

Division of Trading and Markets

The Division of Trading and Markets assists the Commission in executing its responsibility for maintaining fair, orderly, and efficient markets. The staff of the Division provide day-to-day oversight of the major securities market participants: the securities exchanges; securities firms; self-regulatory organizations (SROs) including the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rulemaking Board (MSRB), clearing agencies that help facilitate trade settlement; transfer agents (parties that maintain records of securities owners); securities information processors; and credit rating agencies.

The Division also oversees the Securities Investor Protection Corporation (SIPC), which is a private, non-profit corporation that insures the securities and cash in the customer accounts of member brokerage firms against the failure of those firms. It is important to remember that SIPC insurance does not cover investor losses arising from market declines or fraud.

The Division's additional responsibilities include:

- carrying out the Commission's financial integrity program for broker-dealers;
- reviewing (and in some cases approving, under authority delegated from the Commission) proposed new rules and proposed changes to existing rules filed by the SROs;
- assisting the Commission in establishing rules and issuing interpretations on matters affecting the operation of the securities markets; and
- surveilling the markets.

Division of Investment Management

The Division of Investment Management assists the Commission in executing its responsibility for investor protection and for promoting capital formation through oversight and regulation of America's \$26 trillion investment management industry. This important part of the U.S. capital markets includes mutual funds and the professional fund managers who advise them; analysts who research individual assets and asset classes; and investment advisers to individual customers. Because of the high concentration of individual investors in the mutual funds, exchange-traded funds, and other investments that fall within the Division's purview, the Division of Investment Management is focused on ensuring that disclosures about these investments are useful to retail customers, and that the regulatory costs which consumers must bear are not excessive.

The Division's additional responsibilities include:

- assisting the Commission in interpreting laws and regulations for the public and SEC inspection and enforcement staff;

- responding to no-action requests and requests for exemptive relief;
- reviewing investment company and investment adviser filings;
- assisting the Commission in enforcement matters involving investment companies and advisers; and
- advising the Commission on adapting SEC rules to new circumstances.