

MEMO# 23820

September 29, 2009

FINRA Proposes To Require Settlement Dates On Confirmations; Comments on ICI Draft Letter Requested by Oct. 7th

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TO: OPERATIONS COMMITTEE No. 19-09
BROKER/DEALER ADVISORY COMMITTEE No. 53-09
TRANSFER AGENT ADVISORY COMMITTEE No. 72-09
BANK, TRUST AND RECORDKEEPER ADVISORY COMMITTEE No. 44-09
ACCOUNTING/TREASURERS COMMITTEE No. 18-09 RE: FINRA PROPOSES TO REQUIRE
SETTLEMENT DATES ON CONFIRMATIONS; COMMENTS ON ICI DRAFT LETTER REQUESTED
BY OCT. 7TH

As part of its continuing rule consolidation project, FINRA has filed with the Securities and Exchange Commission a proposal to combine NASD Rule 2230 and NYSE Rule 409, relating to confirmations, into a new FINRA Rule 2232. [*](#) The new rule would require confirmations to be consistent with the requirements of Rule 10b-10 under the Securities Exchange Act of 1934. It would additionally require all confirmations to include the “settlement date” of the transaction. While this has never been required under FINRA’s rules, it has long been required under the NYSE’s rule.

Attached is a draft of a comment letter the Institute plans to submit opposing requiring the settlement date on confirmations for mutual fund transactions. Our letter notes that, while such information may be relevant for dividend purposes in connection with stock and bond transactions, it has no relevance for mutual fund shareholders. As such, it would be meaningless information to a mutual fund shareholder. And yet, it would have a very meaningful financial impact on FINRA members that effect mutual fund transactions due to all the systems changes they would need to make to capture, maintain, and report this

information.

For these reasons, the Institute strongly recommends that proposed Rule 2232 expressly exclude transactions in mutual funds from the requirement to include the settlement date on the transaction confirmation.

Comments are due to the SEC on FINRA's proposal by October 12th. Please provide the undersigned with any comments you have on the attached letter no later than Wednesday, October 7th. Comments may be provided by email (tamara@ici.org) or by phone (202-326-5825).

Tamara K. Salmon
Senior Associate Counsel

[Attachment](#)

endnotes

* See <http://www.sec.gov/rules/sro/finra/2009/34-60669.pdf>.

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