

**MEMO# 31744**

May 2, 2019

## **SEC Delays Compliance Date For Certain Order Handling Disclosure Rules**

[31744]

May 2, 2019 TO: Equity Markets Advisory Committee RE: SEC Delays Compliance Date For Certain Order Handling Disclosure Rules

Last fall, the Securities and Exchange Commission (SEC) amended its order handling disclosure rules to provide more meaningful information to market participants.<sup>[1]</sup> The new rules will require broker-dealers to make more detailed disclosures about their order handling practices generally. They also will require a broker-dealer to make standardized, comprehensive disclosures about its handling of an institutional investor's not-held orders at that investor's request.<sup>[2]</sup> Other provisions of the rules will require market centers to make certain execution information freely available on a public website for three years.<sup>[3]</sup>

Compliance with the new rules was scheduled to begin on May 20, 2019. The SEC, however, recently delayed the compliance date for the requirements pertaining to broker-dealer order handling information, including the customer-specific order handling disclosures, to October 1, 2019.<sup>[4]</sup> The SEC explained that the extended compliance date will provide broker-dealers with adequate time to implement fully the systems and other changes necessary to comply with the new rules. May 20, 2019 remains the compliance date for other provisions of the new rules, e.g., the disclosures required by market centers.

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### **endnotes**

<sup>[1]</sup> Disclosure of Order Handling Information, Securities Exchange Act Release No. 84528 (November 2, 2018), *available at* <https://www.sec.gov/rules/final/2018/34-84528.pdf> and 83 Fed. Reg. at 58388 (November 19, 2018), *available at* <https://www.gpo.gov/fdsys/pkg/FR-2018-11-19/pdf/2018-24423.pdf>. For a summary of the rules, see ICI Memorandum No. 31488 (November 19, 2018), *available at* [https://www.ici.org/my\\_ici/memorandum/memo31488](https://www.ici.org/my_ici/memorandum/memo31488).

[2] See Rule 606 under Regulation NMS, 17 CFR §242.606.

[3] See Rule 605 under Regulation NMS, 17 CFR §242.605.

[4] Disclosure of Order Handling Information, Securities Exchange Act Release No. 85714 (April 24, 2019), *available at* <https://www.sec.gov/rules/final/2019/34-85714.pdf> and 84 Fed. Reg. at 18136 (April 30, 2019), *available at* <https://www.govinfo.gov/content/pkg/FR-2019-04-30/pdf/2019-08675.pdf>.

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