



On December 20, 2024, the Securities and Exchange Commission (SEC) finalized amendments to its Customer Protection Rule (15c3-3) to require carrying broker-dealers to calculate their customer and PAB (proprietary securities account of a broker-dealer) reserve computations daily.¹ Currently, carrying broker-dealers must calculate their reserve requirements at least weekly. In July 2023, the SEC proposed similar amendments²; the final amendments have a compliance date of December 31, 2025.

5 insights you should know

Enhancements to 15c3-3: Under the amendments, certain carrying broker-dealers will be required to calculate their reserve requirements—and make corresponding required deposits—daily. The amendments are intended to address a potential mismatch between the reserve amount on deposit and a firm's net cash owed with a weekly calculation/deposit interval.

Threshold for reporting: Carrying broker-dealers are required to calculate their customer and PAB reserve computations daily if total credits for their previous 12 month-end FOCUS reports exceed an average of \$500 million. Firms may need to make this determination on an on-going basis as they will be scoped into the requirement once they exceed this threshold.

Six-month compliance date: The rule amendments set a rolling six-month date for compliance once a firm hits the \$500 million average total credit threshold (for the prior 12 months). In other words, once a firm reaches this threshold, it has six months to begin daily calculations and deposits. The first wave of firms to exceed the threshold (for the period July 31, 2024 to June 30, 2025) will be required to make daily calculations and deposits beginning December 31, 2025.

Lower buffer in 15c3-1: The SEC also amended 15c3-1 to allow broker-dealers performing the daily customer reserve computation to reduce the required buffer in their reserve account. Previously, firms could take a 3% charge on their customer-related receivables (aggregate debit items). Under the amendments, firms conducting daily calculations and deposits may take a 2% charge.

Voluntary opt-in to 15c3-1 amendments: Carrying broker-dealers that do not meet the \$500 million average total credits threshold can opt-in to daily reporting and—in doing so—avail themselves of the 2% debit reduction on their reserves if they notify their examiners at minimum 30 days prior. These firms will be required to receive prior approval should they at any point wish to revert to a weekly customer reserve computation.

5 considerations to evaluate

1 Prepare for daily calculations and deposits: The rule gives firms an opportunity to invest in systems and processes that may have been neglected (e.g., automating the reserve computation). For firms with outdated processes, this regulatory mandate could be the necessary impetus to enhance their processes, whether by automating the calculation and/or continuing to refine various inputs.

2 Assess historical average total credits: While the initial period to determine the scope of firms impacted by the change continues into July 2025, firms should assess their historical average total credits to determine if they are likely to be scope into the daily requirement. Firms exceeding the threshold (or on the bubble) may want to start to build their daily reserve calculation capabilities now, if they do not already have an internal daily process.

3 Monitor continuously: While the rule amendments focus on the importance of daily calculations of reserve requirements, the more impactful piece for firms could be daily deposits. Firms may want to evaluate historical deposit flows at a weekly and daily interval to assess potential impacts to cash or securities on hand. Bubble firms will need to continuously assess 12-month rolling average total credits as they will be expected to independently comply within six months of tripping the threshold. Alternatively, firms in this category might elect to begin daily calculations and/or deposits to improve their own reserve tracking and eliminate the need to continuously monitor for a potential compliance impact.

4 Offsetting the daily deposit requirement: Firms may be disproportionately impacted. Some who perform daily calculations already can avail themselves of the 2% charge. Others may wish to lock up additional funds to ensure that they maintain enough funds in their reserve account day-to-day. Daily calculations may enable firms to free up funds since they will not be required to hold a fixed amount of funds in their reserve account for a full week.

5 Daily deposit evaluation: An important input for firms, especially bubble firms that may eventually be required to make daily calculations and/or deposits, will be the impact to their deposit amounts. To assess whether making daily computations and deposits could be beneficial, firms should assess the daily deposit amounts that would be required daily, including looking for patterns in the daily data and how it might impact their weekly deposit amounts (if they have not previously done so).

Endnotes

¹Securities and Exchange Commission (SEC), "[Daily computation of customer and broker-dealer reserve requirements under the broker-dealer customer protection rule](#)," December 20, 2024.

²SEC, "[Proposal: daily computation of customer and broker-dealer reserve requirements under the broker-dealer customer protection rule](#)," July 12, 2023.

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