

Corporate & Financial Weekly Digest

July 15, 2011 by [Ross Pazzol](#)

SEC Announces Adoption of Interim Final Temporary Rule for Broker-Dealers Engaging in a Retail

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On July 13, the Securities and Exchange Commission adopted interim final temporary Rule 15b12-1T to allow a registered broker-dealer to engage in a retail forex business until July 16, 2012, provided that the broker-dealer complies with the Securities Exchange Act of 1934, the rules and regulations thereunder, and the rules of the self-regulatory organization(s) of which the broker-dealer is a member, insofar as they are applicable to retail forex transactions.

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, certain forex transactions with persons who are not "eligible contract participants" (commonly referred to as "retail forex transactions") with a registered broker or dealer will be prohibited as of July 16, 2011, in the absence of the SEC adopting this interim Rule 15b12-1T to allow such transactions. According to the SEC, Rule 15b12-1T is intended to preserve the existing regulatory structure for broker-dealers while providing the SEC with an opportunity to receive comments and evaluate whether to prescribe additional rules and to further consider investor protection concerns as they affect the regulatory treatment of retail forex transactions by broker-dealers. Comments are due to the SEC 60 days after publication in the Federal Register.

Click [here](#) to read Securities and Exchange Commission Release No. 34-64874.

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