SEC Rule 15c6-2 Blind Affirmation Voluntary Recommendations

In support of regulatory mandates to implement T+1 protocols, SIFMA has developed through consultation with industry participants the following voluntary recommendations for scenarios involving same-day affirmations subject to SEC Rule 15c6-2. The below list of scenarios is not meant to be an exhaustive summary impacted by the T+1 implementation and does not constitute advice as to any particular question, issue, or concern a counterparty may have in connections with any specific transaction. This recommendation is meant to be illustrative only and counterparties to actual transactions should independently verify the accuracy of the information, expand, or modify any recommendations to reflect their own analysis and independent review of implementation rules and requirements, and consult with counsel to the extent they have any questions about implementation of T+1 mandates. Additional voluntary recommendations for scenarios not captured by the below will be published by SIFMA in due course, subject to further market participant consultation.

> Under SEC Rule 15c6-2, Broker Dealers and Investment Managers must complete allocations, confirmations, and affirmations as soon as technologically practicable and no later than by the end of trade date. Furthermore, as stated in Question 6 of the SEC's Frequently Asked Questions Regarding the Transition to a T+1 Standard Settlement Cycle, "The requirements in Rule 15c6-2 apply to each transaction for which a broker or dealer engages in the allocation, confirmation, and affirmation process." The purpose of SEC Rule 15c6-2 is to ensure the accuracy of the terms of the transaction to be settled.
>
> It is therefore SIFMA's view that parties should not submit, or ask custodians to submit, "blind" or "negative" affirmations on trade date solely to stay in good standing with their brokers as it relates to SEC Rule 15c6-2, and custodians should not affirm a trade alleged against their client absent knowledge of the trade details received through a communication or trade instruction from that client.
>
> SIFMA does not believe that "blind" or negative affirmations are in the spirit of SEC Rule 15c6-2 because they are not meant to reflect the accurate terms of the trade. As such, that would mean a counterparty is at risk of affirming a "bad trade" that is not matched by the end of trade date.

Source of information: https://www.sec.gov/files/rules/final/2023/34-96930.pdf