

Press Release

SEC Proposes Updates to Electronic Recordkeeping Requirements

Amendments Will Help Modernize How Broker-Dealers Preserve Electronic Records and Enhance the Requirements for Security-Based Swap Entities

FOR IMMEDIATE RELEASE

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Washington D.C., Nov. 18, 2021 — The Securities and Exchange Commission today published proposed amendments to the electronic recordkeeping and prompt production of records requirements applicable to broker-dealers, security-based swap dealers (SBSDs), and major security-based swap participants (MSBSPs).

"This proposal updates an electronic recordkeeping rule adopted in 1997," said SEC Chair Gary Gensler. "A lot has changed with respect to database management, among other technologies, in the last 24 years. This proposal would bring the Commission's rule in line with technological innovation, and I am pleased to support it."

The SEC's broker-dealer electronic recordkeeping rule requires firms to preserve electronic records exclusively in a non-rewriteable, non-erasable format (otherwise known as write once, read many). The proposed amendments would add an audit-trail alternative. Under this alternative, electronic records could be preserved in a manner that permits the recreation of an original record if it is altered, over-written, or erased. The audit-trail alternative is designed to provide broker-dealers with greater flexibility in configuring their electronic recordkeeping systems so they more closely align with current technologies and practices while also protecting the authenticity and reliability of original records.

The proposed amendments would require nonbank SBSBs and MSBSPs to preserve electronic records using either of the above alternatives that would be available to broker-dealers. The amendments also would require broker-dealers and all types of SBSBs and MSBSPs to produce electronic records to securities regulators in a reasonably usable electronic format. This proposal is designed to facilitate examinations and make them more efficient.

The proposals will be published on SEC.gov and in the Federal Register. The comment period will remain open for 30 days after publication in the Federal Register.

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Related Materials

- [Proposed Rule](#)

- [Fact Sheet](#)