Executive Summary
FINRA is making available updates to interpretations in the Interpretations of Financial and Operational Rules that have been communicated to FINRA by the staff of the SEC’s Division of Trading and Markets (SEC staff). The updated interpretations relate to amendments that the SEC adopted to Securities Exchange Act (SEA) Rule 15c6-1 in connection with the standard settlement cycle.¹

Questions concerning this Notice should be directed to:

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Background & Discussion
On March 22, 2017, the SEC adopted amendments to SEA Rule 15c6-1 in connection with the standard settlement cycle.² FINRA is updating interpretations in the Interpretations of Financial and Operational Rules that relate to the amendments, as set forth below. Page references are to the hardcopy version. These interpretations are being updated with specific revisions.

The following interpretations have been revised:

- SEA Rule 15c3-1(c)(2)(iv)(E)/11 (Foreign Issued, Foreign Settled Securities — Haircut Alternative to Buy-In for Aged Items) on page 328;
- SEA Rule 15c3-3(d)(1)/01 (Margin Section) on pages 2301-2302;
These 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. FINRA has previously updated the Interpretations of Financial and Operational Rules on its website in Regulatory Notices 08-56, 13-44, 14-06, 14-12, 14-25, 14-38 and 15-25.

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 interpretation 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:

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Endnotes

1. See Securities Exchange Act Release No. 80295 (March 22, 2017), 82 FR 15564 (March 29, 2017) (Securities Transaction Settlement Cycle) (shortening the standard settlement cycle for most broker-dealer transactions from three business days after the trade date (“T+3”) to two business days after the trade date (“T+2”)). The SEC set September 5, 2017, as the compliance date for the amendments.

2. See note 1.