

## Corporate & Financial Weekly Digest

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### SEC Approves Consolidated Books and Records Rules

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The Securities and Exchange Commission has approved the Financial Industry Regulatory Authority's proposal to adopt consolidated rules governing books and records. The effective date for the new rules is December 5. The new rules, modeled after NASD Rule 3110, New York Stock Exchange Rule 440 and NYSE Rule Interpretations 410/01 and 410/02, will require member firms to make and preserve certain books and records to show their compliance with securities laws, rules and regulations. New FINRA Rule 4511, based on the general recordkeeping requirements of NASD Rule 3110(a) and NYSE Rule 440, clarifies that member firms must: (1) make and preserve books and records as required by FINRA rules, the Securities Exchange Act of 1934 (Exchange Act) and applicable Exchange Act rules; and (2) preserve books and records required by FINRA rules in a format and media that complies with Exchange Act Rule 17a-4. In addition, FINRA Rule 4511 requires member firms to preserve for at least six years those FINRA books and records for which there is no specified retention period under FINRA rules or applicable Exchange Act rules. The new books and records rules also address records of written customer complaints, authorization records for negotiable instruments, changes in account name or designation, predispute arbitration agreements, order audit trail system recordkeeping requirements, and pre-time stamping.

Click [here](#) to read FINRA Regulatory Notice 11-19.

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