FINRA Regulatory notices: Auction Transactions and Supplemental Statement of Income

Friday, January 18, 2019

FINRA Issues Notice Related to Reporting Requirements for Auction Transactions

On January 9, the Financial Industry Regulatory Authority issued a Notice to remind its members that they should not report auction transactions in US Treasury securities—including auction awards to either direct or indirect bidders—to the Trade Reporting and Compliance Engine (TRACE), as these transactions are excluded from the TRACE reporting requirements under FINRA Rule 6730(e)(8). Similarly, the delivery of securities after the auction by a FINRA member to the indirect bidder that represents an auction award also should not be reported to TRACE. FINRA advises that members that have erroneously reported such auction transactions must promptly cancel or reverse those transactions reports.

Katten
KattenMuchinRosenman LLP

Article By   Leonard M. Licht
Michael T. Foley
Katten Muchin Rosenman LLP
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FINRA Issues Regulatory Notice Regarding Updates to Supplemental Statement of Income

On January 8, the Financial Industry Regulatory Authority issued a Notice advising its members of updates to the Supplemental Statement of Income (SSOI). The updates are designed to conform with amendments adopted by the Securities and Exchange Commission that simplify and update certain FOCUS reporting requirements applicable to broker-dealers. Pursuant to FINRA Rule 4524, the SSOI must be filed by all FINRA members to supplement the FOCUS Report. The SSOI must be filed within 20 business days at the end of each calendar quarter. The updated SSOI applies beginning with all SSOI filings that report on the period January 1 through March 31, and are due by April 26.

The Notice is available here.

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