

Regulatory Notice

14-12

SEC Financial Responsibility Rules

FINRA Announces Updates of the Interpretations of Financial and Operational Rules

Executive Summary

FINRA is updating the imbedded text of Securities Exchange Act (SEA) financial responsibility rules in the Interpretations of Financial and Operational Rules to reflect the effectiveness of amendments the SEC adopted.¹ The updated imbedded text relates to SEA Rules 15c3-1, 15c3-3, 15c3-3a, 17a-3 and 17a-4.

Questions concerning this *Notice* should be directed to:

- ▶ Yui Chan, Managing Director, Risk Oversight and Operational Regulation (ROOR), at (646) 315-8426; or
- ▶ Susan DeMando Scott, Associate Vice President, ROOR, at (240) 386-4620.

Background & Discussion

In July 2013, the SEC adopted amendments to the financial responsibility rules for broker-dealers. FINRA is updating the imbedded SEC rule text in the Interpretations of Financial and Operational Rules to reflect the amendments that became effective on March 3, 2014, pursuant to a temporary exemption granted by the SEC.² The updated imbedded text relates to SEA Rules 15c3-1, 15c3-3, 15c3-3a, 17a-3 and 17a-4. These rule text 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 including the newly amended sections of such rules. FINRA has previously updated the Interpretations of Financial and Operational Rules on its website in [Regulatory Notices 08-56](#), [13-44](#) and [14-06](#). FINRA will publish in a separate *Regulatory Notice* at a later date interpretation updates in connection with the amendments to the rules that became effective on March 3, 2014.

March 2014

Notice Type

- ▶ Guidance

Suggested Routing

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

Key Topics

- ▶ Books and Records
- ▶ Customer Protection
- ▶ Net Capital

Referenced Rules & Notices

- ▶ Regulatory Notice 08-56
- ▶ Regulatory Notice 13-44
- ▶ Regulatory Notice 14-06
- ▶ SEA Rule 15c3-1
- ▶ SEA Rule 15c3-3
- ▶ SEA Rule 15c3-3a
- ▶ SEA Rule 17a-3
- ▶ SEA Rule 17a-4

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 rule text 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	319	319
15c3-3	2001	2001
15c3-3	2021-2022	2021-2022
15c3-3	2041-2042	2041-2042
15c3-3	2102	2102
15c3-3	2124	2124
15c3-3	2141-2144	2141-2144
15c3-3	2201	2201
15c3-3	2221-2224	2221-2224
15c3-3	2241	2241
15c3-3	2301	2301
15c3-3	2331	2331
15c3-3	2341	2341
15c3-3	2401-2408	2401-2408
15c3-3	2421-2422	2421-2422
15c3-3	2431-2434	2431-2434
15c3-3	2451-2452	2451-2452
15c3-3	2461-2466	2461-2467
15c3-3	2501-2502	2501
15c3-3	2511	2511
15c3-3	2521	2521
15c3-3	2524	2524
15c3-3	2531-2532	2531
15c3-3	2551-2552	2551-2553

SEA Rule	Remove Old Pages	Add New Pages
15c3-3	2561	2561
15c3-3	2581-2582	2581-2582
15c3-3a	2601-2610	2601-2610
15c3-3a	NA	2615-2616
17a-3	3042	3042
17a-4	3102	3102
17a-4	3106	3106
17a-4	3112	3112

Endnotes

1. See Securities Exchange Act Release No. 70072 (July 30, 2013), 78 FR 51824 (August 21, 2013) (Financial Responsibility Rules for Broker-Dealers) (amending SEA Rules 15c3-1, 15c3-1a, 15c3-2, 15c3-3, 15c3-3a, 17a-3, 17a-4 and 17a-11). The SEC subsequently modified the effective date of specified amendments to the rules pursuant to an Exemptive Order. See Securities Exchange Act Release No. 70701 (October 17, 2013), 78 FR 62930 (October 22, 2013) (Order Providing Broker-Dealers a Temporary Exemption from the Requirements of Certain New Amendments to the Financial Responsibility Rules for Broker-Dealers under the Securities Exchange Act of 1934) (granting temporary exemption, until March 3, 2014, from the amendments to: SEA Rule 15c3-3, except paragraph (j)(1); SEA Rule 15c3-3a; SEA Rule 17a-3; SEA Rule 17a-4; and paragraph (c)(2)(iv)(E)(2) of SEA Rule 15c3-1).
2. See note 1.