



Attn: Trading and Market Making/Legal and Compliance/Operations/Systems
UNIFORM PRACTICE ADVISORY (UPC #55-13) 12/19/2013
FINRA Ex-Date Announcements

FINRA is issuing this notice to remind members to observe FINRA's announcements of ex-dividend dates ("ex-date") on the Daily List for over-the-counter equity securities ("OTC equity securities"). FINRA Rule 11140 (Transactions in Securities "Ex-Dividend," "Ex-Rights" or "Ex-Warrants") under the Uniform Practice Code ("UPC") sets forth the methods FINRA uses in determining a corporate action's ex-date. The "ex-date" is the date on or after which a security is traded without the right to receive a dividend or distribution. Therefore, any purchaser of a security prior to the ex-date is entitled to receive the distribution, while purchases on or after the ex-date do not carry the right to receive the distribution.

Under FINRA rules, the method for determining the ex-date of a distribution varies depending upon several factors including, among others, the type of security (e.g., domestic, foreign ordinary or ADR) and the size of the distribution (i.e., greater than or equal to 25% vs. under 25% of the value of the subject security). Other circumstances, such as the timeliness of receipt of information by FINRA regarding a distribution, also can impact the timing of when the ex-date ultimately is announced on the Daily List, and in rare cases, a corporate action may be announced by FINRA without an ex-date.

Because multiple factors affect FINRA's determination of ex-dates, where members do not consult the Daily List for an ex-date declaration, erroneous conclusions regarding price adjustments and market confusion have resulted. Members, therefore, are cautioned to observe the ex-date announced by FINRA on the Daily List. The Daily List provides members with critical information, including the issuer name and symbol, amount of distribution, ex-date, record date, payable date and additional information, as applicable, and is available at: <http://www.otcbb.com/AllDailyList/>

Questions regarding this notice should be directed to: FINRA Operations - 1-866-776-0800.