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# Broker-Dealer Recordkeeping Requirements

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**Introduction**

Registered broker-dealers (BDs) are subject to a variety of recordkeeping requirements that are promulgated and enforced by the U.S. Securities and Exchange Commission (Commission or SEC), the various states, and self-regulatory agencies such as the Financial Industry Regulatory Authority (FINRA). These requirements have long been recognized as vital for customer protection, fraud prevention, and general regulatory activities. Thus, in a constantly evolving regulatory environment, failure to abide by recordkeeping requirements is not only a bad business practice, but will subject BDs to severe sanctions.

Section 17(a) (15 U.S.C.S. § 78q(a)) of the Securities Exchange Act of 1934, as amended (Exchange Act), and its corresponding regulations under Rule 17a (17 C.F.R. § 240.17a-1 et. seq.) set forth the primary recordkeeping rules for BDs. Additionally, FINRA may also enforce Section 17(a) and impose its own recordkeeping requirements as well. See, e.g., FINRA Rule 3110 (requiring each member to make and preserve records in accordance with Rules 17a-3 and 17a-4). Further, state securities regulators often impose their own recordkeeping requirements, although Section 103 of the National Securities Markets Improvement Act of 1996 (National Securities Markets Improvement Act of 1996, 1996 Enacted H.R. 3005, 104 Enacted H.R. 3005, 110 Stat. 3416) prohibits states from imposing requirements that are materially different from those of the Commission. Ironically, Section 17(a) does not provide for a private cause of action, despite its underlying customer protection purpose. See Touche Ross & Co. v. Redington, 442 U.S. 560, 560–61 (1979) (holding that Section 17(a) does not give rise to a private cause of action).

In any event, any discussion of BD recordkeeping requirements begins with Exchange Act Rules 17a-3 (17 C.F.R. § 240.17a-3) and 17a-4 (17 C.F.R. § 240.17a-4), which operate as the touchstone of the Commission's recordkeeping framework. Together, they identify the records that a firm must create and preserve in addition to the format, medium, and time period. Supplementing these rules are reporting requirements and various other, more nuanced, regulations propounded by self-regulatory organizations such as FINRA.

**Rule 17a-3 Certain Records**

Rule 17a-3 sets forth the various books and records that BDs have to create and maintain. As discussed further below, a review of Rule 17a-3 reveals a broad assortment of records, including, but not limited to, purchase and sale documents, source documents, long/short position documents, business records, associated person records, and/or customer account information.

Inherently, Rule 17a-3 requires BDs to create records accurately. See S.E.C. v. Goble, 682 F.3d 934, 946 (11th Cir. 2012) ("The books and records requirements at § 17(a) of the Exchange Act, 15 U.S.C. § 78q(a), and Rule 17a–3, 17 C.F.R. § 240.17a–3 thereunder, required North American to maintain **accurate** records" (emphasis added)). Notably, the accuracy requirement applies to all information found in the applicable records, regardless of whether Rule 17a-3 requires such information to be created. See S.E.C. v. Badian, 2008 U.S. Dist. LEXIS 64661 (S.D.N.Y. Aug. 22, 2008) ("[E]ven assuming no legal obligation to furnish particular information, there is an obligation upon voluntarily supplying that information, to be truthful.").

Rule 17a-3 also includes fraud prevention aspects. For example, Rule 17a-3(a) lists detailed information that must be contained in documents relating to sales transactions, such as order tickets and blotters. Regulators will often request these records, which, coupled with the detailed instructions set forth in Rule 17a-3, ensure that regulators may efficiently identify sales practice violations.

Similarly, Rule 17a-3(a)(6) requires that certain records such as, among other things, transaction orders, contain the time the order was received and executed so that the Commission may thwart fraudulent schemes such as late trading. See also VanCook v. SEC, 653 F.3d 130, 142 (8th Cir. 2011); In the Matter of Wall Street Access, SEC Release No. 34-54596 (Oct. 12, 2006), available at: https://www.sec.gov/litigation/admin/2006/33-8749a.pdf.

Regulators often cite Rule 17a-3 in conjunction with other regulations, such as anti-fraud provisions, when bringing charges against BDs. While generally fraud violations can only be brought against a BD if it acts with scienter, when charging recordkeeping violations, regulators usually have no such requirement. See S.E.C. v. Drexel Burnham Lambert Inc., 837 F. Supp. 587, 610 (S.D.N.Y. 1993) ("Scienter need not be shown to prove a violation of Section 17(a)(1) of the Exchange Act and the rules thereunder"). Thus, Rule 17a-3 provides regulators with a fallback option when there is evidence that a fraud has occurred but evidence of scienter is lacking. See Goble, 682 F.3d at 947 (finding violation of Rule 17a-3 despite the fact that legal requirements for Exchange Act § 10(b) violations were lacking).

However, when there is scienter, Rule 17a-3 provisions may also be used to establish an aiding and abetting violation under Exchange Act Section 20(e) (15 U.S.C.S. § 78t(e)). To impose aiding and abetting liability, the Commission (or self-regulatory body) must show (1) a primary violation of the securities laws, (2) that the aider and abettor had knowledge of the primary violation, and (3) that the aider and abettor provided substantial assistance in the commission of the primary violation. See VanCook, 653 F.3d at 142; SEC v. Shanahan, 646 F.3d 536, 547 (8th Cir. 2011). Aiding and abetting violations are most often used to target individual members of BDs, who may not be the primary violator but nonetheless contributed to the recordkeeping violations. See, e.g., VanCook, 653 F.3d at 141–142 (finding stockbroker aided and abetted recordkeeping violation despite the fact it wasn't within his job duties to create the records).

**Rule 17a-4**

Rule 17a-4 specifies the length of time and manner that the records set forth in Rule 17a-3 must be preserved. As set forth in the table below, this rule also requires additional records to be preserved although the specific records are not enumerated in Rule 17a-3. These additional records are predominantly created in the natural course of doing business as BDs and include corporate formation documents, checks, bank statements, audit reports, internal control manuals, and reports made in response to inquiries by governing authorities.

***Retention Periods***

This Rule was designed to ensure that the Commission can quickly and efficiently obtain access to BDs' books and records. Naturally, the retention time and method of retention turn on the type of records at issue. There are three distinct retention periods:

- **Life of the broker-dealer.** Includes formational documents of BDs, such as the articles of incorporation.
- **Six years from an operative date.** Includes customer account records in addition to trading records such as blotters, general ledgers, security position records, and customer ledgers, among other things.
- **Three years from an operative date.** Includes compliance manuals, associated person records, working papers, powers of attorney, written agreements entered into by the BD, and communications that relate to the BD's business, among other things.

It is important to note that the retention periods do not preempt other non-securities related requirements. Consequently, BDs should not automatically delete records when the retention period lapses before ensuring there are no other legal requirements that mandate their retention. SEC Release No. 34-47806 (May 7, 2003). For example, certain records may need to be kept longer for tax reasons. A full list of the retention periods for each of the records required to be maintained is set forth in the table below.

***Method of Preservation***

The method of preservation component requires that any records named in Rule 17a-3 be kept in an accessible place. See Rule 17a-3(a) and (b). This provision has been interpreted to mean that the records must be kept in a readily accessible location, such

as on the premises or at a nearby location. Additionally, the records must be filed in such a way that they can be easily identified or retrieved. The accessible place requirement lasts for two years, although such records will need to be preserved for longer periods of time to comply with their applicable retention periods.

***Medium of Storage***

The permissible medium of storage has evolved with technology, and BDs may currently preserve records on electronic storage media. See Rule 17a-4(f). Consistent with its fraud-prevention motives, Rule 17a-4(f) sets forth a variety of conditions designed to ensure the accuracy of the records and to prohibit BDs from falsifying and/or deleting records. See Rule 17a-4(f)(2)(ii)(A). In particular, any electronic storage media must meet the following conditions:

- Preserve the records exclusively in a non-rewritable, non-erasable format.
- Verify automatically the quality and accuracy of the storage media recording process.
- Serialize the original and, if applicable, duplicate units of storage media, and time-date for the required period of retention the information placed on such electronic storage media.
- Have the capacity to readily download indexes and records preserved on the electronic storage media to any medium acceptable under Rule 17a-4(f) as required by the Commission or the self-regulatory organizations of which the BD is a member.

Rule 17a-4(f)(2)(ii). Additionally, BDs must notify their examining authority at least 90 days prior to their use of electronic storage media of their intent to do so.

It is important to recognize that Rule 17a-4 sets forth a **standard** that electronic storage media must satisfy, rather than the **type** of technology (for example, CD-ROMs) that must be used. SEC Release No. 34-47806 (May 7, 2003). The standard permits the use of any technology that will preserve records in a format that will prohibit them from being altered or deleted. Systems that only preserve records or mitigate—rather than eliminate—the risk of a record being overwritten are unacceptable. For example, the use of password protection or other extrinsic security controls will not meet the Rule 17a-4 standard because such protections do not, by themselves, prevent a record from being changed or deleted. Any technology that allows a record to be overwritten or not preserved for the appropriate retention period is unacceptable. See North v Smarsh, Inc., 2015 U.S. Dist. LEXIS 162551 (D.D.C. Dec. 4, 2015) ("ESI systems that are vulnerable to the 'ability to overwrite or erase records stored on these systems' are 'non-compliant with Rule 17a-4(f).'").

***Communications***

As noted above, Rule 17a-4 also requires BDs to preserve additional records that may not be enumerated in Rule 17a-3. Perhaps most notable is the requirement to preserve "originals of all communications received and copies of all communications sent" relating to the BDs' "business as such." See Rule 17 a-4(b)(4); see also FINRA Rule 2210; FINRA Rule 4511. In light of the rapid advancements in communication platforms, this provision has proved to be particularly troublesome for BDs, who must remain cognizant that Rule 17a-4 is a standard-based rule that is meant to evolve with technology.

For example, in *In the Matter of J.P. Morgan Securities Inc.*, the Commission emphasized this principle in finding that Rule 17a-4 applies to electronic mail and not merely just physical documents. SEC Release No. 34-51200 (Feb. 14, 2005); see also Reporting Requirements for Brokers or Dealers under the Securities Exchange Act 1934, SEC Release No. 34-38245 (Feb. 5, 1997). More recently, the Commission and self-regulatory authorities have issued guidance relating to the application of existing rules to communications stemming from the use of social media. . See FINRA Regulatory Notice No. 10-06 (Jan. 25, 2010).

Given an ever-changing technological landscape, BDs must be alert to the corresponding influence those changes will have on recordkeeping requirements. New technologies will not be exempt from recordkeeping requirements, and BDs must ensure that they will implement these new technologies while still complying with the established recordkeeping requirements.

**Applicable FINRA Rules**

Adding to the complex maze of recordkeeping requirements, self-regulatory organizations such as FINRA have also enacted numerous recordkeeping rules. In this regard, FINRA Rules 2210, 3110, 4511, 4513, and 4530 are particularly applicable.

***FINRA Rule 2210***

FINRA Rule 2210 relates to communications with the public. Within FINRA Rule 2210 is a requirement that BDs maintain all retail and institutional communications for three years and include, among other things, the dates of use and the identity of the principal who approved the communication. FINRA Rule 2210(b)(4). All correspondence must be maintained for six years under FINRA Rules 3110 and 4511. See FINRA Rule 2210(b)(4)(B). Additionally, all communications' records must be kept in a format and media that comply with Rule 17a-4 under the Exchange Act.

FINRA Rule 2210(f)(3) requires BDs to document the education and training of its associated persons who make public appearances on the BDs' policies and procedures and to maintain all records.

***FINRA Rule 3110: Supervision***

FINRA Rule 3110 contains the supervision requirements for BDs. From a broad perspective, FINRA Rule 3110 requires BDs to implement a written supervisory system to ensure that all associated persons of the firm comply with the numerous rules and regulations applicable to BDs. At a minimum, a BDs' supervisory system must provide for the following:

- Establishment and maintenance of written procedures
- Designation of an appropriately registered principal with authority to carry out the supervisory responsibilities of the member for each business it engages for which registration as a broker-dealer is required
- Registration and designation as a branch office or an office of supervisory jurisdiction (OSJ) of each location, including the main office
- Designation of one or more appropriately registered principals in each OSJ and one or more appropriately registered representatives or principals in each non-OSJ branch office with authority to carry out the supervisory responsibilities assigned to that office by the BD
- Assignment of each registered person to an appropriately registered representative or principal who shall be responsible for supervising that person's activities
- Use of reasonable efforts to determine that all supervisory personnel are qualified, either by virtue of experience or training
- Participation of each registered representative and registered principal in an interview or meeting conducted by the designated persons at which compliance matters relevant to the activities of the representative and principal are discussed (to be held at least annually)

See FINRA Rule 3110(a). Since FINRA wants to ensure that supervisory and inspection responsibilities are properly documented, FINRA Rule 3100 also contains numerous recordkeeping provisions.

FINRA Rule 3100(b)(7) requires a copy of a BD's written supervisory procedures— encompassing the above-referenced requirements— to be kept and maintained in each OSJ and at each location where supervisory activities are conducted.

FINRA Rule 3100(b)(4) requires a firm to have supervisory procedures to review incoming and outgoing written correspondence and internal communications, including emails, relating to the BDs' business. The registered principal must review correspondence and internal communications, and this review must be documented in writing. Normally, any system for a review of correspondence should identify the following:

- Name of the reviewer
- Date of the review
- Firm's actions taken as a result of any significant regulatory issues identified during the review

FINRA Rule 3100, Supplementary Material 07. As noted above, BDs can use automated systems to conduct such review but must be aware of the limitations of those systems and implement additional review procedures to fill any gaps. See FINRA Regulatory Notice 14-10, which can be found at http://www.finra.org/sites/default/files/NoticeDocument/p465940.pdf.

FINRA Rule 3110(b)(5) requires firms to implement "procedures to capture, acknowledge, and respond to all written (including

electronic) customer complaints." While the rule does not explicitly encompass oral complaints, FINRA Regulatory Notice 14-10 has made it clear that BDs should have a mechanism to allow customers to put their complaints in writing. Of course, the failure to address a customer complaint will violate FINRA Rule 2010. FINRA Rule 4513 requires that customer complaints relating to the OSJ be preserved at that OSJ for at least four years.

FINRA Rule 3100(c) requires BDs to conduct an internal inspection that is reasonably designed to detect and prevent violations of applicable laws and regulations. A written record of the date upon which each review and inspection was conducted must be retained.

***FINRA Rule 4511***

FINRA Rule 4511 clarifies that BDs are obligated to (1) make and preserve books and records in compliance with the Exchange Act and applicable FINRA Rules and (2) preserve the books and records in a format and media that complies with Exchange Act Rule 17a-4.

If the books and records pertain to an account, the retention period is for six years after the date the account is closed; otherwise, the retention period is for six years after the books and records are made.

***FINRA Rule 4513***

FINRA Rule 4513 requires firms to keep and preserve files of all written customer complaints in each OSJ. This rule covers only complaints that relate to the applicable OSJ and any complaints that relate to activities supervised from that office. Compliance with this Rule can be met by producing the records at the OSJ upon request by FINRA.

FINRA Rule 4513 sets the retention period for customer complaint records at four years, which corresponds to FINRA's commitment to conduct routine examinations at least every four years. Note that this is longer than the retention period under the Exchange Act, which requires complaint records to be preserved for only three years. See Exchange Act Rules 17a-3(a)(18) and 17a-4(b)(1).

***FINRA Rule 4530***

FINRA Rule 4530(a) requires BDs to promptly report certain enumerated events to FINRA no later than 30 calendar days after the firm knows, or should have known, of their existence. In general, these events cover disciplinary and legal matters relating to the BD or its associated persons.

FINRA Rule 4530(b) speaks to associated persons and requires BDs to report to FINRA when BDs or an associated person of the firm violate any securities, insurance, commodities, financial, or investment-related laws, rules, regulations, or standards of conduct of any domestic or foreign regulatory body or self-regulatory organization. Again, the time limit for reporting is 30 calendar days after the investigation concludes, or reasonably should conclude.

Under other FINRA and Exchange Act Rules, BDs must preserve the records of any complaints leading to the investigation, as well as records of the investigation itself.

**Exchange Act Rule 17a-5's Basic Reporting Rule for BDs**

While Rules 17a-3 and Rule 17a-4 provide for the creation and preservation of records, Rule 17a-5 (17 C.F.R. § 240.17a-5) imposes affirmative reporting obligations on BDs. The reporting requirement is used by the Commission to ensure compliance with, among other things, the net capital rule (Exchange Act Rule 15c3-1) (17 C.F.R. § 240.15c3-1). This Rule requires BDs to maintain adequate financial resources and a minimum amount of net liquid assets.

Under Rule 17a-5, BDs must calculate and report their net liquid assets and the minimum amount of net liquid assets that they are permitted to have. This provides the Commission with an early warning sign to enable it to take protective measures before a BD collapses. Touche Ross & Co., 442 U.S. at 570.

The primary report required under Rule 17a-5 is the Financial and Operational Combined Uniform Single (FOCUS) Report. This report must be filed annually and contain audited financial statements, supporting schedules, and supplemental reports. Additionally, BDs may be required to file certain monthly and/or quarterly reports, as applicable.

Recently, in response to the Madoff scandal and the subsequent enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Commission amended the reporting requirements of Rule 17a-5. See SEC Release No. 34-70073 (July 30, 2013). The new amendments require BDs to file new types of reports with the SEC and require clearing and carrying BDs to allow the Commission to access audit documentation.

**Table of Records and Retention Periods**

The following table provides an overview of the major records that BDs must create and maintain, together with their corresponding retention periods:

| Applicable Rule | Records | Retention Period |
|---|---|---|
| **17a-3(a)(1)** | Records of Original Entry: Blotters that itemize the following on a daily basis:<br>• All purchases and sales of securities<br>• All receipts and deliveries of securities<br>• All receipts and disbursements of case and other debits/credits<br>**These records must contain all the pertinent parts of every transaction for the day, such as (i) the account used to effectuate each transaction, (ii) the name and amount of securities, (iii) the unit and aggregate purchase or sale price, (iv) the trade date, and (v) the name of the person that either sold or purchased the securities.** | six years (of which the first two years must be in an accessible place) |
| **17a-3(a)(2)** | Ledgers reflecting:<br>• Assets and liabilities<br>• Income and expenses<br>• Capital accounts | six years (of which the first two years must be in an accessible place) |
| **17a-3(a)(3)** | Ledgers or records itemizing:<br>• Information for each cash and margin account of every customer and of the BD<br>• All purchases, sales, receipts, and deliveries of securities and commodities for such accounts<br>• All other debits and credits to such accounts | six years (of which the first two years must be in an accessible place) |
| **17a-3(a)(4)** | Ledgers reflecting:<br>• Securities in transfer<br>• Dividends and interest received<br>• Securities borrowed and securities loaned<br>• Moneys borrowed and moneys loaned (along with any corresponding collateral)<br>• Securities failed to receive and deliver<br>• All long and short securities record differences pursuant to periodic reporting obligations, such as FOCUS reporting<br>• Repurchase and reverse repurchase agreements | three years (of which the first two years must be in an accessible place) |

| Applicable Rule | Records | Retention Period |
|---|---|---|
| **17a-3(a)(5)** | A ledger or record for each security reflecting:<br>• All long and short positions carried as of the clearance date<br>• The location of all securities long and the offsetting position to all securities short<br>• Long and short security count differences classified by the date of the physical count and verification in which they were discovered<br>• The name or designation of the account in which each position is carried | six years (of which the first two years must be in an accessible place) |
| **17a-3(a)(6)** | A trade ticket (i.e., memorandum) for Brokerage orders, and any other instructions for the purchase or sale of securities (given or received), whether executed or unexecuted. The memorandum shall include:<br>• Terms and conditions of the order, instructions, modification, or cancellation, and whether the order was subject to any discretionary authority<br>• Account for which entered<br>• Time the order was received<br>• Time of entry<br>• Price at which executed<br>• Identity of each associated person responsible for the account (if any) and any other person who entered or accepted the order on behalf of the customer (subject to exemptions)<br>• Time of execution or cancellation<br>• Identity of the account for which entered | three years (of which the first two years must be in an accessible place) |
| **17a-3(a)(7)** | A trade ticket (memorandum) for the purchase or sale for the BD's own account showing the price and time of execution. Where the transaction is with a customer other than another BD, a trade ticket for the customer order showing:<br>• Time of receipt<br>• Terms and conditions of the order and of any modification thereof<br>• Account for which it was entered<br>• Identity of each associated person responsible for the account (if any) and any other person who entered or accepted the order on behalf of the customer (subject to exemptions) | three years (of which the first two years must be in an accessible place) |

| Applicable Rule | Records | Retention Period |
|---|---|---|
| **17a-3(a)(8)** | Copies of:<br>• Confirmations of all purchases and sales of securities, including all repurchase and reverse repurchase agreements<br>• Notices of all other debits and credits for securities, cash, and other items for the accounts of customers and partners of the BD | three years (of which the first two years must be in an accessible place) |
| **17a-3(a)(9)** | A record of each cash and margin account with the BD indicating:<br>• Name and address of the beneficial owner of the account<br>• Whether the beneficial owner of securities registered in the name of the BD or its clearing agency or nominee objects to disclosure of his or her identity, address, and securities positions to issuers (except for exempt employee benefit plan securities as defined in Exchange Act Rule 14a-1(d))<br>• For margin accounts, the signature of the owner (although for joint accounts or the accounts of a corporation, this requirement only requires the signature of the person authorized to transact business for the account) | three years (of which the first two years must be in an accessible place) |
| **17a-3(a)(10)** | A record of all puts, calls, spreads, straddles, and other options:<br>• In which the BD has any direct or indirect interest –or–<br>• Which the BD has granted or guaranteed<br>These records must contain, at least, an identification of the security and the number of units involved.<br>**Consult 17a-3(10) for additional requirements for an OTC derivatives dealer.** | three years (of which the first two years must be in an accessible place) |
| **17a-3(a)(11)** | A record of the proof of money balances of all ledger accounts in the form of trial balances and a record of the computation of aggregate indebtedness and net capital, as of the trial balance date, pursuant to Exchange Act Rule 15c3-1.<br>**Exemptions:**<br>• These computations need not be made for any BD unconditionally exempt from Rule 15c3-1 by paragraph (b)(1) or (b)(3).<br>• For a BD who is exempt from Rule 15c3-1 under paragraph (b)(2), these trial balances and computations must be prepared at least once a month. | three years (of which the first two years must be in an accessible place) |

| Applicable Rule | Records | Retention Period |
|---|---|---|
| **17a-3(a)(12)(i)** | A questionnaire or application for employment executed by each "associated person" of the BD, which is approved in writing by an authorized representative of the BD and contains the following information on the associated person:<br>• Name, address, social security number, and starting date of employment or association with the BD<br>• Date of birth<br>• Complete, consecutive statement of all the associated person's business connections for at least the preceding 10 years, including whether the employment was part-time or full-time<br>• Record of any denial of membership or registration and of any disciplinary actions or sanctions, including any finding that the associated person was a cause of any disciplinary action or had violated the law<br>• Record of any denial, suspension, expulsion, or revocation of membership or registration of any BD with which the associated person was associated in any capacity at the time entered<br>• Record of any permanent or temporary injunction entered against the associated person or any BD with which the associated person was associated in any capacity at the time entered<br>• Record of any arrest or indictment for any felony, or any misdemeanor pertaining to securities, commodities, banking, insurance or real estate, fraud, false statements or omissions, wrongful taking of property or bribery, forgery, counterfeiting or extortion, and the disposition of the foregoing<br>• Record of any other name or names by which the associated person has been known or which the associated person has used<br>**Alternative:** If the associated person has been registered as a registered representative of a BD or the associated person's employment has been approved by FINRA or certain local exchanges, then retention of a full correct and complete copy of any and all applications for such registration or approval shall satisfy this requirement. | three years from date employee terminated |
| **17a-3(a)(12)(ii)** | A record listing every associated person of the BD which shows, for each associated person:<br>• Every office of the BD where the associated person regularly conducts business, handles funds, or effects transactions in, or induces or attempts to induce the purchase or sale of any security for the BD<br>• Their Central Registration Depository number (if any)<br>• Every internal identification number or code assigned to them by the BD | three years from the date employee terminated |
| **17a-3(a)(13)** | Section 240.17f-2(d) (17 C.F.R. § 240.17f-2) records relating to the fingerprint cards of an employee. | three years from the date employee terminated |

| Applicable Rule | Records | Retention Period |
|---|---|---|
| **17a-3(a)(14)** | Records relating to missing, lost, or counterfeit securities, including:<br>• Copies of all Forms X-17F-1A filed pursuant to Rule 17f-1 (17 C.F.R. § 240.17f-1)<br>• All agreements between reporting institutions regarding registration or other aspects of Rule 17f-1<br>• All confirmations or other information received from the Commission or its designee as a result of an inquiry | three years |
| **17a-3(a)(15)** | Rule 17f-2(e) records of notice for why a BD's member is exempt from fingerprinting requirements, containing:<br>• Name of the organization and whether the person is a BD<br>• Identity of all persons who have satisfied the fingerprinting requirements of Rule 17(f)(2)<br>• Identity of all persons who claim to be exempt from the fingerprinting requirements of Rule 17(f)(2)<br>• A generic description of the nature of the duties of those who are exempt from the fingerprinting requirements<br>• A description of the security measures utilized to ensure that only those who have been fingerprinted have access to keeping, handling, or processing of securities or monies, or the original books and records relating thereto | Life of the company |
| **17a-3(a)(16)** | Records relating to any "internal broker dealer system"—as defined in Rule 17a-3(a)(16)(ii)—that a BD is a sponsor of, including:<br>• A record of the BD's customers that have access to an internal BD system<br>• Daily summaries of trading in the internal BD system<br>• Time-sequenced records of each transaction effected through the internal BD system | three years (of which the first two years must be in an accessible place) |
| **17a-3(a)(17)** | Customer Account Profile Information, including the owner's:<br>• Name<br>• Tax identification number<br>• Address and telephone number<br>• Date of birth<br>• Employment status and whether they are an associated person of a BD<br>• Annual income and net worth<br>• Account's investment objectives<br>**Note:** For joint accounts, the account record must include personal information for each joint owner who is a natural person, although the financial information for individual joint owners may be combined. | six years from the time the information was replaced or updated or the account was closed |

| Applicable Rule | Records | Retention Period |
|---|---|---|
| **17a-3(a)(17)** | Records establishing confirmation and periodic updates of account record information. These records must indicate that:<br>• The BD has furnished each customer or account owner with a copy of the account record **(within 30 days of opening and at intervals of 36 months thereafter)**<br>• The BD has furnished a notification updating a change in the name or address of a customer or owner, or change in the account's investment objectives, to the customer or associated person responsible for the customer or owner's account<br>• The BD has furnished a copy of each written agreement entered into by the customer or owner | six years from the time the information was replaced or updated or the account was closed |
| **17a-3(a)(18)** | A record for each associated person of each written customer complaint received by the BD concerning that associated person. This record shall include:<br>• Complainant's name, address, and account number<br>• Date the complaint was received<br>• Name of any other associated person identified in the complaint<br>• Description of the nature of the complaint<br>• Disposition of the complaint<br>**Alternative:** Instead of a record, a BD may keep a copy of the original complaint in an individual file for each associated person along with a record of the disposition of the complaint. | three years from the date the employee is terminated |
| **17a-3(a)(18)** | A record indicating that each customer has been furnished with a notice containing the address and telephone number of the department of the BD that can be contacted to make a complaint as to the account. | three years from the date an employee is terminated |
| **17a-3(a)(19)** | Compensation-related and sales records for each associated person, including:<br>• List of each associated person's purchases and sales of securities (including amount and description of the compensation)<br>• All agreements pertaining to the relationship between the associated person and the BD, including:<br>  • Compensation<br>  • Commission and concession schedules<br>  • Factors that are relevant to compensation<br>• Method by which compensation is determined | |
| **17a-3(a)(20)** | A record confirming and documenting the BD's compliance with, and adoption of, policies relating to advertisements, sales literature, or any other communications with the public by a BD or its associated persons being approved by a principal. | three years (of which the first two years must be in an accessible place) |
| **17a-3(a)(21)** | Record-Contact Person: A record for each office of the representative who can explain the types of records and information maintained at that office. | Keep current<br>For prior versions, keep three years (of which the first two years must be in an accessible place) |

| Applicable Rule | Records | Retention Period |
|---|---|---|
| **17a-3(a)(22)** | A record listing of each principal of the company responsible for establishing policies and procedures that are reasonably designed to ensure compliance with any applicable rules and regulations. | three years (of which the first two years must be in an accessible place) |
| **17a-3(a)(23)** | A record documenting the credit, market, and liquidity risk management controls established and maintained by the BD to assist it in analyzing and managing the risks associated with its business activities.<br>**Limitation:** These records only need to be maintained if the BD has more than:<br>• $1,000,000 in aggregate credit items as computed under Rule 15c3-3a –or–<br>• $20,000,000 in capital, which includes debt subordinated in accordance with Rule 15c3-1d | |
| **17a-4(d)** | All corporate documents, including but not limited to articles of incorporation, minute books, stocks certificate books, Form BD, and any amendments. | Life of the company |
| **17a-4(b)(2)** | All checkbooks, bank statements, cancelled checks, and cash reconciliations. | three years (of which the first two years must be in an accessible place) |
| **17a-4(a)(3)** | All bills receivable or payable, paid or unpaid, relating to the business of the BD as such. | three years (of which the first two years must be in an accessible place) |
| **17a-4(b)(4)** | Originals of all communications received and copies of all communications sent by the BD relating to its business as such. | three years (of which the first two years must be in an accessible place) |
| **17a-4(b)(5)** | All trial balances, computations of aggregate indebtedness and net capital, financial statements, branch office reconciliations, and internal audit working papers relating to the business of the BD as such. | three years (of which the first two years must be in an accessible place) |
| **17a-4(b)(6)** | All guarantees of accounts, powers of attorney, or other evidence of the granting of discretionary authority over an account, including copies of any resolutions granting an agent the power to act on behalf of a corporation. | three years (of which the first two years must be in an accessible place) |
| **17a-4(b)(7)** | All written agreements entered into by the BD relating to the BD's business, including account agreements. | three years (of which the first two years must be in an accessible place) |
| **17a-4(b)(8)** | Records relating to audited annual reports and audited financial statements. | three years (of which the first two years must be in an accessible place) |
| **17a-4(b)(9)** | Current description of the procedures the BD utilizes to comply with the possession or control requirements if the BD is subject to the requirements of Rule 15c3-3 relating to possession or control of fully paid and excess margin securities. | three years (of which the first two years must be in an accessible place) |
| **17a-4(b)(10)** | For over-the-counter derivatives dealers, the records required to be made in establishing and documenting a system of internal risk management controls under Rule 240.15c3-4 and the results of periodic review conducted pursuant to Rule 15c3-4(d). | three years (of which the first two years must be in an accessible place) |

| Applicable Rule | Records | Retention Period |
|---|---|---|
| **17a-4(b)(13)** | The written policies and procedures a BD establishes, documents, and enforces to assess creditworthiness. | three years (of which the first two years must be in an accessible place) |
| **17a-4(e)(6)** | Each report that a securities regulatory authority has requested or required the BD to make and furnish to it pursuant to an order or settlement, and each securities regulatory authority examination report. | three years after the date on the report |
| **17a-4(e)(7)** | All compliance, supervisory, and procedures manuals, including any updates, modifications, and revisions to the manual, describing the policies and practices of the BD with respect to compliance with applicable laws and rules and supervision of associated persons of the BD. | three years from termination of the use of the manual |
| **17a-4(e)(8)** | All reports produced to review for unusual activity in customer accounts. | 18 months after the date the report was generated |

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