



# T+1: SEC Rule 15c6-2 & IA 204-2

**PRESENTED BY**

SIFMA

# Rule 15c6-2

The Commission modified proposed Rule 15c6-2 to enable a broker-dealer either to (1) enter into written agreements or (2) establish, maintain, and enforce reasonably designed written policies and procedures to ensure completion of the allocation, confirmation, affirmation, or any combination thereof, for a transaction as soon as technologically practicable and no later than the end of the day on trade date, in such form as necessary to achieve settlement.

# 15c6-2 Elements

Policies and procedures should be reasonably designed to:

**First, (b)(1):** identify and describe any technology systems, operations, and processes that the broker-dealer uses to coordinate with other relevant parties, including investment advisers and custodians, to ensure completion of the allocation, confirmation, or affirmation process for the transaction.

**Second, (b)(2):** set target time frames on trade date for completing the allocation, confirmation, and affirmation for the transaction.

**Third, (b)(3):** describe the procedures that the broker-dealer will follow to ensure the prompt communication of trade information, investigate any discrepancies in trade information, and adjust trade information to help ensure that the allocation, confirmation, and affirmation can be completed by the target time frames on trade date.

**Fourth, (b)(4):** describe how the broker-dealer plans to identify and address delays if another party, including an investment adviser or a custodian, is not promptly completing the allocation or affirmation for the transaction, or if the broker-dealer experiences delays in promptly completing the confirmation.

**Fifth, (b)(5):** measure, monitor, and document the rates of allocations, confirmations, and affirmations completed within the target time frames established under [] (b)(2) of the rule, as well as the rates of allocations, confirmations, and affirmations completed as soon as technologically practicable and no later than the end of trade date.

# IA Rule 204-2 “Record Keeping Requirement”

17 CFR 275.204-2 (“Rule 204-2”) under the Investment Advisers Act of 1940 (“Advisers Act”) requires registered investment advisers to make and keep records of the allocations, confirmations, and affirmations for securities transactions subject to the requirements of Rule 15c6-2(a).

Under section 204 of the Advisers Act, investment advisers registered or required to register with the Commission under section 203 of the Advisers Act must make and keep for prescribed periods such records (as defined in section 3(a)(37) of the Exchange Act), furnish copies thereof, and make and disseminate such reports as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Rule 204-2 sets forth the requirements for maintaining and preserving specified books and records.

The final amendments to Rule 204-2 apply the new recordkeeping requirements to all registered advisers for any transaction that is subject to the requirements of Rule 15c6-2(a).