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SEC Approves Delay of Rule 4210.

On May 7, 2018, official notice was sent stating that the SEC approved FINRA's request to extend the effective date of implementation of Rule 4210 until March 25th, 2019. As a result of exhaustive advocacy efforts from BDA membership with the SEC, FINRA and Capitol Hill, the delay was granted, in large part, to further study of BDA's "capital charge" proposal.
The FINRA notice can be viewed – Here

Background
In December 2017, BDA member firms met with FINRA CEO Robert Cook and urged FINRA consider a new solution to the margin requirements under Rule 4210. This BDA-member proposal would allow dealers to either charge margin to counterparties or to take a regulatory capital charge to cover any mark-to-market deficiency in excess of the de minimis threshold. This would allow dealers to remain competitive and still manage any systemic risk in the marketplace.

Additionally, BDA members discussed Rule 4210 Amendments in-person with SEC Chairman Clayton and SEC commissioners in January 2018. In February 2018, BDA received confirmation that FINRA is considering a change to Rule 4210 based on the capital charge idea BDA members brought up during the December 2017 meeting.

Next Steps
The BDA is pleased with this development, and will continue to work with FINRA on of the capital charge proposal in lieu of margin. In the coming weeks, the BDA will conduct outreach to members to further gather empirical data to provide with regulators in advocacy for the capital charge proposal.

Bond Dealers of America

May 7, 2018