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If you have any questions regarding the matters discussed in this memorandum, please contact the following attorneys or your regular Skadden contact.

**Mark D. Young**  
Washington, D.C.  
202.371.7680

[mark.d.young@skadden.com](mailto:mark.d.young@skadden.com)

**Maureen A. Donley**  
Washington, D.C.  
202.371.7570

[maureen.donley@skadden.com](mailto:maureen.donley@skadden.com)

**Rachel Kaplan Reicher**  
Washington, D.C.  
202.371.7042

[rachel.reicher@skadden.com](mailto:rachel.reicher@skadden.com)

**Elizabeth A. Doyle**  
Washington, D.C.  
202.371.7312

[elizabeth.doyle@skadden.com](mailto:elizabeth.doyle@skadden.com)

**Theodore M. Kneller**  
Washington, D.C.  
202.371.7264

[theodore.kneller@skadden.com](mailto:theodore.kneller@skadden.com)

**Daniel S. Konar II**  
Chicago  
312.407.0509

[daniel.konar@skadden.com](mailto:daniel.konar@skadden.com)

**W. Graham McCall**  
Washington, D.C.  
202.371.7276

[graham.mccall@skadden.com](mailto:graham.mccall@skadden.com)

Four Times Square  
New York, NY 10036  
212.735.3000

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## **SEC Proposes Security-Based Swap Recordkeeping, Reporting and Notification Requirements and Capital Rules for SEC Registrants**

On April 17, 2014, the Securities and Exchange Commission (SEC) proposed new regulations that would implement the recordkeeping, reporting and notification requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The proposed regulations would apply to registered security-based swap dealers (SBSDs) and major security-based swap participants (MSBSPs), as well as to broker-dealers that are not registered as SBSDs or MSBSPs but are engaged in security-based swap activities. In addition, the SEC proposed net capital requirements that are based on the SEC's existing broker-dealer net capital rule and would be applicable to stand-alone SBSDs. The SEC states that in crafting the proposal, SEC staff consulted with staff from the prudential banking regulators and the Commodity Futures Trading Commission (CFTC) and considered the CFTC's related proposals. Once published in the Federal Register, there will be a 60-day period for comment on the proposal.

We are reviewing the SEC's proposal and will provide a more detailed client alert soon.