



Customer Protection Rule 15c3-3

Participants become involved with the component parts of security brokerage that flow into the development of the report as required under 15c3-3, Customer Protection Rule. Who must file, when and what actions must be taken for failure to do so are explained. Among the areas focused on are Margin, Seg, Possession or Control, and the Stock Record. The program concludes with participants completing a Customer Protection report by culling information from a Brokerage firm's balance sheet.

Available Session(s):

07-Oct-2008 -- 07-Oct-2008	New York	USD \$1475
NY Institute of Finance - Midtown	9:00am - 4:30pm	Tue
Instructor(s):[David Weiss;]		

Targeted Audience

Brokerage accounting personnel; brokerage compliance and legal personnel; brokerage receive and deliver, cashiering, stock loan/borrow personnel; regulatory personnel; industry utilities personnel

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.

Prerequisites

An understanding of cash and brokerage accounting and brokerage trade processing.

Learning Objectives

Students will be able to:

- Be familiarized with the component parts of the rule
- Differentiate between Possession and Control vs. good location
- Understand the terminologies that form the origin of the 15c3-3 computation
- Perform hands on accounting exercises for the 15c3-3 computation
- Demonstrate familiarization with the Standard and Alternative method of computing Net Capital

Alumni Comments

"Instructor's knowledge of the subject matter was a true strength in the course."

Level: Intermediate

CPE Credits: 7

Instructional Method: Group-Live

Detailed Outline

Day 1

Securities regulation overview

- Securities exchange act of 1933-1934
- Securities & exchange commission
- Self-Regulatory Organization (SRO)

SEC rule 15c3-3

- Customer protection rule
- Net Capital Rule
- FOCUS report
- Securities and funds protection
- Firm vs. customer-related business
- Liquidation of insolvent B/D
- Special reserve bank account

Definitions

- Customer
- Omnibus account vs. Fully disclosed
- Fully paid securities vs. margin securities
- Qualified security
- Possession vs. Control

Broker-dealer operations

- Transaction cycle
- Customer orders, broker places order
- On trade date + 1, settlement date
- Broker-dealer accounting
- General ledger/financial statements
- Stock record

Protection of customer securities

- Possession or control
- Control locations
- Accomplish the deficit

Reserve formula computation

- Comparison between debits and credits
- Exemptions
- SEC exemptions
- Frequency of computation

Reserve formula - Credit side

- Customer credit balances
- Customer bank/security loan
- Customer fail to receive
- Credits in firm accounts
- Short stock dividends and distributions
- Short security differences
- Suspense accounts
- Unconfirmed transfers

Reserve formula- Debit side

- Customer debit balances
- Partly secured accounts
- Special omnibus or similar accounts
- Undue concentration
- Securities borrowed for customer transactions
- Fail to deliver of customer securities
- Margin required by options clearing corporation

Stock record allocation process

- Minimizing reserve deposit
- Optimization of Seg
- Bulk Seg vs. Account by Account

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