



Brokerage Accounting

Participants learn how to assess the effects of a firm's own transactions on its capital, financial statements and reports with an emphasis on regulatory requirements. This course highlights the basic economics of securities transactions, stock record accounting, accounting for trade settlement (CNS, fails), procedures for the firm's own accounts, margin requirements, overview of SEC Rule 15c3-3, and net capital computations (Rule 15c3-1).

Available Session(s):

No sessions currently available. Email customerservice@nyif.com to get the next available date.

Targeted Audience

Accounting and compliance staff, Operations managers, Internal audit staff, Data processing managers

Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process, and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email uscirculation@ft.com. US and Canada enrollees only.

Advance Preparation

No advance preparation required.

Learning Objectives

Students will be able to:

- Differentiate between cash and brokerage accounting
- Be familiar with the computations used in accounting for the different types of product activities
- Perform accounting exercises for various aspects of brokerage processing
- Be cognizant of the importance of Stock Record/General Ledger balancing

- Demonstrate familiarization with regulatory reporting

Alumni Comments

"The instructor was experienced and knowledgeable, and the course covered important material."

Level: Intermediate

CPE Credits: 14

Instructional Method: Group-Live

Detailed Outline

Day 1:

Introduction

- Introductory definitions
- Recording of securities transactions
- Execution to completion on the general ledger
- Economics of a securities transaction

The stock record

- Description and purpose of the stock record
- Daily stock record
- Weekly stock record
- Recording of securities transaction
- Execution to completion on the stock record
- Additional stock record accounts

Continuous net settlement

- Balance order vs. trade for trade
- CNS trades

Customer margin requirements

- Economics of extended credit to customers
- Reg T
- NYSE rule 431
- Margin calls

Day 2:

Rule 15c3-3

- Possession of control
- Requirements to segregate customer securities
- Control and non-control locations
- Instructions to reduce securities to possession or control
- Securities in excess and deficit of possession or control requirements

Rule 15c3-1

- Scope and purpose of rule 15c3-1
- Minimum capital requirements
- Definitions
- Aggregated indebtedness
- Subordinated liabilities
- Non-allowable assets
- Other charges to capital
- Haircuts

FOCUS reporting system

- Reporting requirements
- Form and content of FOCUS report
- Timing and required filings
- Information to customers