

## SEC/CORPORATE

### **Acting SEC Chair Issues Statement on Climate-Change Disclosures**

On February 24, acting Chair of the Securities and Exchange Commission Allison Herren Lee issued a statement that she has directed the Division of Corporation Finance (the “Staff”) to focus on climate-change disclosures in public company filings. Referencing the SEC’s guidance on climate-change disclosure previously issued in 2010, she stated that the Staff will begin reviewing climate-change disclosures to evaluate compliance with the guidance and disclosure obligations under the federal securities laws, engaging with public companies and considering how the market is managing climate-related risks. In her statement, Chair Lee emphasized that investors are increasingly considering climate-related issues in making their investment decisions, and that it is the SEC’s duty to make sure that investors have access to material information when making those decisions.

Chair Lee also indicated that, through this endeavor, the Staff will begin to update the SEC’s previously issued guidance on climate-change disclosure, whether in the form of updated rulemaking or additional interpretive guidance.

[Chair Allison Herren Lee’s Statement](#)

## BROKER-DEALER

### **SEC Issued Order Permitting 30-Day Filing Extension for Broker-Dealers**

In response to a recent request by the Financial Industry Regulatory Authority (FINRA), the Securities and Exchange Commission has issued an order (the Order) designed to ease potential burdens that smaller broker-dealers may face in obtaining audit services. Rule 17a-5(d)(1)(i) of the Securities Exchange Act of 1934 (Exchange Act) requires that, unless a broker meets an available exception under the rule, every broker or dealer registered under Exchange Act Section 15 must file annual reports. Pursuant to the Exchange Act rules, the annual reports must be filed not more than 60 calendar days after the end of the fiscal year of the broker or dealer. The Order permits specified FINRA members an additional 30 calendar days for filing their annual reports as required pursuant to Exchange Act Rule 17a-5(d), subject to certain conditions. The limited conditions include, among others, if such member (1) was in compliance with Rule 15c3-1; and (2) had total capital and allowable subordinated liabilities of less than \$50 million, as reported in box 3530 of Part II or Part IIA of its FOCUS Report.

The Order is immediately effective, and any FINRA members that wish to avail themselves of the extension must provide notification to FINRA.

[FINRA Regulatory Notice](#)

### **FINRA Provides Additional FINRA Exams Online**

Effective February 24, and in response to the ongoing challenges posed by the COVID-19 pandemic, the Financial Industry Regulatory Authority (FINRA) is providing an interim accommodation to allow candidates to take additional FINRA exams online, including the Series 24, Series 57, Series 79 and Series 99 exams. An interim

accommodation request is not required for the Securities Industry Essentials (SIE), Series 6 or Series 7 exams, which have been available online for all candidates since mid-July 2020.

To request an interim accommodation, candidates should visit the [Schedule An Exam](#) page on the FINRA website, and are required to submit to FINRA an [Online Exam Administration Request Form](#). The candidates will need to provide an explanation as to why they are making a request to take an exam online.

[FINRA Remote Exam Updates Announcement](#)

### **2021 GASB Accounting Support Fee to Fund the GASB's Annual Budget**

Pursuant to a Securities and Exchange Commission order, the Financial Industry Regulatory Authority (FINRA) established an accounting support fee to fund the annual budget of the Governmental Accounting Standards Board (GASB). Each quarter, FINRA collects a quarter of the annual GASB accounting support fee from its member firms. Each member firm's assessment is based on its portion of the total par value of municipal securities transactions reported to the Municipal Securities Rulemaking Board by all FINRA members in the previous calendar quarter.

[FINRA Regulatory Notice 21-06](#)

## **EU DEVELOPMENTS**

### **ESMA Publishes Guidelines on Supervisory Review and Evaluation Process of CCPs**

On February 22, the European Securities and Markets Authority (ESMA) published its final report on guidelines to clarify common procedures and methodologies for the supervisory review and evaluation process of central counterparties (CCPs) by their national competent authorities (NCAs) (the Report).

The proposed guidelines addressed in the Report by ESMA include:

- capital and organizational requirements;
- business continuity;
- outsourcing and conduct of business requirements;
- prudential requirements; and
- interoperability arrangements.

The guidelines will apply from the date they are published on ESMA's website in the official EU languages. After publication, NCAs have two months to inform ESMA whether they comply or intend to comply with the guidelines.

[ESMA Report](#)

For additional coverage on financial and regulatory news, visit [Bridging the Week](#), authored by Katten's [Gary DeWaal](#).

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