

SDDco Group Client Update

Contact Us

Dear SDDCO Clients and Colleagues:

Our April 2017 Client Update includes industry news and guidance, regulatory rule info, important deadlines, and other timely matters impacting brokers, advisers, fintech firms, taxpayers, investors, and their service professionals.

SDDCO Client Update posts are made available on our website throughout the month at <http://sddco.com/resources/client-updates/>

ABOUT US

[SDDCO Partner, Janice Parise, to Speak at NYSSCPA Broker-Dealer Conference](#)

Janice Parise, a partner of the SDDCO Group, will speak at the upcoming broker-dealer conference sponsored by the NYSSCPA on May 4, 2017. [Janice Parise](#), a CPA and FINRA Series 27 Financial Operations Principal, will sit on the FinOps and Auditors Panel and deliver a presentation to the Current Issues Panel. This conference will benefit CPAs who service the broker-dealer industry (earn 8 CPE credits), financial principals in the securities industry, and representatives of regulatory agencies...

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ADVISERS

[DOL Fiduciary Rule for Retirement Advice ~ Delayed to June 2017 & 2018](#)

The Department of Labor (DOL) announced yesterday that the start date of the Fiduciary Rule applicable to retirement advice will indeed be delayed the sixty (60) days until June 9, 2017. Also extended till June 9, 2017, are the "Impartial Conduct Standards" or formal obligations to serve the best interests of retirement clients and draft policies in the company compliance manual and the related exemptions. The DOL extension eases certain other compliance requirements until January 1, 2018...

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BROKER-DEALERS

[A Shorter Securities Trade Cycle as of September 5, 2017](#)

The days of Wall Street runners toting stock certificates between parties is long gone. Of course, modern technology can make trades in a second. Thus the three day space to settle a trade is long outdated. To modernizing, the SEC adopted an amendment to shorten the standard settlement cycle for most broker-dealer securities transactions from a T+3 cycle (settle a transactions is three business days) to a T+2 settlement cycle (two business days). Broker-dealers will be required to comply as of September 5, 2017...

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[New FINRA Hold Rule ~ BD Protocol for Exploited Senior Investor Accounts](#)

The SEC approved in February some rule amendments and a new rule to put additional protections in place for senior investors. The changes give broker-dealers a way to block disbursements for a limited period and to contact a pre-designated "trusted contact" associated with an account. These changes become effective February 5, 2018. Senior Exploitation Rule Changes:...

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[FINRA to Broker-Dealers: "How We Do it?"](#)

FINRA released a Special Notice soliciting feedback from its members on the effectiveness of how it engages externally regarding its operations and programs aimed towards investor protection and market integrity. FINRA's status as the self-regulatory organization ("SRO") for the broker-dealer industry requires that it engage productively with its member, investors, and other interested parties. The Special Notice gives an overview of FINRA's engagement programs, and...

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[Will FINRA Slim Broker-Dealer Qualifying Reqs?](#)

FINRA recently filed a proposal with the SEC to "streamline competency exams" and rules to make it easier for professionals to enter or re-enter the securities industry. Per FINRA rules, individuals who work for a FINRA-regulated firm (member broker-dealers) in identified capacities must demonstrate their qualifications by passing specific "series" exams. To sit for a FINRA exam, individuals must be associated with a FINRA-regulated firm. In 2016...

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[FINRA March 2017 Podcasts](#)

FINRA issued four broker-dealer podcasts in March 2017: Revisit the latest FINRA notices, compliance resources, and news from March 2017: March 2017 Monthly Recap Podcast. Also hear Parts 2 through 4 of a four-part series on the 2017 Exam Priorities Letter: FINRA's 2017 Exam Priorities...

[Read more >](#)

[Access the MSRB 2016 Fact Book](#)

The MSRB's Fact Book, published annually by the Municipal Securities Rulemaking Board, provides comprehensive and historical statistics on municipal market trading patterns. Access the 2016 Fact Book. 2016 Takeaways on Municipal Trading: Here's some interesting data on municipal securities trading in 2016: (1) The highest dollar volume of municipal securities transactions were made since 2012. (2) The average size of a municipal securities transaction rose 28% from 2015 to \$335,017...

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COMMODITY BROKERS

[CFTC Headed to Amend Recordkeeping Reqs for Futures & Swaps Firms](#)

Comments in response to the CFTC proposed amendments to Regulation 1.31 (books and records; keeping and inspection) are overwhelmingly in favor of modernizing and making technology-neutral how regulatory records are to be kept going forward by futures and swaps firms. Proposed Amendments to Rule 1.31 Recordkeeping: Per the January 19, 2017, Federal Register, the proposed amendments would permit...

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INVESTORS

[What Investors Should Know about the Shorter Trade Time Frame](#)

The SEC's Office of Investor Education and Advocacy (OIEA) issued an investor bulletin to explain the new two-day settlement cycle and how it will affect the transactions an investor places with a full-service broker or an online brokerage firm. The SEC recently amended Exchange Act Rule 15c6-1 to shorten the completion of a trade--aka the settlement cycle--for a broker-dealer transaction. The amendment generally shortened settlements from three days to two...

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[SEC Eases Investor Access to Exhibits in Company Filings](#)

The SEC adopted amendments, on March 1, 2017, to ease investor access via hyperlink to exhibits in registration statements and reports in prior filings. Currently, investors must search. The amendments will require registrants that (a) file registration statements or reports subject to the exhibit requirements under Item 601 of Regulation S-K, or (b) file Forms F-10 or 20-F to include a hyperlink to each exhibit listed in the exhibit index of these filings and to submit such registration statements and reports on EDGAR in HTML format. Compliance dates...

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TAXPAYERS

Featured Tax Articles for April 2017

[Last Minute Filing Tips for 2016 Tax Returns](#)

Are you one of the millions of Americans who hasn't filed (or even started) your taxes yet? With the April 18 tax filing deadline quickly approaching, here is some last minute tax advice for you.

[Should you File an Extension on your Tax Return?](#)

Need more time to prepare your federal tax return? The pros and cons of filing an extension.

[ACA Tax Facts for Individuals and Families](#)

The Affordable Care Act contains two provisions that may affect your tax return this year: the individual shared responsibility provision and the premium tax credit. Here's what you need to know.

[Claiming the Small Business Health Care Tax Credit](#)

If you're a small business owner with fewer than 25 full-time equivalent employees, you may be eligible for the small business health care credit. Keep reading to learn how you can put more money in your pocket this tax season--and next.

[Estimated Tax Payments: Q & A](#)

Estimated tax is the method used to pay tax on income that is not subject to withholding and includes income from self-employment, interest, dividends, alimony, and rent, as well as gains from the sale of assets, and prizes and awards.

Tax Tips

[Tax Tips for the Self-Employed](#)

[Medical and Dental Expenses May Impact Your Taxes](#)

[Cut your Tax Bill with Home Energy Credits](#)

[Tax Benefits for Parents](#)

[IRAs and your 2016 Tax Return](#)

Tax Due Dates

April 10

Employees who work for tips - If you received \$20 or more in tips during March, report them to your employer. You can use Form 4070.

April 18

Individuals - File an income tax return for 2016 (Form 1040, 1040A, or 1040EZ) and pay any tax due. If you want an automatic 6-month extension of time to file the return, file Form 4868, *Application for Automatic Extension of Time To File U.S. Individual Income Tax Return* or you can get an extension by phone if you pay part or all of your estimate of income tax due with a credit card. Then file Form 1040, 1040A, or 1040EZ by October 16.

Household Employers - If you paid cash wages of \$2,000 or more in 2016 to a household employee, file Schedule H (Form 1040) with your income tax return and report any employment taxes. Report any federal unemployment (FUTA) tax on Schedule H if you paid total cash wages of \$1,000 or more in any calendar quarter of 2015 or 2016 to household employees. Also, report any income tax you withheld for your household employees.

Individuals - If you are not paying your 2017 income tax through withholding (or will not pay in enough tax during the year that way), pay the first installment of your 2017 estimated tax. Use Form 1040-ES.

Corporations - File a 2016 calendar year income tax return (Form 1120) and pay any tax due. If you want an automatic 6-month extension of time to file the return, file Form 7004 and deposit what you estimate you owe in taxes.

Corporations - Deposit the first installment of estimated income tax for 2017. A worksheet, Form 1120-W, is available to help you estimate your tax for the year.

Employers - Nonpayroll withholding. If the monthly deposit rule applies, deposit the tax for payments in March.

Employers - Social Security, Medicare, and withheld income tax. If the monthly deposit rule applies, deposit the tax for payments in March.

May 1

Employers - Social Security, Medicare, and withheld income tax. File form 941 for the first quarter of 2017. Deposit any undeposited tax. (If your tax liability is less than \$2,500, you can pay it in full with a timely filed return.) If you deposited the tax for the quarter in full and on time, you have until May 10 to file the return.

[Click here](#) to read the rest of the newsletter.

Please call us at (212) 751-4422 if you have any questions.

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Any accounting, business or tax advice contained in this communication, including attachments and enclosures, is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties. If desired, we would be pleased to perform the requisite research and provide you with a detailed written analysis. Such an engagement may be the subject of a separate engagement letter that would define the scope and limits of the desired consultation services.

