Davis Polk

SEC Staff Alert Reveals Expansive Application of Market Access Rule

October 6, 2011 | Client Update

A National Exam Risk Alert released by the SEC's Office of Compliance Inspections and Examinations reveals that the SEC staff is taking an expansive view of a broker-dealer's obligations under new Rule 15c3-5, the "Market Access Rule." The Alert points to the Market Access Rule as the basis for a broker-dealer's obligation to monitor an array of risks from offering master-sub account arrangements. The Alert suggests that the staff of the Office of Compliance Inspections and Examinations ("OCIE") may use the Market Access Rule's risk management policies and procedures requirements as a basis for enforcing compliance with many other compliance obligations, particularly those involving customer surveillance and diligence.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

Annette L. Nazareth
+1 202 962 7075
annette.nazareth@davispolk.com

Zachary J. Zweihorn
+1 202 962 7136
zachary.zweihorn@davispolk.com

Related materials

Read the full update