

MEMO# 25662

November 23, 2011

Compliance With the New Large Trader Reporting Rules

[25662]

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TO: SEC RULES MEMBERS No. 136-11

COMPLIANCE MEMBERS No. 44-11

EQUITY MARKETS ADVISORY COMMITTEE No. 65-11 RE: COMPLIANCE WITH THE NEW LARGE TRADER REPORTING RULES

As you know, Rule 13h-1 under the Securities Exchange Act of 1934, which establishes a new reporting system and filing requirements for “large traders” and their broker-dealers, became effective on October 3, 2011. Large traders, as defined in the rule, generally must identify themselves to the SEC by December 1, 2011 on Form 13H.

Several members have asked whether the SEC will issue “frequently asked questions” on the rule. We do not expect the SEC to do so prior to December 1. The Investment Advisers Association, however, has compiled a set of FAQs for the benefit of their members that relate specifically to reporting by investment advisers and subadvisers. ICI members that are also members of the IAA are encouraged to contact the IAA for those FAQs.

Separately, the Commodity Futures Trading Commission’s Division of Market Oversight (Division) issued a letter yesterday to market participants requiring compliance with its new large trader reporting system for physical commodity swaps and swaptions. [\[1\]](#) The Division has provided a temporary and conditional safe harbor for less than fully compliant reporting as it launches its XML-based large trader reporting system for swaps. The Division explained that because this is the first time that swaps data is being collected on a systematic basis, this temporary relief is intended to provide sufficient time for the industry and the CFTC to transition to fully compliant reporting by March 20, 2012. Parties relying on the safe harbor must also submit an e-mail to the Division for its review that includes information on arrangements being made to come into full compliance with the rules, as well as the expected date of such compliance.

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endnotes

[1] See http://www.cftc.gov/ucm/groups/public/@newsroom/documents/file/relief_letter_111811.pdf

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