

Rule 17a-5, Form X-17A-5 (FOCUS REPORT)
OMB Control No. 3235-0123

Justification for Non-Substantive, Non-Material Change

Rule 17a-5(a)(1) under the Securities Exchange Act requires broker-dealers to file periodic reports on Form X-17A-5, the Financial and Operational Combined Uniform Single Report (“FOCUS Report”). The FOCUS Report reflects the various securities-related activities of broker-dealers and was designed to eliminate the overlapping regulatory reports required by various self-regulatory organizations and the Commission and to reduce reporting burdens.

The SEC recently adopted rule amendments that permit certain broker-dealers to use a 2 percent rather than a 3 percent haircut on customer-related receivables, or “aggregate debit items” in certain computations.¹ The haircut and the computation are not collections of information. However, as part of the rulemaking, the Commission also made technical amendments to certain the reporting requirements in Part II of the FOCUS Report to add two line-items for broker-dealers to indicate whether they are using the 3 or 2 percent haircut and to disclose the amount of the haircut if the 2 percent haircut is used. The amendment to the FOCUS Report adds only two line-items to a lengthy form, and we do not estimate that it will change the estimated burden for the form (the amended pages of the form are attached with this submission, and the new line-items are lines 20.B and 30).

We believe these changes are non-substantive and not material, because they make minor conforming changes to the form.

¹ Securities Exchange Act Release No. 102022 (December 20, 2024), 90 FR 2790 (January 13, 2025).