

## SEC Financial Responsibility Rules

### FINRA Announces Updates of the Interpretations of Financial and Operational Rules

#### 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.<sup>1</sup>

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.<sup>2</sup> 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;

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#### Notice Type

- ▶ Guidance

#### Suggested Routing

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

#### Key Topics

- ▶ Customer Protection
- ▶ Net Capital

#### Referenced Rules & Notices

- ▶ Regulatory Notice 08-56
- ▶ Regulatory Notice 13-44
- ▶ Regulatory Notice 14-06
- ▶ Regulatory Notice 14-12
- ▶ Regulatory Notice 14-25
- ▶ Regulatory Notice 14-38
- ▶ Regulatory Notice 15-25
- ▶ SEA Rule 15c3-1
- ▶ SEA Rule 15c3-3
- ▶ SEA Rule 15c6-1

- ▶ SEA Rule 15c3-3(n)/04 (Date Extensions Due) on page 2562; and
- ▶ SEA Rule 15c3-3(n)/13 (Reason for Extension Under Paragraph (m)) on pages 2567-2568.

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:

SEA Rule	Remove Old Pages	Add New Pages
15c3-1	328	328
15c3-3	2301-2302	2301-2302
15c3-3	2562	2562
15c3-3	2567-2568	2567-2568

## 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.