

Interpretations of SEC Rules

FINRA Announces the Publication of Consolidated Interpretations of SEC Rules Governing Financial Responsibility, Customer Protection and Books and Records

Executive Summary

The purpose of this *Notice* is to advise FINRA member firms that FINRA has published a consolidated set of interpretations issued by SEC staff with respect to the following rules: SEA Rules 15c3-1, 15c3-2, 15c3-3, 15c3-4, 17a-3, 17a-4, 17a-5, 17a-11 and 17a-13. Historically, written and verbal SEC staff interpretations of these rules were published by the NYSE and/or NASD. Firms subject to these SEC rules were required to refer to both sets of interpretations and determine their applicability. Upon the consolidation of NASD and NYSE Regulation, FINRA staff reconciled the interpretations to create a single resource, now available on FINRA's Web site at www.finra.org/finops. Information about the interpretations is contained within this *Notice*.

Questions concerning this *Notice* should be directed to:

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Notice Type

- Guidance

Suggested Routing

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

Key Topics

- Books and Records
- Customer Protection
- Financial Reporting
- Net Capital

Referenced Rules & Notices

- SEA Rule 15c3-1
- SEA Rule 15c3-2
- SEA Rule 15c3-3
- SEA Rule 15c3-4
- SEA Rule 17a-3
- SEA Rule 17a-4
- SEA Rule 17a-5
- SEA Rule 17a-11
- SEA Rule 17a-13



Background & Discussion

SEC staff has issued—and continues to issue—written and verbal interpretations of various SEC rules. Both written and verbal SEC staff interpretations of these rules were historically published by the NYSE and/or NASD. Firms referred to their respective SRO's published interpretations and determined their applicability. Upon the consolidation of NASD and NYSE Regulation, FINRA staff reconciled the interpretations to create a single resource for firms.

The consolidated set of interpretations—published in the format historically used by the NYSE—is now available on the FINRA Web site at www.finra.org/finops. Interpretations are imbedded in the text of relevant rules and immediately follow the section of the rule that they interpret. The interpretations use a numbering convention of /## (e.g., /01 of SEA Rule 15c3-1(c)(2)(vii)) or in some cases /### (e.g., /021 of SEA Rule 15c3-1(c)(2)(iv)). The interpretations also retain the original date of publication or issuance and, if applicable, any subsequent publication or issuance date(s).

Firms may purchase a hard-copy, three-ring binder publication of the interpretations for a one-time fee of \$150. See www.finra.org/finops for ordering information. Please note that the \$150 per binder cost does not include a subscription to future updates via mail. Future interpretation updates will only be available online. Firms that wish to maintain a hard copy of the interpretations must manually download and print updates from www.finra.org/finops.

FINRA will notify firms of interpretation updates via *Regulatory Notices* and the Weekly Update email, distributed every Wednesday to Executive Representatives and individuals who have subscribed to FINRA's Regulatory Information and Updates opt-in email list.