



DIVISION OF
TRADING AND MARKETS

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

January 27, 2017

Ms. Kris Dailey
Vice President, Risk Oversight & Operational Regulation
Financial Industry Regulatory Authority ("FINRA")
One World Financial Center
200 Liberty Street
New York, NY 10281

Re: Simplified Process for Electronic Filing of Broker-Dealer Annual Reports with the
Securities and Exchange Commission ("Commission")

Dear Ms. Dailey:

In a letter to you dated December 21, 2015 ("December 21, 2015 Letter"), the staff of the Division of Trading and Markets stated that the staff will not recommend enforcement action to the Commission if a broker-dealer or over-the-counter ("OTC") derivatives dealer files the annual and supplemental reports required under Rule 17a-5 (17 CFR 240.17a-5) or Rule 17a-12 (17 CFR 240.17a-12), respectively, electronically through the Commission's Electronic Data Gathering, Analysis and Retrieval system ("EDGAR") system in accordance with the instructions and conditions contained in attachments to the letter in lieu of filing the reports with the Commission in paper form.

A number of broker-dealers have filed reports with the Commission electronically in accordance with the no-action letter. However, filers commented that the process was complicated and time-consuming because it required that broker-dealers upload each of the components of the annual reports (for example, the statement of financial condition, the statement of income, and the statement of cash flows) as a separate attachment.

In response, the EDGAR system has been updated to simplify the electronic filing process to require at most two attachments. Briefly, under the new process, a broker-dealer filing its reports under paragraph (d) of Rule 17a-5 electronically on EDGAR could file in one of two ways:

- (1) The broker-dealer could attach one document containing all of the annual reports as a public document; or

- (2) The broker-dealer could attach two documents to its submission: a public document containing the statement of financial condition, the notes to the statement of financial condition, and the accountant's report which covers the statement of financial condition; and a non-public document containing all of the components of the annual reports.

Detailed instructions for filing broker-dealer annual reports under paragraph (d) of Rule 17a-5 with the Commission electronically, including instructions for using the new process, as well as instructions for obtaining EDGAR access credentials, are available on the Commission's website.

Accordingly, the staff will not recommend enforcement action to the Commission under Rule 17a-5 or Rule 17a-12 if a broker-dealer or OTC derivatives dealer files the annual and supplemental reports required under those rules electronically through the EDGAR system in accordance with the instructions and conditions contained on the Commission's website in lieu of filing them with the Commission in paper form.¹

This is a staff position with respect to enforcement only and does not purport to express any legal conclusions regarding the application of the federal securities laws. This position is subject to modification or revocation if at any time the Commission or the staff determines that such action is necessary or appropriate in furtherance of the purposes of the federal securities laws.

Sincerely,



Michael A. Macchiaroli
Associate Director
Division of Trading and Markets

¹ This letter replaces the December 21, 2015 Letter, which is withdrawn.