

# Joint Audit Committee

## Regulatory Update

9710

**TO:** Chief Financial Officers  
Chief Compliance Officers

**DATE:** December 15, 1997

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

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As a reminder, the CFTC has amended the financial reporting and filing requirements of FCMs and IBs. The new requirements conform the Commission's rules to those of the SEC and are effective for reports ending after December 31, 1997. Therefore, December 31, 1997 financial filings are due January 30, 1998 (within 30 calendar days) and January 31, 1998 financial filings are due February 25, 1998 (within 17 business days).

The chart below may help simplify the changes:

<u>Type of Statement</u>	<u>Current Rule (through 12/31/97)</u>	<u>Amended Rule (starting 1/1/98)</u>
Quarterly/Semi-annual	30 calendar days	17 business days
Monthly Net Capital Computation	30 calendar days	17 business days
Certified (FCM only)	90 calendar days	90 calendar days
Certified (FCM/Broker-dealers)	90 calendar days	60 calendar days

Additionally, an uncertified report as of an FCM's or IB's fiscal year-end must be submitted in accordance with the normal filing requirements. FCMs and IBs must provide a reconciliation, including appropriate explanations, for material differences between its certified and corresponding uncertified reports, or a statement indicating that no material differences exist.

FCMs and IBs should review internal procedures for reviewing reports and attesting to their accuracy prior to those reports being filed with self-regulatory organization (SROs) and the CFTC to ensure that the financial statements are reasonable and accurate. Filing an amended statement may require additional notification to SROs and the CFTC and may result in further action being taken.

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

If you have any questions, please contact your DSRO.

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