

KEY REGULATIONS SUMMARY 2022



Introduction

In this guide, we put together a summary of 2022 key regulatory issues—divided into approved, proposed and need to keep watch of—to help you navigate the changing regulatory environment.

Approved Regulations

APPROVED REGULATIONS	RULE SUMMARY
Shortening the settlement cycle to T+1	<p>On February 15, 2023, at an open meeting, the SEC approved the rule change that would shorten the settlement cycle to T+1. In its February 9, 2022 proposing release, the SEC had contemplated a transition date of March 24, 2024 or sooner. The industry suggested September 3, 2024, to take advantage of the three-day Labor Day weekend, since both the U.S. and Canadian markets will be closed. At its open meeting, the SEC approved a transition date of May 28, 2024, which follows the Memorial Day weekend in the U.S. while at the same time meeting the SEC’s goal of implementing the change as soon as possible. Mediant has an internal working group that is monitoring the progress of this huge initiative. We also continue to prepare and address impacted services such as post sale and account reporting.</p> <p>Adopting Release, SEC Fact Sheet</p>
10b5-1 Plans Amendments	<p>On December 14, 2022, the SEC adopted several amendments and new disclosure requirements intended to address what it perceived may be abusive practices relating to Rule 10b5-1 trading plans, certain equity awards and gifts of securities. Significant new provisions include “cooling-off” periods delaying the first trades after a plan is adopted or amended; limitations on the number of Rule 10b5-1 plans an insider may have and on single-trade arrangements; and new required disclosures by issuers about Rule 10b5-1 plans, insider trading policies and option grant practices.</p> <p>The amendments do not address issuer Rule 10b5-1 plans for share repurchases. The SEC proposed rules on issuer share repurchases in December 2021, and final rules on this matter are expected to be adopted in 2023.</p> <p>What this means for you: These rule changes impact public companies and their insiders, but brokers who service such clients will want to be aware of the changes.</p> <p>Adopting Release, SEC Fact Sheet</p>
Tailored Shareholder Reports	<p>On October 26, 2022, the SEC adopted rule and form amendments to require mutual funds and ETFs to transmit concise and visually engaging shareholder reports. In addition, the amendments alter investment company advertising rules to require that fee and expense presentations in registered investment company and business development company advertisements and sales literature be consistent with relevant prospectus fee table presentations and reasonably current. The amendments also address representations of fees and expenses that could be materially misleading.</p>

APPROVED REGULATIONS	RULE SUMMARY <i>(continued)</i>
	<p>The SEC is providing an 18-month transition period after the effective date of the amendments to allow mutual funds and ETFs adequate time to adjust their shareholder reports and transmission practices, as well as comply with the new advertising requirements. The compliance date is July 24, 2024, although the provisions regarding misleading representation of fees and expenses are effective January 24, 2023.</p> <p>What this means for you: Fund companies need to produce shareholder reports that are specific to each share class of a fund and be as short as three or four pages. The instructions encourage the use of graphic and text features to make the reports more engaging. Additional information that may be more relevant to financial professionals must be available online on Form N-CSR, and available for delivery free of charge to investors on request. Rule 30e-3 will no longer be available to these funds, so the concise report must be mailed to shareholders, or delivered electronically to those who have consented to e-delivery.</p> <p>Adopting Release, SEC Fact Sheet</p>
<p>SEC rules requiring enhanced reporting of proxy votes by funds and of executive compensation votes by institutional investment managers (Form N-PX)</p>	<p>On November 2, 2022, the SEC adopted amendments to Form N-PX to enhance the information mutual funds, exchange-traded funds (“ETFs”), and certain other registered funds report about their proxy votes. The amendments make funds’ proxy voting records more usable and easier to analyze, improving investors’ ability to monitor how their funds vote and compare different funds’ voting records. Additionally, Form N-PX is structured into a machine-readable format.</p> <p>Institutional investment managers must disclose how they voted on executive compensation, or so-called “say-on-pay” matters, which fulfills one of the remaining rulemaking mandates under the Dodd-Frank Act.</p> <p>What this means for you: To enhance proxy vote reporting, the amendments require funds and managers to categorize each matter by type and, where a form of proxy or “proxy card” subject to the Commission’s proxy rules is available, tie the description and order of voting matters to the issuer’s form of proxy to help investors identify votes of interest and compare voting records. Funds and managers are also required to disclose the number of shares that were voted or instructed to be voted, as well as the number of shares loaned and not recalled and thus not voted. The new rules and form amendments will be effective for votes occurring on or after July 1, 2024.</p> <p>Adopting Release, SEC Fact Sheet</p>

APPROVED REGULATIONS	RULE SUMMARY <i>(continued)</i>
<p>Amendments to modernize the electronic recordkeeping requirements for broker-dealers</p>	<p>On October 12, 2022, the SEC adopted amendments to the electronic recordkeeping, prompt production of records, and third-party recordkeeping service requirements applicable to broker-dealers, security-based swap dealers (“SBSDs”), and major security-based swap participants (“MSBSPs”). The amendments will facilitate SEC examinations of these entities and add an audit-trail alternative under which electronic records can be preserved in a manner that permits the re-creation of an original record if it is altered, over-written, or erased.</p> <p>What this means for you: The audit-trail alternative is designed to provide broker-dealers with greater flexibility in configuring their electronic recordkeeping systems so they more closely align with current electronic recordkeeping practices while also protecting the authenticity and reliability of original records. The amendments apply the same requirements to non-bank SBSDs and MSBSPs. They also require broker-dealers and all types of SBSDs and MSBSPs to produce electronic records to securities regulators in a reasonably usable electronic format.</p> <p>Broker-dealers must comply by May 3, 2023 and November 3, 2023 for swap dealers and major participants.</p> <p>Adopting Release, SEC Fact Sheet</p>
<p>Amendments to rules governing proxy voting advice</p>	<p>On July 13, 2022, the SEC announced adoption of amendments to its rules governing proxy voting advice proposed in November 2021. The final amendments rescind revisions made to two rules applicable to proxy voting advice businesses that the SEC adopted in 2020, including changes made to the proxy rules’ liability provision, and rescinded certain guidance the Commission issued to investment advisers about their proxy voting obligations. Specifically, the final amendments rescind conditions to the availability of two exemptions from the proxy rules’ information and filing requirements on which proxy voting advice businesses often rely. Those conditions required that: (1) registrants that are the subject of proxy voting advice have such advice made available to them in a timely manner; and (2) clients of proxy voting advice businesses are provided with a means of becoming aware of any written responses by registrants to proxy voting advice. The amendments also address misperceptions about liability standards applicable to proxy voting advice.</p> <p>The amendments and the rescission of the guidance are effective September 19, 2022.</p> <p>Note that ongoing litigation is challenging the SEC’s actions on the grounds that it did not follow required procedures in rescinding the prior rulemaking.</p> <p>Adopting Release, SEC Fact Sheet</p>

APPROVED REGULATIONS	RULE SUMMARY <i>(continued)</i>
<p>FINRA amendment to Rule 2231 (Customer Account Statements)</p>	<p>Approved in June 2022, these amendments add supplementary material on carrying agreements, transmission of statements to other persons, the use of e-delivery, on holding customer mail, and incorporate certain provisions from the legacy NYSE rule on customer statements. The changes will be effective on a date to be announced by FINRA.</p> <p>What this means for you: FINRA-only brokers will want to be mindful of the need to ascertain whether the updated FINRA rule will require that they make any changes to their customer account statements.</p> <p>SEC Approval Release</p>
<p>Amendments to TRACE rules</p>	<p>In 2022, the SEC approved of a variety of amendments to FINRA’s rules for its Trade Reporting and Compliance Engine (TRACE):</p> <p>On March 4, 2022, two TRACE amendments were approved. One requires members to append a modifier to a corporate bond trade that is part of a larger portfolio trade. The other involves TRACE reporting of a delayed Treasury spot trade, which is a transaction in a corporate bond that occurs on the basis of a spread to a benchmark U.S. Treasury security, where the agreed upon spread is later converted to a U.S. dollar price by “spotting” the benchmark U.S. Treasury security at a designated time.</p> <p>SEC Order and Release</p> <p>See also FINRA Regulatory Notice 22-12.</p> <p>On August 10, 2022, the SEC approved an amendment to the TRACE rules to require members to report to TRACE transactions in U.S. dollar-denominated foreign sovereign debt securities for regulatory purposes. (The TRACE rule had previously excluded any debt security issued by a foreign sovereign.)</p> <p>SEC Approval Order</p> <p>On August 30, 2022, the SEC approved TRACE rule amendments that: 1) require members to report electronically to TRACE the timestamp for executed transactions in U.S. Treasury securities in the finest increment captured by the system used to execute the transaction, subject to an exception for members with limited trading volume in U.S. Treasury securities; and 2) reduce the trade reporting timeframe for transactions in U.S. Treasury securities to generally require reporting to TRACE as soon as practicable but no later than 60 minutes. FINRA members began reporting information on transactions in U.S. Treasury securities to TRACE on July 10, 2017. Since then, FINRA has studied the information reported and has considered, in consultation with the U.S. Treasury Department, potential ways to enhance the quality and availability of the data for FINRA and the government.</p> <p>What this means for you: Firms engaging in the kinds of trades covered by the above FINRA changes should be mindful of the need to comply with these amendments to TRACE reporting.</p> <p>SEC Order and Release</p>

APPROVED REGULATIONS	RULE SUMMARY <i>(continued)</i>
<p>FINRA continues to allow remote inspections</p>	<p>On November 4, 2022, the SEC approved extending, through calendar 2023, FINRA’s temporary relief allowing firms to conduct remote inspections. This relief is intended to alleviate the ongoing operational challenges resulting from the COVID-19 pandemic that many member firms may continue to face in planning for and timely conducting the on-site inspection component of Rule 3110(c) (Internal Inspections) at locations requiring inspection in calendar year 2023.</p> <p>SEC Order and Release</p>

Proposed Regulations

PROPOSED REGULATIONS	RULE SUMMARY
<p>SEC proposal to require reporting of stock loan transactions</p>	<p>In November 2021, the SEC proposed new Rule 10c-1, which would for the first time require all lenders of securities to provide identifying data and material negotiated terms of securities lending transactions to a registered national securities association – likely FINRA – for public dissemination. The rule would require reporting of certain information within 15 minutes of finalizing the securities loan transaction. It would also apply to loans of debt securities as well as stock.</p> <p>The SEC views this rule as serving a dual purpose – providing market participants with timely information regarding securities lending and providing regulators with data that can be used to enhance surveillance of the markets. The comment period was extended in 2022 in light of the proposed rules regarding short sale reporting (discussed below), and this proposal regarding stock loans has not yet been adopted.</p> <p>What this means for you: As we noted last year, this proposed rule raises many questions concerning the scope of information required to be reported and will impose significant operational and compliance burdens on market participants, most notably brokers. We expect industry participants will have to be involved with FINRA in working out the elements of the reporting system if the proposal is adopted.</p> <p>Proposing Release, SEC Fact Sheet</p>
<p>SEC proposal to enhance investor protections and cybersecurity for alternative trading systems that trade Treasuries and other government securities</p>	<p>On January 26th, 2022, the SEC proposed amendments to the definition of an exchange and to Regulation ATS to better protect investors and enhance cybersecurity.</p> <p>What this means for you: These proposed amendments would bring more alternative trading systems (ATS) that trade Treasuries and other government securities under the regulatory umbrella, and would extend Regulation ATS to include systems that offer the use of non-firm trading interest and provide protocols to bring together buyers and sellers for trading any type of security. These Communication Protocol Systems would be required to either register as exchanges or as broker-dealers and comply with Regulation ATS.</p> <p>Proposing Release, SEC Fact Sheet</p>

PROPOSED REGULATIONS	RULE SUMMARY <i>(continued)</i>
<p>SEC proposed rules for mutual funds and advisers regarding cybersecurity risk management</p>	<p>On February 9, 2022, the SEC proposed to impose extensive new cybersecurity compliance, disclosure, reporting and recordkeeping obligations on federally registered investment advisers, mutual funds and business development companies.</p> <p>The proposal is designed to address concerns about advisers’ and funds’ cybersecurity preparedness and reduce cybersecurity-related risks to clients and investors.</p> <p>What this means for you: Funds and advisers would have to improve disclosures about their cybersecurity risks and incidents. The proposal would also enhance the Commission’s ability to assess systemic risks and oversee advisers and funds.</p> <p>Proposing Release, SEC Fact Sheet</p>
<p>SEC proposed amendments to Regulation 13D-G (Beneficial ownership reporting rules)</p>	<p>The amendments to Regulation 13D-G, proposed on February 10, 2022, would accelerate the filing deadlines for Schedules 13D beneficial ownership reports from 10 days to five days and require that amendments be filed within one business day; generally accelerate the filing deadlines for Schedule 13G beneficial ownership reports (which differ based on the type of filer); expand the application of Regulation 13D-G to certain derivative securities; clarify the circumstances under which two or more persons have formed a "group" that would be subject to beneficial ownership reporting obligations; provide new exemptions to permit certain persons to communicate and consult with one another, jointly engage issuers, and execute certain transactions without being subject to regulation as a "group;" and require that Schedules 13D and 13G be filed using a structured, machine-readable data language.</p> <p>Proposing Release, SEC Fact Sheet</p>
<p>SEC proposal regarding short sale data collection</p>	<p>In two related releases on February 25, 2022, the SEC proposed that Rule 13f-2 would require institutional investment managers exercising investment discretion over short positions meeting specified thresholds to report on Form SHO information relating to end-of-the-month short positions and certain daily activity affecting such short positions.</p> <p>The proposal also includes a new provision of Regulation SHO, Rule 205, which would establish a new “buy to cover” order marking requirement for broker-dealers. This information would also be required to be reported to the Consolidated Order Trail (CAT).</p> <p>What this means for you: Regulation SHO and CAT reporting are high-profile issues with FINRA and the SEC, so brokers should pay close attention to this potential change.</p> <p>Proposing Release 1, Proposing Release 2, SEC Fact Sheet</p>

PROPOSED REGULATIONS	RULE SUMMARY <i>(continued)</i>
<p>SEC proposal to remove credit rating references from Regulation M</p>	<p>On March 23, 2022, the SEC issued its most recent proposal to remove credit rating references from Regulation M, as mandated by the Dodd-Frank Act. The SEC’s proposal would eliminate the ability of issuers to conduct redemptions while still in distribution as well as increase the operational burdens on broker-dealers using the newly crafted “structural credit risk model exception” under Rule 101 for nonconvertible debt and nonconvertible preferred securities.</p> <p>Proposing Release, SEC Fact Sheet</p>
<p>SEC proposed rules to include certain significant market participants as “dealers” or “government securities dealers”</p>	<p>On March 28, 2022, the SEC proposed two rules that would require market participants, such as proprietary (or principal) trading firms, who assume certain dealer functions, in particular those who act as liquidity providers in the markets, to register with the SEC, become members of FINRA, and comply with federal securities laws and regulatory obligations.</p> <p>What this means for you: Firms that have affiliates engaging in these activities will have to be mindful of the need to register and comply.</p> <p>Proposing Release, SEC Fact Sheet</p>
<p>SEC proposed rules for the registration and regulation of security-based swap execution facilities</p>	<p>On April 6, 2022, the SEC proposed new Regulation SE under the Securities Exchange Act of 1934 (the Exchange Act) to create a regime for the registration and regulation of security-based swap execution facilities (SBSEFs). The new regulatory framework was one of the major reforms required under Title VII of the Dodd-Frank Act relating to the over-the-counter derivatives market.</p> <p>What this means for you: Firms that have affiliates engaging in such activity will have to be mindful of the need to register.</p> <p>Proposing Release, SEC Fact Sheet</p>
<p>SEC proposes rule changes to prevent misleading or deceptive fund names</p>	<p>This proposal was issued on May 25, 2022. The SEC’s “Names Rule” currently requires registered investment companies whose names suggest a focus in a particular type of investment (among other areas) to adopt a policy to invest at least 80 percent of the value of their assets in those investments. The proposed amendments would extend the requirement to any fund name with terms suggesting that the fund focuses on investments that have (or whose issuers have) particular characteristics. This would include fund names with terms such as “growth” or “value” or terms indicating that the fund’s investment decisions incorporate one or more environmental, social or governance factors. The amendments also would limit temporary departures from the 80 percent investment requirement and clarify the rule’s treatment of derivative investments.</p> <p>What this means for you: Funds and investment advisers that are focused on ESG will have to be mindful of the SEC’s focus in the above proposal and what changes in procedures and disclosure may be needed should these proposals be adopted.</p> <p>Proposing Release, SEC Fact Sheet</p>

PROPOSED REGULATIONS	RULE SUMMARY <i>(continued)</i>
<p>SEC proposal to enhance disclosures by certain investment advisers and investment companies about ESG investment practices</p>	<p>Also on May 25th, the SEC proposed rules that seek to increase the availability of information about ESG-driven funds and strategies, and reduce the risk that investors are misled about the extent to which registered investment managers incorporate ESG factors into their investment practices.</p> <p>What this means for you: Funds and investment advisers that are focused on ESG will have to be mindful of the SEC’s focus in the above proposal and what changes in procedures and disclosure may be needed should these proposals be adopted.</p> <p>Proposing Release, SEC Fact Sheet</p>
<p>SEC proposed rules to improve risk management in clearance and settlement and to facilitate additional central clearing for the U.S. Treasury market</p>	<p>This September 14, 2022 proposal would require that clearing agencies in the U.S. Treasury market adopt policies and procedures designed to require their members to submit for clearing certain specified secondary market transactions.</p> <p>What this means for you: The transactions involved would include: all repurchase and reverse repurchase agreements collateralized by U.S. Treasury securities entered into by a member of the clearing agency; all purchase and sale transactions entered into by a member of the clearing agency that is an interdealer broker; and all purchase and sale transactions entered into between a clearing agency member and either a registered broker-dealer, a government securities broker, a government securities dealer, a hedge fund or a particular type of leveraged account.</p> <p>Proposing Release, SEC Fact Sheet</p>
<p>SEC proposed new oversight requirements for certain services outsourced by investment advisers</p>	<p>This October 26, 2022 proposal would require every federally regulated investment adviser to satisfy explicit requirements before engaging an affiliated or unaffiliated party (other than a supervised person) to perform a range of functions material to the adviser’s investment advisory services. On an ongoing basis, advisers would have to periodically satisfy the same requirements again to monitor each service provider’s performance of a covered function. Proposed changes to the recordkeeping rule would impose more extensive requirements where an adviser engages a service provider to make and/or keep required books and records.</p> <p>Proposing Release, SEC Fact Sheet</p>
<p>SEC proposed enhancements to open-end fund liquidity framework</p>	<p>Proposed on November 2, 2022, these rule and form amendments would enhance how funds manage their liquidity risks, require mutual funds to implement liquidity management tools, and provide for more timely and detailed reporting of fund information.</p> <p>Proposing Release, SEC Fact Sheet</p>

PROPOSED REGULATIONS	RULE SUMMARY <i>(continued)</i>
<p>Four SEC interrelated proposals to change practices related to securities order handling and executions</p>	<p>On December 14, 2022, the SEC made four interrelated proposals that could significantly change practices related to securities order handling and executions. These proposals reflect the SEC’s view that better prices for investors should result from trading through registered exchanges and ATS’s that report quotes and trades rather than through OTC market makers. The four proposals are described below.</p> <p>1. Amendments to enhance disclosure of order execution information</p> <p>These amendments would update the disclosures required under Rule 605 of Regulation NMS for order executions in exchange-listed stocks. The proposal seeks to modernize and enhance execution quality reporting and would, among other things, (i) expand the scope of entities subject to Rule 605 to include certain broker-dealers, (ii) modify information required to be reported, and (iii) change how orders are categorized.</p> <p>The proposed amendments to how orders are categorized would require the reporting of execution quality information for fractional share orders, odd-lot orders, and larger-sized orders. The proposal would also require that the time of order receipt and time of order execution be measured in increments of a millisecond or finer and that realized spread be calculated at both 15 seconds and one minute. The proposal would also require new statistical measures of execution quality, such as average effective over quoted spread (a percentage-based metric that represents how much price improvement orders received) and a size improvement benchmark. Finally, the proposal would enhance the accessibility of the required reports by requiring all entities subject to the rule to make a summary report available to the public.</p> <p>Proposing Release, SEC Fact Sheet</p> <p>2. Rules to amend minimum pricing increments and access fee caps and to enhance the transparency of better priced orders</p> <p>This would amend certain rules under Regulation NMS to adopt variable minimum pricing increments, or “tick sizes,” for the quoting and trading of NMS stocks, reduce access fee caps for protected quotations, and accelerate the transparency of the best priced orders available in the market.</p> <p>Regulation NMS would be amended to establish variable minimum pricing increments for quotations and orders in NMS stocks that are priced at, or greater than, \$1.00 per share based on objective and measurable criteria and make such minimum pricing increments applicable to the trading of all NMS stocks regardless of price, subject to certain specified exceptions. Under the proposal, the primary listing exchanges would measure and calculate the Time Weighted Average Quoted Spread for the relevant NMS stock and determine the applicable minimum pricing increment.</p> <p>Proposing Release, SEC Fact Sheet</p>

PROPOSED REGULATIONS	RULE SUMMARY <i>(continued)</i>
	<p>3. Proposed rule to enhance competition for individual investor order execution</p> <p>This rule would require certain orders of individual investors to be exposed to competition in fair and open auctions before such orders could be executed internally by any trading center that restricts order-by-order competition.</p> <p>The rule generally would prohibit a “restricted competition trading center” such as a wholesaler from internally executing “segmented orders” – orders for NMS stocks that are made for an account of a natural person or an account held in which the average daily number of trades executed in NMS stocks was less than 40 in each of the six preceding calendar months – unless the orders are first exposed to competition in a “qualified auction” operated by an “open competition trading center.”</p> <p>Proposing Release, SEC Fact Sheet</p> <p>4. Proposal to adopt an SEC regulation on best execution of customer orders</p> <p>Regulation Best Execution would establish through SEC rules a best execution regulatory framework for brokers, dealers, government securities brokers, government securities dealers, and municipal securities dealers. While a best execution rule was first established in 1968 by what is now FINRA, the proposed rule would create the first SEC-established rule concerning best execution.</p> <p>The rule would require broker-dealers to establish, maintain and enforce written policies and procedures reasonably designed to comply with the proposed best execution standard. Further, the proposal would require these policies and procedures to address how broker-dealers will comply with the best execution standard and how they will determine the best market and make routing or execution decisions for customer orders.</p> <p>The policies and procedures also would be required to address additional factors for conflicted transactions with retail customers. Broker-dealers would also be required to document any arrangement concerning payment for order flow. Moreover, proposed Regulation Best Execution would require broker-dealers to review the execution quality of customer orders at least quarterly.</p> <p>Proposing Release, SEC Fact Sheet</p> <p>What these proposals mean for you: If adopted, these proposed rules would make very significant changes in the ways orders to buy or sell securities are handled by brokers and market makers. Brokers would have additional compliance requirements and systems changes, and many brokers and investors would need to re-evaluate business models. The comment period on these four proposals extends to March 31, 2023.</p> <p>Note that on February 8, 2023, SIFMA submitted a comment letter stating that to support these potentially fundamental changes to market structure, the SEC relies on CAT and other data that is not available to the public. Accordingly, SIFMA has filed a Freedom of Information Act (FOIA) request for disclosure of the relevant data and has also requested that an additional 90 days be added to the comment period.</p>

FINRA Proposed Regulations

FINRA PROPOSED REGULATIONS	RULE SUMMARY
<p>FINRA has proposed to adopt a voluntary remote inspections pilot program</p>	<p>On August 9, 2022, the SEC published FINRA’s proposal to amend FINRA Rule 3110 to adopt a voluntary, three-year remote inspection pilot program to allow member firms to elect to fulfill their obligation under Rule 3110(c) (Internal Inspections) by conducting inspections of some or all branch offices and non-branch locations remotely without an on-site visit to such office or location, subject to specified terms.</p> <p>In light of concerns raised by commenters that a firm might not appropriately consider certain higher-risk criteria in conducting its risk assessment, in December FINRA proposed to add language that would provide a non-exhaustive list of factors that a firm must consider and document. In addition, the rule would further provide that members should conduct on-site inspections or make more frequent use of unannounced, on-site inspections for high-risk locations or where there are “red flags.”</p> <p>Notice Release, Release with proposed amendments</p>
<p>FINRA proposed Rule 6470 to require members to publish quarterly order routing disclosures for non-directed held orders in OTC Equity Securities</p>	<p>On November 30, 2022, the SEC published a FINRA proposal to require that firms make, for OTC securities, order routing disclosures similar to those required for listed securities by SEC Regulation NMS. FINRA is proposing to adopt new Rule 6470 to require members to publish quarterly order routing disclosures primarily for non-directed held orders in OTC Equity Securities, generally aligned with the SEC Rule 606(a) disclosures for NMS stocks but with modifications to account for differences between the market for NMS Securities and over-the-counter (“OTC”) markets. In addition, to make both the existing SEC Rule 606(a) disclosures and the new OTC Equity Security disclosures more accessible to investors, FINRA is proposing new Rule 6151 and paragraph (d) of new Rule 6470 to require members to send both disclosures to FINRA for centralized publication on the FINRA website.</p> <p>A very detailed comment letter was filed on December 20, 2022 by the Financial Information Forum, raising questions about the practicality of the reporting requirements as proposed. The SEC has extended the public comment period on this proposal to March 6, 2023.</p> <p>SEC Proposing Release</p>

Item to Watch

ITEM TO WATCH	
<p>SIFMA calls for standardization and modernization of corporate action announcements and processing</p>	<p>On February 9, 2023, SIFMA announced the issuance of a “U.S. Corporate Actions Standardization Position Paper,” which was developed by a SIFMA working group in conjunction with Ernst & Young LLP.</p> <p>Current regulation in the US does not mandate the standardization of corporate action announcements, leading to fragmentation in processing and inefficiency that will only be of more concern with the movement to T+1 settlement. The paper discusses the standardization effort undertaken by the Australian Securities Exchange in 2014 to transition from manual to straight-through-processing. That modernization essentially created a single centralized source for announcements, accessible to all investors simultaneously.</p> <p>What this means for you: SIFMA is looking to bring awareness to policy makers, regulators and issuers to encourage industry participants to develop guidelines to modernize the corporate actions lifecycle in the US.</p>

Conclusion

Mediant is actively engaged in the entire lifecycle of regulatory change management, from advocacy to implementation. A key partner in achieving clients’ regulatory and operational objectives, we continually build and provide our clients with tools that enhance and support their compliance needs.

Please contact your relationship manager with any questions or for additional information.