
FINRA Seeks to Harmonize Financial Responsibility and Operational Rules

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The Financial Industry Regulatory Authority ("FINRA") recently released Regulatory Notice 09-03 ("Notice"), which contains a proposal for a single set of financial responsibility and related operational rules for the Consolidated FINRA Rulebook. As summarized below, the proposed rules are not expected to impact significantly those firms operating today under the Incorporated New York Stock Exchange ("NYSE") rules. For the non-NYSE firms, however, the Notice includes a number of proposed changes that would add to their existing regulatory requirements under the National Association of Securities Dealers ("NASD") rules. The comment period for the proposed rules expires **February 20, 2009**.

As currently proposed, FINRA Rule 4150 would require that prior written notice be given to FINRA whenever a member firm guarantees, endorses or assumes the obligations or liabilities of another person or receives flow-through capital benefits in accordance with Appendix C of the Securities Exchange Act of 1934 ("SEA") Rule 15c3-1; Rule 4311 would set forth the requirements applicable to member firms when entering into agreements for the carrying of customer accounts; Rule 4522 would impose certain requirements relating to periodic security counts, verifications and comparisons; and Rule 4523 would ensure the accuracy of each member firm's books and records and include supervisory measures for their implementation.

To see a summary of the proposed rules with a chart comparing the proposed rules to the existing requirements, [click here](#).

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