

# Joint Audit Committee

## Regulatory Update

**To:** Chief Financial Officers  
Chief Compliance Officers 9705

**Date:** July 7, 1997

**Subject:** Revised Financial Reporting and Filing Requirements

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As a reminder, the CFTC's amendments governing the financial reporting requirements of FCMs and IBs became effective as of June 30, 1997. The new requirements were intended to conform the Commission's rules to those of the SEC for reports ending after December 31, 1997 with a phase-in period for reports ending on or between June 30, 1997 and December 31, 1997. The rule amendments provide as follows:

- FCM quarterly reports and IB semiannual reports must be filed with the CFTC within 17 business days of the end of the period. However, phase-in period reports may be filed within 30 calendar days from the end of the period.
- Monthly net capital computations not required to be filed with the CFTC should be available for inspection within 17 business days from the end of the period. The phase-in period allows for 30 calendar days from the end of the period.
- Certified reports will continue to be required within 90 calendar days of the fiscal year end, except for FCMs and IBs which are also registered as broker-dealers, who must submit their reports within 60 calendar days.
- An uncertified report as of the FCM's or IB's fiscal year-end must also be submitted in accordance with the filing requirements noted for quarterly and semi-annual reports. Also, with respect to the capital, segregation, and secured amount computations, FCMs and IBs must provide a reconciliation, including appropriate explanations, for material differences between its certified and corresponding uncertified reports. If no material differences exist, a statement so indicating must be provided.

The chart below may help simplify the changes:

<u>Type of Statement</u>	<u>Current Rule</u>	<u>From June 30-Dec. 31, 1997</u>	<u>On Jan. 1, 1998</u>
Quarterly/Semi-annual	45 calendar days	30 calendar days	17 business days
Monthly Net Capital Computation	30 calendar days	30 calendar days	17 business days
Certified (FCM only)	90 calendar days	90 calendar days	90 calendar days
Certified (FCM broker-dealers)	90 calendar days	90 calendar days	60 calendar days

FCMs and IBs are also reminded that the Exchanges and the NFA may have other financial reporting requirements. Further, financial reports, including monthly net capital computations, required to be filed with a regulatory organization should also be filed with the CFTC.

If you have any questions, please contact your DSRO.