



DIVISION OF  
TRADING AND MARKETS

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

October 29, 2018

Ms. Ann Duguid, Senior Director  
Financial Industry Regulatory Authority  
Brookfield Place  
200 Liberty Street – 9th Floor  
New York, New York 10281

Re: Implementation of Effective Date of Disclosure Update and Simplification  
Adopting Release for Broker-Dealer Reports

Dear Ms. Duguid:

On August 17, 2018, the U.S. Securities and Exchange Commission (“Commission”) adopted Securities Act Release No. 33-10532, Disclosure Update and Simplification, which included amendments regarding the reporting of extraordinary gains or losses, the cumulative effect of changes in accounting principles, and comprehensive income on the annual reports required by paragraph (d) of Securities Exchange Act Rule 17a-5 (17 CFR § 240.17a-5) (“Rule 17a-5”) and Parts II, IIA, and IIB of Form X-17A-5 (the “FOCUS Report(s)”). The amendments will become effective for all filings made on or after November 5, 2018.

In light of the timing of effectiveness of the amendments and time needed to modify reporting systems to reflect changes to the FOCUS Reports, the staff will not recommend enforcement action to the Commission if a broker-dealer continues to file the FOCUS Report and the Rule 17a-5 annual report as required prior to these amendments when reporting for periods ending on or before December 31, 2018. Therefore, this staff no-action position is not applicable to FOCUS Reports and annual reports covering reporting periods ending after December 31, 2018.

This staff position is based strictly on the facts in this letter, and any different facts or representations might require a different staff position. The statements in this letter represent the views of the staff and are subject to modification or revocation at any time. Furthermore, this letter expresses the staff’s position on enforcement action only and does not purport to express any legal conclusions on the questions presented. The staff expresses no view with respect to any other questions, including the applicability of any other federal or state laws, or self-regulatory organization rules.

If you have any questions regarding this letter, please contact Thomas McGowan at (202) 551-5521, Valentina Minak Deng at (202) 551-5778, or me at (202) 551-5525.

Sincerely,

Michael A. Macchiaroli, Associate Director  
Division of Trading and Markets