



Information Memo

NYSE Number 16-14
NYSE MKT Number 16-08

October 6, 2016

To: NEW YORK STOCK EXCHANGE LLC ("NYSE") and NYSE MKT LLC ("NYSE MKT") EQUITIES MEMBER ORGANIZATIONS (collectively, "Members")

From: NYSE REGULATION

Subject: **RULE 4530 SELF-REPORTING OBLIGATIONS FOR MEMBERS**

I. Introduction

NYSE Rule 4530 and NYSE MKT Rule 4530-Equities ("Rule 4530") require Members to promptly report (within 30 days) specified events to NYSE and/or NYSE MKT (collectively, the "Exchange"). The purpose of this information memorandum is to (i) remind Members of their self-reporting obligations and (ii) provide guidance on how Members should report disclosures in light of recent regulatory changes at the Exchange.

Beginning immediately, Members that are not also members of FINRA should submit reports required under Rule 4530 to NYSE-Rule4530Reporting@Thelce.com (rather than to FINRA). Members that are also FINRA members should continue submitting reports required under Rule 4530 to FINRA.

Members' self-reported disclosures help keep the Exchange informed of circumstances and events impacting its Members. Self-reporting is also a critical tool used by the Exchange to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices and to promote free and open markets. Accordingly, Members are obligated, under Rule 4530, to self-report certain events, including potential misconduct concerning securities, investment and other financial-related matters.

II. Self-Reporting Obligations Under Rule 4530

Rule 4530 requires a Member to report a wide range of events and matters concerning the Member itself, persons associated with the Member, such as employees or directors, and persons formerly associated with the Member.¹ Members should note that their self-reporting obligations encompass underlying events that may occur on or off the Exchange.² Members are also required to have appropriate controls and written procedures in place to ensure that they

¹ See Rule 4530, Supplementary Material .07.

² See Rule 4530(a)(1)(F).

and their associated persons comply with all relevant reporting obligations.³

The following provides a general summary of Rule 4530. Members should consult the rule itself for a detailed description of all of its requirements.

A. Rule 4530 Generally

Rule 4530 requires disclosure of instances in which the Member or, where applicable, one of its employees (or other associated person):

- Has been found to have violated any securities, insurance, commodities, financial or investment-related rules;⁴
- Is named in any proceeding brought by any regulatory body (such as the U.S. Securities and Exchange Commission or another self-regulatory organization) concerning any violations of securities, financial or investment-related rules, or similar alleged misconduct;
- Is disciplined by any regulatory body or self-regulatory organization concerning any violations of securities, financial or investment-related rules, or similar alleged misconduct;
- Has concluded *or reasonably should have concluded* that it or an employee (or other associated person) has violated any securities, insurance, commodities, financial or investment-related rules even where there has been no third-party action taken (thus, this self-reporting requirement can apply even if a regulatory body has not conducted an investigation or issued a Wells notice concerning the reportable issue);⁵
- Is the subject of a complaint or allegation by a customer regarding theft, misappropriation or forgery;
- Is indicted, convicted of, or pleads guilty or no contest to any felony;

³ See Rule 3110.

⁴ For purposes of this memorandum, the term “rules” includes any laws, rules, regulations or standards of conduct. Further, for purposes of Rule 4530, the term “found” includes any adverse final actions, including, but not limited to, settlements or consent decrees in which the respondent has neither admitted nor denied the findings regardless of whether the findings will be appealed. See Rule 4530, Supplementary Material .03.

⁵ For example, a Member may reasonably conclude that a reportable violation has occurred based on its own investigation, audit, inquiry or other review—whether formal or informal. Moreover, in situations where a regulatory body has initiated an investigation and/or issued a Wells notice, NYSE Regulation expects that a Member will self-report as soon as the Member could reasonably conclude that there has been a violation of any relevant laws or rules—regardless of the status of the regulatory investigation. See Rule 4530(a)(2) & (b).

- Is indicted, convicted of, or pleads guilty or no contest to any misdemeanor concerning securities trading or inherently wrongful conduct such as perjury, burglary or extortion;⁶
- Is sued or named as a defendant or respondent in certain resolved civil proceedings concerning securities, commodities, insurance or financial-related allegations;⁷ or
- Takes disciplinary action against an employee (or other associated person) involving termination, suspension, diminishing of responsibilities or other compensation/monetary-related discipline valued in excess of \$2,500.

B. Period for Required Self-Reporting Disclosures

Members must report events “promptly,” but no later than thirty (30) calendar days after the Member knows or should have known of the existence of the event or matter.⁸ Failure to file reports required by Rule 4530 in a timely fashion could result in disciplinary action.

C. How to Submit Required Self-Reporting Disclosure

Members who are also members of FINRA should continue to file their disclosure reports with FINRA in accordance with its instructions. Further instruction can be found at: <http://www.finra.org/industry/rule-4530>.

Members who do not also have FINRA membership should submit any reportable event or matter to **NYSE-Rule4530Reporting@TheIce.com**. The submission should provide details regarding the reportable event and specify under which provision of Rule 4530 the event is being reported.⁹

III. Questions

Should Members or others have any questions regarding anything contained in this memorandum or regarding reporting information, please submit your question via email to: **NYSE-Rule4530Reporting@TheIce.com**.

⁶ For other examples of such conduct, see Rule 4530(a)(1)(E).

⁷ See Rule 4530(a)(1).

⁸ See Rule 4530(a) & (b).

⁹ Reporting these events to the Exchange does not eliminate, reduce, substitute for or otherwise abrogate a Member’s other reporting obligations to any other regulatory body or self-regulatory organization.