[t]he T+2 implementation date was chosen by the T+2 ISC after careful consideration, input from industry participants and consultation with other markets globally."
- 3. Section 220.2 of Regulation T defines a "payment period" as the number of business days in the standard securities-settlement cycle in the United States, as defined in paragraph (a) of SEC Rule 15c6-1 (17 CFR 240.15c6-1(a)), plus two business days.
- 4. See Regulatory Notice 14-13.

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