

FINRA (and selected SEC) regulatory matters at a glance – What compliance officers need to know

FINRA notices, rule filings and guidance and selected SEC materials for January 2021

By Glen Barrentine

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<u>Items of Note</u>	<u>FINRA Regulatory Notices</u>	<u>Other FINRA Notices</u>
<u>FINRA Rule Filings</u>	<u>SEC Rule Filings</u>	<u>FINRA Guidance</u>
<u>No Action Letters</u>	<u>Selected Enforcement and Litigation</u>	<u>Other matters of interest</u>

Chart color key	Action may be required (does not include continuing education items)	Administrative	Arbitration	Continuing education	No action needed
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Item	Subject matter	Heading	Relevant rule*	Comments	Relevant date	Impact on member
<u>This month's item(s) of note</u>						
SR-FINRA-2019-008 34-90939	Underwriting	Order Setting Aside Action by Delegated Authority and Approving a Proposed Rule Change, as Modified by Amendment No. 2, to Establish a Corporate Bond New Issue	FINRA Rule 5110 (Corporate Financing Rule – Underwriter Terms and Arrangements)	The Order approves changes to FINRA Rule 5110 (Corporate Financing Rule – Underwriter Terms and Arrangements), which require underwriters to report a number of data elements for	Effective Date: TBA	Underwriters should consider changes to their procedures to ensure timely reporting of the new data elements.

* Other rules may also apply

Item	Subject matter	Heading	Relevant rule*	Comments	Relevant date	Impact on member
		Reference Data Service		new issues in corporate debt securities, which FINRA would disseminate to the public. These changes were previously approved, more than a year ago, pursuant to delegated authority by the Division of Trading and Markets. As a result of a filing of a petition for review, however, the Commission conducted a de novo review, which resulted in this approval order.		

FINRA Regulatory Notices

Regulatory Notice 21-01	Fees Registration	Final Statements for Broker-Dealers, Investment Adviser Firms, Agents and Investment Adviser Representatives, and Branches	Not Applicable	This Notice is provided to help firms review, reconcile and respond to Final Statements in E-Bill and view the reports available in CRD/IARD for the annual registration renewal process.	Payment Deadline: January 22, 2021	Member firms should comply with the payment deadline.
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Other FINRA Notices

None

FINRA Rule Filings

SR-FINRA-2019-008	Underwriting	Order Setting Aside Action by Delegated	FINRA Rule 5110 (Corporate Financing Rule –	The Order approves changes to FINRA Rule	Effective Date:	Underwriters should consider changes to
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* Other rules may also apply

Item	Subject matter	Heading	Relevant rule*	Comments	Relevant date	Impact on member
34-90939		Authority and Approving a Proposed Rule Change, as Modified by Amendment No. 2, to Establish a Corporate Bond New Issue Reference Data Service	Underwriter Terms and Arrangements)	5110 (Corporate Financing Rule – Underwriter Terms and Arrangements), which require underwriters to report a number of data elements for new issues in corporate debt securities, which FINRA would disseminate to the public. These changes were previously approved, more than a year ago, pursuant to delegated authority by the Division of Trading and Markets. As a result of a filing of a petition for review, however, the Commission conducted a de novo review, which resulted in this approval order.	TBA	their procedures to ensure timely reporting of the new data elements.
SR-FINRA-2021-001 34-90887	Consolidated Audit Trail (CAT) Trade Reporting	Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the FINRA Rule 6800 Series (Consolidated Audit Trail Compliance Rule) Relating to Allocation Reporting Requirements	FINRA Series 6800 (Consolidated Audit Trail Compliance Rule)	The proposed Notice approves amendments that would allow an alternative to the allocation reporting otherwise required under the CAT rule.	Effective Date: February 3, 2021 (thirty days from the January 4, 2021 filing date).	CAT reporting firms that wish to take advantage of the alternative allocation reporting requirements should revise their procedures or systems accordingly.

* Other rules may also apply

Item	Subject matter	Heading	Relevant rule*	Comments	Relevant date	Impact on member
SR-FINRA-2020-046 34-90852	Margin TBOs CMOs Specified Pool Transactions	Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Extend the Implementation Date of Certain Amendments to FINRA Rule 4210 Approved Pursuant to SR-FINRA-2015-036	FINRA Rule 4210 (Margin Requirements)	The Notice extends the implementation date of certain margin requirements relating to TBAs, CMOs, and specified pool transactions for an additional six months to October 26, 2021.	Extended Date: October 26, 2021	None The filing extends the implementation date for certain margin requirements for an additional six months.

Relevant SEC Rule Filings

None

FINRA Guidance

[COVID-19 Guidance and Relief](#)

Firms are urged to monitor updates to the guidance and relief set forth on [FINRA's COVID-19 Page](#).

SEC Guidance

[COVID-19 Guidance and Relief](#)

Firms are urged to monitor updates to the guidance and relief set forth on the [SEC's COVID-19 page](#).

No Action Letters of particular relevance to Broker-Dealers

None

Other matters of interest including materials from the SEC's Division of Examinations and other SEC press releases, SEC public statements, and FINRA press releases

None

* Other rules may also apply

Information about this chart

The information set forth herein is for general informational purposes only and is not meant as a full analysis of any particular matter and should not be relied upon as legal advice regarding any factual situation.



About Glen Barrentine

Glen Barrentine has extensive experience involving regulatory, compliance and enforcement issues affecting financial service companies, particularly broker-dealers, investment advisers, municipal advisors, and securities exchanges.

Glen frequently represents and advises clients in connection with SEC and FINRA enforcement proceedings and other regulatory inquiries, such as inspections and examinations, as well as on transactions involving the purchase, sale or restructuring of financial service companies. Glen also provides clients with counseling and advice across the full range of regulatory and compliance issues arising under the rule sets issued by the SEC, FinCEN, FINRA and the various securities exchanges, e.g., the NYSE.

Particular areas of focus include insider trading, registration and membership, anti-money laundering, broker-dealer net capital requirements, sales practices, research, trading and trade reporting, Rule 15a-6 and cross border activities by foreign broker-dealers, pay to play restrictions, supervision, and soft dollars. Other areas of focus include the preparation of supervisory and compliance procedures and drafting and negotiating clearing, account, prime brokerage, and other industry agreements.

Glen was previously a member of the Board of Directors of the National Society of Compliance Professionals (NSCP), the largest organization in the US devoted exclusively to compliance in the financial services industries. He currently hosts NSCP's monthly Broker-Dealer Forum and previously chaired the NSCP's Governance Committee and Investment Advisers Forum.

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