



NYSE Regulation

Information Memo
NYSE Number 16-03
March 8, 2016

To: ALL NYSE MEMBERS AND MEMBER ORGANIZATIONS

From: NYSE REGULATION

Subject: **REPORTING CERTAIN MINOR RULE VIOLATIONS ON SEC FORM BD AND FORM U-4**

This Information Memorandum reminds NYSE Members and Member Organizations of their obligations to report Minor Rule Violations (“MRVs”) on SEC Form BD and Form U-4 under certain circumstances.

Under current NYSE Rules, an MRV fine cannot exceed \$2,500. See NYSE Rule 9216(b)(1). An MRV that results in a fine of \$2,500 or under generally is not reportable on SEC Form BD or Form U-4 unless it is disputed. See NYSE Rule 476A(a) (Legacy).

Before July 1, 2013, however, an MRV fine could exceed \$2,500. MRVs that resulted in a fine that exceeded \$2,500, or an MRV fine that was disputed, were reportable on these Forms. See NYSE Rule 476A(a) (Legacy); SEC’s Form BD Instructions (a rule violation may be designated as “minor” if the fine imposed is \$2,500 or less and the sanctioned person does not contest the fine); FINRA’s “Explanation of Terms” for its Current Uniform Registration Forms (same).

Thus, if a respondent was subject to an MRV fine exceeding \$2,500 or disputed any MRV fine, there was an obligation to report the violation on SEC Form BD or Form U-4. If a respondent previously should have reported an MRV fine and has not done so, the MRV fine should be reported on the applicable Form promptly.

Should you have any questions about this Information Memorandum, please do not hesitate to contact NYSE Regulation at NYSERegulation@theice.com or (212) 656-5102.