

Extension of Time Requests

Enhancements to the REX System and Updates to Data and Other Requirements Applicable to Requests for Extensions of Time Under Regulation T and SEA Rule 15c3-3

Effective Date:

December 3, 2018 (enhancements to the REX System to provide firms the ability to submit Securities Exchange Act (SEA) Rule 15c3-3(d)(4) extension of time requests via a batch file process and other updates to the extension of time request forms)

February 25, 2019 (updates to data and validation requirements for extension of time requests under Regulation T and SEA Rule 15c3-3)

Summary

Effective on December 3, 2018, FINRA will update the Regulatory Extension (REX) system¹ to improve the process for requesting extensions of time required under SEA Rule 15c3-3 and FINRA Rule 4210. Specifically, the changes will provide firms the ability to submit SEA Rule 15c3-3(d)(4) extension of time requests via a batch file process and add functionality to enhance the process by which firms request extensions of time under FINRA Rule 4230(a), SEA Rule 15c3-3(d), (m) and (h), and file the reports required under FINRA Rule 4230(b). Further, effective on February 25, 2019, firms will no longer be required to submit a customer's complete Social Security or tax identification number, and shall instead submit the last four digits of such numbers when requesting extensions of time under Rule 4230(a). In addition, FINRA is updating certain validation identifiers and validation criteria that will affect the extension timeframes available to meet Regulation T calls. These updates are further detailed in Appendix A of this *Notice*.

September 13, 2018

Notice Type

- ▶ Guidance

Suggested Routing

- ▶ Compliance
- ▶ Legal
- ▶ Margin
- ▶ Operations
- ▶ Registered Representatives
- ▶ Risk
- ▶ Senior Management
- ▶ Systems

Key Topic(s)

- ▶ Extension of Time Requests

Referenced Rules & Notices

- ▶ FINRA Rule 4230
- ▶ Regulation T
- ▶ Regulatory Notice 18-07
- ▶ Regulatory Notice 17-12
- ▶ SEA Rule 15c3-3

Questions concerning this *Notice* may be directed to:

- ▶ Adam Rodriguez, Director, Credit Regulation, at (646) 315-8572 or adam.rodriguez@finra.org;
- ▶ Peter Grassi, Principal Specialist, Credit Regulation, at (212) 416-1786 or peter.grassi@finra.org; or
- ▶ Theresa Reynolds, Senior Credit Specialist, Credit Regulation, at (646) 315-8567 or theresa.reynolds@finra.org.

Background & Discussion

REX System Update

FINRA is updating the REX system to provide firms the ability to submit SEA Rule 15c3-3(d)(4) extension of time requests via a batch file process. Currently, SEA Rule 15c3-3(d)(4) extension of time requests are submitted via the online request form in the REX system. Beginning December 3, 2018, firms will have the option to submit SEA Rule 15c3-3(d)(4) requests via a batch file process using the same REX batch XML file format that is used for Regulation T and SEA Rule 15c3-3(d), (m), and (h) related extension of time requests. To file SEA Rule 15c3-3(d)(4) extension of time requests via the batch file process, firms must update the data fields in their batch XML file layout. Information about the batch filing process and the required changes is available at [FINRA's REX technical page](#).

Also effective on December 3, 2018, FINRA will modify the online forms used to submit extension of time requests and the reports required under FINRA Rule 4230. Certain data fields within the REX system have been modified, affecting how firms must submit requests for extensions of time related to Regulation T calls and SEA Rule 15c3-3 (d), (m) and (h) requirements. See the [FINRA's REX technical page](#) for further details regarding these changes.

Beginning February 25, 2019, the following additional changes to the REX system will take effect:

1. Firms will no longer be required to submit the customer's complete Social Security or tax ID number for Regulation T and SEA Rule 15c3-3 extension of time requests. In lieu, firms shall instead submit the last four digits of the customer's Social Security or tax ID number.
2. Certain validation identifier numbers and validation criteria that affect the extension timeframes available to meet Regulation T calls have been modified. Specific details about these changes are included in Appendix A of this *Notice*.

Firms may consult the [REX technical page](#) for further information about these changes.

Testing: REX Customer Test Environment (CTE) – October 15, 2018

To assist firms in preparing for the changes specified in this *Notice*, FINRA has created a REX CTE that firms may use to test their submission of extension of time requests and the reports required by FINRA Rule 4230(b). Firms may submit extension of time requests required by Regulation T and SEA Rule 15c3-3 via both the [FINRA CTE Gateway](#) online request form and the batch file process.

FINRA will begin accepting test files through the REX batch file CTE on October 15, 2018. During the testing period, firms will have the ability to request reports of all extension requests submitted. The reports will be available the business day after the request is submitted. FINRA encourages firms to begin testing as soon as possible to ensure their readiness to file extension of time requests when the changes to the REX system are implemented on December 3, 2018, and February 25, 2019. Connectivity testing to the CTE for submissions of extension of time requests via the REX batch process will be available at <https://filetransfer.ct.finra.org/> beginning October 8, 2018.

To log into the FINRA CTE, firms must use their current FINRA Gateway user ID and password. Firms that encounter technical problems, or require a FINRA user ID and password, may contact the FINRA Help Desk at (800) 321-6273. Additional information about the test phase is included in Appendix B of this *Notice*. Firms may also consult the [REX technical page](#).

Endnotes

1. FINRA introduced the REX system in August 2010 and has implemented periodic updates as appropriate. These enhancements will not affect FINRA Rule 4210 extension of time requests noted in [Regulatory Notice 18-07](#). See, e.g., [Regulatory Notice 10-28](#) (June 2010) (Extension of Time Requests), [Regulatory Notice 14-13](#) (March 2014) (REX System Update), [Regulatory Notice 17-12](#) (Regulatory Extension (REX) System Update), and [Regulatory Notice 18-07](#) (Extensions of Time Requests Relating to FINRA Rule 4210).

Appendix A

Extension Type	Current Validation Identifier	Current REX Message	New Validation Identifier Beginning February 25, 2019	Updated REX Denial Message - Beginning February 25, 2019
Reg T	BR3530	For Reg T extension requests on New Issue Securities filed under code 008, the request shall be made between S+6 business days and S+34 calendar days	BR3530	For Reg T extension requests under code 008, 1. If the settlement date is less than or equal to T+3 business days, the request shall be made on T+4 business day, or 2. If the settlement date is greater than or equal to T+4 business days, the request shall be made on the earlier of one business day after the date on which settlement is required to occur by the rules of the foreign securities market or T+35 calendar days.
Reg T	BR3630	For Reg T requests other than New Issue Securities filed under code 008, the request shall be made between T+6 business days and T+34 calendar days	BR3630	
Reg T	BR3520	For Reg T extension requests on New Issue Securities filed under code 012 or 014, the request shall be made between S+4 business days and S+34 calendar days	BR3520	For Reg T extension requests on New Issue Securities under codes 012, 014, or 015, the request shall be made promptly after the securities have been made available and no later than T+35 calendar days.
Reg T	BR3540	For Reg T extensions requests on New Issue Securities filed under code 015, the request shall be made between S+4 business days and S+35 calendar days		
Reg T	BR3620	For Reg T requests other than New Issue Securities filed under codes 012 or 014, the request shall be made between T+4 business days and T+34 calendar days	BR3620	For Reg T extension requests other than New Issue Securities under codes 012, 014, or 015, the request shall be made no later than T+35 calendar days.
Reg T	BR3615	For Reg T extension requests other than New Issue Securities filed under code 015, the request shall be made between T+4 business days and T+35 calendar days		

Appendix B

REX System Testing and Implementation Timeline	
Week	Action
October 8, 2018	Batch connectivity testing will be available at https://filetransfer.ct.finra.org/
October 15 – November 23, 2018	Testing cycle begins for the reporting requirement under FINRA Rule 4230 and for both online and batch filers for Regulation T and SEA Rule 15c3-3 extension of time requests. During this testing cycle, firms must submit the complete Social Security number or tax ID for Reg T and SEA Rule 15c3-3 extension of time requests. During this testing timeframe, the “current validation identifiers” listed in Appendix A will be in effect.
November 29 – 30, 2018	Blackout period, extensions of time under Reg T and SEA Rule 15c3-3 will not be accepted.
December 3, 2018	Implementation date of online form enhancements and the ability to file SEA Rule 15c3-3(d)(4) extension of time requests via the batch process. Firms must submit the complete Social Security number or tax ID for Reg T and SEA Rule 15c3-3 extension of time requests until February 25, 2019.
December 3, 2018 – February 18, 2019	Testing Cycle continues for both online and batch filers for Regulation T and SEA Rule 15c3-3 extension of time requests. During this testing cycle, firms must submit the last four digits of a customer’s Social Security number or tax ID for Reg T and SEA Rule 15c3-3 extension of time requests. During this testing timeframe, the new validation identifiers listed in Appendix A will be in effect.
February 18, 2019	End of testing cycle for Regulation T and SEA Rule 15c3-3 extension of time requests.
February 25, 2019	Implementation date. Firms must submit the last four digits of a customer’s Social Security or tax ID number for Regulation T and SEA Rule 15c3-3 extension requests.