

SEC Financial Responsibility Rules

FINRA Announces Update 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 are with respect to Securities Exchange Act (SEA) Rules 15c3-1 and 15c3-3.

Questions concerning this *Notice* should be directed to:

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Background & Discussion

FINRA is updating interpretations in the Interpretations of Financial and Operational Rules related to SEA Rules 15c3-1 and 15c3-3, as set forth below. Page references are to the hardcopy version. These interpretations are being updated with specific additions, revisions and rescissions.

The following interpretations have been **added**:

- ▶ SEA Rule 15c3-1(c)(1)(i)/02 (Indebtedness in the Proprietary Trading Account of a Broker-Dealer) on page 182
- ▶ SEA Rule 15c3-1(c)(2)(i)(G)/01 (Services Arrangement with a Parent or an Affiliate) on page 226
- ▶ SEA Rule 15c3-1(c)(2)(iv)(B)/16 (Deficits or Unsecured Balances in Securities Transactions with a Federal Reserve Bank) on page 283
- ▶ SEA Rule 15c3-1(c)(2)(iv)(C)/095 (Unsecured Receivables and Related Payables) on page 298

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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

- ▶ SEA Rule 15c3-1
- ▶ SEA Rule 15c3-3

- ▶ SEA Rule 15c3-1(c)(2)(viii)(C)/033 (Offsetting Sale Commitments in an Unregistered Offering) on page 653
- ▶ SEA Rule 15c3-1(e)/01 (Services Arrangement with a Parent or an Affiliate) on page 855
- ▶ SEA Rule 15c3-3(j)(2)(ii)(B)(3)(i)(C)/01 (Changing, Adding or Deleting Products Available Through a Sweep Program) on page 2467
- ▶ SEA Rule 15c3-3(Exhibit A - Note E(5))/02 (Exclusion of Omnibus Accounts from the Requirements of Note E(5)) on page 2606
- ▶ SEA Rule 15c3-3(Exhibit A - General)/012 (Netting a Customer's Account Balances when Preparing the Reserve Formula Computation under the Alternative Standard) on page 2622
- ▶ SEA Rule 15c3-3 (Exhibit A - Item 10)/10 (Term Debits in Customers' Accounts Collateralized by Securities Subject to Restrictions on Use) on page 2729

The following interpretations have been **revised**:

- ▶ SEA Rule 15c3-1(a)/01 (Additional Net Capital Requirement) on page 1
- ▶ SEA Rule 15c3-1(c)(1)/11 (Accrued Liability for Concessions or Commissions Payable) on page 153
- ▶ SEA Rule 15c3-1(c)(2)(iv)(C)/091 (Concessions Receivable from Individual Variable Annuities are Allowable for 30 Days; from Group Variable Annuities an Offset is Permitted) on page 296
- ▶ SEA Rule 15c3-1(c)(2)(viii)(C)/032 (Offsetting Sale Commitments in a Registered Offering) on page 653
- ▶ SEA Rule 15c3-3(a)(1)/01 (Customer/Non-Customer Classification) on page 2003
- ▶ SEA Rule 15c3-3 (Exhibit A - Item 10)/07 (Debit Balances in Customers' Accounts Collateralized by Control or Restricted Securities) on page 2728

The following interpretations have been **rescinded**:

- ▶ SEA Rule 15c3-1(c)(2)(iv)(C)/09 (Commissions or Concessions Receivable versus Commissions or Concessions Payable) on page 296
- ▶ SEA Rule 15c3-3(Exhibit A - Item 11)/041 (Federal Reserve Bank as a Non-Customer) on page 2744

The rule text update is available in portable digital format (pdf) on FINRA's [Interpretations of Financial and Operational Rules](#) page.

FINRA member firms and others that maintain the hardcopy version of the Interpretations of Financial and Operational Rules may refer to the accompanying [updated page](#), containing the update, which is 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 page(s) are as follows:

SEA Rule	Remove Old Pages	Add New Pages
15c3-1	1	1
15c3-1	153	153
15c3-1	158	158
15c3-1	181-182	180-182
15c3-1	225	225-226
15c3-1	283	283
15c3-1	296-298	296-298
15c3-1	653-654	653-654
15c3-1	854	854-855
15c3-3	2003	2003
15c3-3	2467	2467
15c3-3	2606	2606
15c3-3	2622-2623	2622-2623
15c3-3	2727-2729	2727-2729
15c3-3	2744	2744

Further, the SEC staff continues to communicate and issue written and oral interpretations of the financial responsibility and reporting rules. FINRA will update the Interpretations of Financial and Operational Rules on its website as these written and oral interpretations are issued.