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> [FINRA RULES](#) > [11000. UNIFORM PRACTICE CODE](#) > [11500. DELIVERY OF SECURITIES WITH RESTRICTIONS](#)

11520. Delivery of Mutilated Securities

(a) A mutilated security shall not be a good delivery until appropriately authenticated by the trustee, registrar, transfer agent, or issuer.

(b) The delivery of a bond which bears a coupon which has been mutilated as to the bond number or signature or which bears a coupon which has been canceled in error shall not be good delivery unless an appropriate endorsement by an official authorized by paragraph (c) of this Rule, in the form required by the Committee, shall have been placed on the reverse of the coupon.

(c) The endorsement shall be signed on behalf of the obligor by an officer thereof or, under authorization from the obligor, on behalf of the corporate trustee or paying agent by a duly authorized officer thereof or other person authorized to sign on behalf thereof.

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.

Amended eff. Sept. 1, 1970.

Selected Notice: 10-49.

< [11510. DELIVERY OF TEMPORARY CERTIFICATES](#)

[UP](#)

[11530. DELIVERY OF SECURITIES CALLED FOR REDEMPTION OR WHICH ARE DEEMED WORTHLESS](#) >

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11530. Delivery of Securities Called for Redemption or Which Are Deemed Worthless

(a) Securities Called for Redemption

A certificate of stock or a bond shall cease to be a good delivery upon publication of notice of call for redemption, except when an entire issue is called for redemption and except against transactions in "called stock" or "called bonds" dealt in specifically as such.

(b) Securities Deemed Worthless

(1) In contracts for securities where a public announcement or publication of general circulation discloses that the securities have been deemed worthless, deliveries shall consist of (A) the worthless securities or (B) a Letter of Indemnity which shall grant the purchaser any rights and privileges which might accrue to the holders of the physical securities.

(2) Deliveries effected pursuant to paragraph (b)(1) shall operate to close-out the contract and must be accompanied by documentation evidencing that the security was deemed worthless after the original execution date of the contracts. Such contracts shall be settled at the existing contract price.

(3) For purposes of this paragraph (b), securities deemed worthless shall be those instruments which have no known market value.

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.

Amended by SR-NASD-91-13 eff. Nov. 1, 1991.

Selected Notice: 10-49.

[< 11520. DELIVERY OF MUTILATED SECURITIES](#)

[UP](#)

[11540. DELIVERY UNDER GOVERNMENT REGULATIONS >](#)

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11540. Delivery Under Government Regulations

(a) Documents Required

When the laws, regulations, rulings, instructions or orders of any government, government instrumentality or agency, or official thereof having jurisdiction, require a license, clearance certificate, affidavit of ownership or any similar document in connection with the acquisition, disposition, transfer or redemption of, or other dealing in or with respect to, any security, such security shall not be a good delivery unless accompanied by the document or documents so required.

(b) Certificate Subject to Stoppage

If a specific certificate tendered in settlement of a contract in foreign securities is on a black list, blocked list, or subject to similar stoppage, from which an innocent holder in due course cannot have it removed by simple request, such certificate is not a good delivery, and reclamation may be made without limit of time.

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.

Selected Notice: 10-49.

[11530. DELIVERY OF SECURITIES CALLED FOR REDEMPTION OR WHICH ARE DEEMED WORTHLESS](#)

UP

[11550. ASSIGNMENTS AND POWERS OF SUBSTITUTION; DELIVERY OF REGISTERED SECURITIES](#)

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11550. Assignments and Powers of Substitution; Delivery of Registered Securities

(a) General Requirements

Any registered security to be a good delivery must be accompanied by an assignment and a power of substitution (when such power of substitution is required under paragraph (g) of this Rule) conforming to the requirements set forth in Rule 11550 to 11574, inclusive. Any expense incurred through failure of a seller to meet these requirements shall be paid by the seller.

(b) Assignment

An assignment shall be executed on the certificate itself or on a separate paper, in which latter case there shall be a separate assignment for each certificate.

(c) Signature Requirements

The signature to an assignment or power of substitution shall be technically correct; i.e., it shall correspond with the name as written upon the certificate in every particular without alteration or enlargement, or any change whatever, except that "and" or "&" "Company" or "Co." may be written either way.

(d) Detached Assignment Requirements

A separate (detached) assignment shall contain provision for the irrevocable appointment of an attorney, with power of substitution, and a full description of the security, including name of issuer, issue, certificate number, and amount (expressed in words and numerals).

(e) Two or More Names

A certificate registered in the names of two or more individuals or firms shall be a good delivery only if signed by all the registered owners.

(f) Alteration or Correction

Any alteration or correction in an assignment or power of substitution shall be accompanied by an explanation on the original instrument signed by the person or firm executing the same.

(g) Power of Substitution

When the name of an individual or firm has been inserted in an assignment, as attorney, a power of substitution shall be executed in blank by such individual or firm. When the name of an individual or firm has been inserted in a power of substitution as substitute attorney, a new power of substitution shall be executed in blank by such substitute attorney.

(h) Guarantee

Each assignment, endorsement, alteration and erasure shall bear a guarantee acceptable to the transfer agent or registrar. It is not the intent of this paragraph (h) that a "New York," national securities exchange member or other specific guarantee is required; rather, it is the intent only that the guarantee be acceptable to the transfer agent.

(i) Foreign Internal Securities

Except for Canadian Securities, American Depositary Receipts, American Shares, New York Shares and similar securities, the provisions of paragraphs (b) through (g) of this Rule, inclusive, and Rule 11572 shall not apply to Foreign Internal Securities in registered form. In default of specific Rules in this Code, the usual conditions of delivery and transfer of Foreign Internal Securities in registered form in the foreign market where principally traded shall apply.

(j) Uniform Transfer Instruction Form

A properly executed Uniform Transfer Instruction Form must accompany securities presented for transfer.*

* Specifications for use of the Uniform Transfer Instruction Form are contained in the Final Report of the Banking and Securities Industry Committee entitled "Four Uniform Forms" dated December 22, 1971.

••• **Supplementary Material:** -----

.01 Uniform Transfer Instruction Form.

TO TRANSFER AGENT: <div style="border: 1px solid black; height: 70px; width: 100%;"></div>				NAME OF MEMBER: ADDRESS: I.D. #			
PLEASE TRANSFER THE ATTACHED SECURITIES AS SHOWN BELOW							
SECURITY DESCRIPTION				CERTIFICATION PRESENTED TO TRANSFER			
QUANTITY	DENOMINATIONS		TAX PAYER NO.	CUSIP NUMBER	CONTROL	PRESENTOR	DATE
TO BE REGISTERED IN THE NAME OF							
FORM AS SHOWN IS NOT DRAWN TO SCALE							

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.
 Amended by SR-NASD-91-13 eff. Nov. 1, 1991.
 Amended eff. Mar. 1, 1970; Dec. 1, 1972.

Selected Notices: 84-44, 10-49.



> FINRA RULES > 11000. UNIFORM PRACTICE CODE > 11500. DELIVERY OF SECURITIES WITH RESTRICTIONS

11560. Certificate of Company Whose Transfer Books Are Closed

General Requirements

A certificate of a company whose transfer books are closed indefinitely for any reason shall be good delivery only if the required ownership transfer indemnification is affixed to or recorded upon the certificate. The indemnification acknowledges the assignor(s)' ultimate responsibility for the ownership of the certificate as of the date of the indemnification and shall be affixed or recorded only once during the lifetime of the certificate. Certificates delivered pursuant to this Rule must conform with all the applicable delivery requirements set forth in Rule 11550.

••• Supplementary Material: -----

.01 Sample Ownership Transfer Indemnification Stamp.

Date:	
The undersigned owner of this certificate (number) representing _____ shares of _____ hereby certifies the transfer of all ownership therewith to the bearer hereby. We acknowledge that the transfer books of the herein named corporation are closed and agree to accept responsibility in accordance with the provisions of Rule 11560 of the FINRA Uniform Practice Code.	
	_____ (Name of Member)
	_____ (Authorized Signature)

Amended by SR-FINRA-2010-060 eff. Dec. 15, 2010.
 Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.
 Amended by SR-NASD-91-13 eff. Nov. 1, 1991.

Selected Notice: 10-49.

◀ 11550. ASSIGNMENTS AND POWERS OF SUBSTITUTION; DELIVERY OF REGISTERED SECURITIES UP 11570. CERTIFICATES IN VARIOUS NAMES ▶

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> FINRA RULES > 11000. UNIFORM PRACTICE CODE > 11500. DELIVERY OF SECURITIES WITH RESTRICTIONS
> 11570. CERTIFICATES IN VARIOUS NAMES

11571. Certificate in Name of Corporation

(a) Transfer Books Open

A certificate in the name of a corporation or an institution, or in a name with official designation shall be a good delivery only if the statement "Proper papers for transfer filed by assignor" is placed on the assignment and signed by the transfer agent.

(b) Transfer Books Closed

Where a certificate, an assignment or a power of attorney is in the name of a corporation and the transfer books of the issuing company are closed indefinitely for any reason, the certificate shall be a good delivery if the assignment or other instrument effecting transfer on the corporation's behalf is executed by an officer of such corporation, other than the secretary, and is accompanied by (1) a guarantee of such officer's signature executed by a person with the authority to make such a guarantee; (2) a copy of a corporate resolution and a completed and executed certificate of incumbency; and (3) the ownership transfer indemnification, as provided in Rule 11560, affixed to or recorded on the certificate.

(c) Foreign Internal Securities

The foregoing requirements shall not apply to foreign internal securities when the requirements do not correspond to the laws or customs of the country concerned; but instead such laws and customs shall govern such securities.

••• Supplementary Material: -----

.01 Sample Certificate and Authorizing Resolution/Certificate of Incumbency.

I hereby certify that a meeting of the Board of Directors of _____ a corporation organized under the laws of the State of _____ held the _____ day of _____, 20____, at which a quorum was present and acting throughout, the following resolution was duly adopted and is now in full force and effect:

RESOLVED, that any one of the following officers of this Corporation, viz: the President, Vice President, Treasurer or Secretary, be and is hereby fully authorized and empowered to sell, assign, transfer and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation, and to make, execute, and deliver, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

I further certify that the authority thereby conferred is not inconsistent with the Charter or By-Laws of this Corporation, and that the following is a true and correct list of the officers of this Corporation authorized to act.

Signing Officers:

In witness, whereof, I have hereunto set my hand and the seal of said Corporation this _____ day of _____, 20_____.

(Affix Corporate Seal)

	Secretary

(The foregoing certification and the assignment of the securities should be executed by different officers.)

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.
Amended by SR-NASD-91-13 eff. Nov. 1, 1991.
Amended effective September 11, 1991.

Selected Notice: 10-49.

[← 11570. CERTIFICATES IN VARIOUS NAMES](#)

[UP](#)

[11572. CERTIFICATE IN NAME OF FIRM →](#)

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> [11570. CERTIFICATES IN VARIOUS NAMES](#)

11572. Certificate in Name of Firm

Unless the endorsement specifies otherwise, there shall be a presumption that stock registered in a firm or business name is registered in the name of a partnership and not a corporation.

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.

Selected Notice: 10-49.

[← 11571. CERTIFICATE IN NAME OF CORPORATION](#)

UP

[11573. CERTIFICATE IN NAME OF DISSOLVED FIRM SUCCEEDED BY NEW FIRM →](#)

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[> 11570. CERTIFICATES IN VARIOUS NAMES](#)

11573. Certificate in Name of Dissolved Firm Succeeded by New Firm

A certificate with an assignment or a power of substitution executed in the name of a firm that has since dissolved and is succeeded by a firm or firms having as general partners one or more of the general partners of the dissolved firm shall be a good delivery only if the new firm or one of the new firms shall have signed the statement "Execution Guaranteed" under a date subsequent to the formation of the new firm so signing.

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.

Selected Notice: 10-49.

[< 11572. CERTIFICATE IN NAME OF FIRM](#)

[UP](#)

[11574. CERTIFICATE IN NAME OF DECEASED PERSON, TRUSTEE, ETC. >](#)

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> FINRA RULES > 11000. UNIFORM PRACTICE CODE > 11500. DELIVERY OF SECURITIES WITH RESTRICTIONS
 > 11570. CERTIFICATES IN VARIOUS NAMES

11574. Certificate in Name of Deceased Person, Trustee, etc.

(a) A certificate shall not be a good delivery with an assignment or power of substitution executed by a: (1) person since deceased; (2) trustee or trustees, except as provided in paragraph (b) of this Rule, or except for trustees acting in the capacity of a board of directors of a corporation or association, in which case Rule 11571(a) shall apply; (3) guardian, except as provided in paragraph (b) of this Rule; (4) infant; (5) executor, except as provided in paragraph (b) of this Rule; (6) administrator, except as provided in paragraph (b) of this Rule; (7) receiver in bankruptcy; (8) agent; (9) attorney; (10) or with a qualification, restriction or special designation.

(b) A certificate shall be a good delivery with an assignment or a power of substitution executed by a: (1) domestic individual executor(s) or administrator(s); (2) domestic individual trustee(s) under an inter vivos or testamentary trust; or (3) domestic guardian(s) including committees, conservators and curators. These exceptions to paragraph (a) of this Rule are to cover transfers that will be effected by transfer agents without additional documentation. This paragraph (b) shall apply only to securities of a domestic issuer (organized under the laws of any state in the United States or District of Columbia) which are registered in the name(s) of (1), (2) or (3) of this paragraph (b). Certificates delivered pursuant to this paragraph (b) must be properly assigned, and the signature(s) to the assignment be guaranteed pursuant to Rule 11550(h).

(c) This Rule does not apply to certificates registered under a Statutory Gifts to Minors Act.

••• **Supplementary Material:** -----

.01 Sample Limited Partnership Change of Trustee Form.

Limited Partnership Change of Trustee Form

FBO (Investor's Name)	Partnership Name
Assignor (Present Trustee's Name)	Assignor's Address
Customer's A/C Number with Assignor	THIS HEREBY CONSTITUTES AND APPOINTS THE SAID PARTNERSHIP TO TRANSFER THE SAID INTERESTS ON THE BOOKS OF THE PARTNERSHIP WITH FULL POWER OF SUBSTITUTION IN THE PREMISES.
The Assignor hereby assigns to the Assignee 100% of the Assignor's right, title and interest in the Limited Partnership(s) described herein.	
ASSIGNOR'S RELEASE: _____	_____
(Authorized Signature)	(Date)
Designee (New Trustee's Name)	(Assignee's Address)
(Customer's A/C Number with Assignee)	(Assignee's Tax ID Number)

New Trustee's (Assignee's) Instructions:	
Partnership Information:	
ASSIGNEE'S ACCEPTANCE _____	_____
(Authorized Signature)	(Date)

Assignee:	Upon receipt, forward this form and the original certificate (if available) to the General Partner for re-registration.
General Partner:	

Amended by SR-FINRA-2010-060 eff. Dec. 15, 2010.
 Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.
 Amended by SR-NASD-91-13 eff. Nov. 1, 1991.
 Amended eff. July 1, 1974.

Selected Notice: 10-49.

[◀ 11573. CERTIFICATE IN NAME OF DISSOLVED FIRM SUCCEEDED BY NEW FIRM](#)

[UP](#)

[11580. TRANSFER OF LIMITED PARTNERSHIP SECURITIES ▶](#)

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[> FINRA RULES](#) [> 11000. UNIFORM PRACTICE CODE](#) [> 11500. DELIVERY OF SECURITIES WITH RESTRICTIONS](#)

11580. Transfer of Limited Partnership Securities

(a) Each member that participates in the transfer of limited partnership securities, as defined in Rule 2310, shall use standard transfer forms in the same form as set forth in Rule 11581. This Rule shall not apply to limited partnership securities that are traded on a national securities exchange, or are on deposit in a registered securities depository and settle regular way.

(b) The Corporate Financing Department may, pursuant to a written request for good cause shown, grant an exemption from the requirements of paragraph (a) to permit a member to modify the standard transfer forms for the transfer of limited partnership securities where necessary to meet other legal or regulatory requirements or to otherwise facilitate the transfer of the securities.

Amended by SR-FINRA-2010-060 eff. Dec. 15, 2010.
Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.
Amended by SR-NASD-2005-087 eff. Aug. 1, 2006
Amended by SR-NASD-97-05 eff. May 8, 1997.
Amended by SR-NASD-96-42 eff. Jan 24, 1997.
Adopted by SR-NASD-95-53 eff. Jan. 29, 1996.

Selected Notices: 96-14, 10-49.

[< 11574. CERTIFICATE IN NAME OF DECEASED PERSON, TRUSTEE, ETC.](#)

[UP](#)

[11581. LIMITED PARTNERSHIP TRANSFER FORMS >](#)

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[FINRA RULES](#) > [11000. UNIFORM PRACTICE CODE](#) > [11500. DELIVERY OF SECURITIES WITH RESTRICTIONS](#)

11581. Limited Partnership Transfer Forms

The forms required by Rule 11580 are published in NASD Notice to Members 96-14 (March 1996), pp. 70-75.

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.
Adopted by SR-NASD-95-53 eff. Jan. 29, 1996.

Selected Notice: 10-49.

[11580. TRANSFER OF LIMITED PARTNERSHIP SECURITIES](#)

UP

[11600. DELIVERY OF BONDS AND OTHER EVIDENCES OF INDEBTEDNESS](#)

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> [FINRA RULES](#) > [11000. UNIFORM PRACTICE CODE](#) > [11600. DELIVERY OF BONDS AND OTHER EVIDENCES OF INDEBTEDNESS](#)

11610. Liability for Expenses

Failure of the seller to meet the requirements of good delivery relating to bonds and similar evidences of indebtedness, as set forth in paragraphs (a) through (h) of this Rule inclusive, shall make the seller liable for any expense incurred as a result of such failure.

(a) Coupon Bonds

A coupon bond shall have securely attached in the correct place proper coupons, warrants, etc., of the same serial number as the bond. Acceptance of cash or check in lieu of missing coupons shall be at the option of the purchaser.

(b) Endorsed Bonds

A coupon bond bearing an endorsement of a definite name of a person, firm, corporation, association, etc., in conjunction with words of condition, qualification, direction, or restriction, not properly pertaining thereto as a security, shall not be a good delivery unless sold specifically as an "endorsed bond." This shall also apply to bonds with coupons bearing such endorsements.

(c) Interest in Default

A bond upon which interest is in default shall carry all unpaid coupons.

(d) Registerable as to Principal

A coupon bond registerable as to principal shall be a good delivery only if registered to bearer.

(e) Endorsements for Banking or Insurance Requirements

A coupon bond bearing an endorsement indicating that the bond was deposited in accordance with a governmental requirement pertaining to banking institutions or insurance companies shall not be a good delivery. If released, with such release acknowledged before an officer authorized to take acknowledgments, it shall be a good delivery if sold specifically as a "released endorsed bond."

(f) Coupon Detached Prior to Delivery

(1) A bond dealt in "and interest," for delivery on or after the date on which interest is due and payable, shall be delivered without the coupon payable on such date.

(2) Late delivery. In the settlement of contracts in bonds dealt in "and interest" where delivery is due prior to the interest payment date but is made on or after the interest payment date, bonds may be delivered without coupons payable on such date, and the seller may present such detached, unpaid coupons to the buyer for payment, the buyer bearing the risk of non-payment.

(g) Stamped Bonds

(1) If a plan of reorganization which has been declared operative, or an amendment or supplement to an indenture provides that the bonds covered thereby shall be stamped to reflect the adoption of such plan or the amendment or supplement to the indenture, bonds so stamped shall be a good delivery and bonds not so stamped shall not be a good delivery.

(2) The fact that a bond has been stamped "Tax Paid" by any authority vested with the power to tax, if the stamp does not indicate ownership, shall not prevent such bond from being a good delivery.

(h) Certificates of Deposit

Certificates of deposit issued by committees or depositaries other than those specified at time of trade shall not be a good delivery.

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.

Selected Notice: 10-49.

[← 11600. DELIVERY OF BONDS AND OTHER EVIDENCES OF INDEBTEDNESS](#)

UP

[11620. COMPUTATION OF INTEREST →](#)

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> [FINRA RULES](#) > [11000. UNIFORM PRACTICE CODE](#) > [11600. DELIVERY OF BONDS AND OTHER EVIDENCES OF INDEBTEDNESS](#)

11620. Computation of Interest

(a) Interest to be Added to the Dollar Price

In the settlement of contracts in interest-paying securities other than for "cash," there shall be added to the dollar price interest at the rate specified in the security, which shall be computed up to but not including the second business day following the date of the transaction. In transactions for "cash," interest shall be added to the dollar price at the rate specified in the security up to but not including the date of transaction.

(b) Basis of Interest

Interest shall be computed on the basis of a 360-day year, i.e., every calendar month shall be considered to be 1/12 of 360 days; every period from a date in one month to the same date in the following month shall be considered to be 30 days.

Note: The number of elapsed days should be computed in accordance with the examples given in the following table:

*From 1st to 30th of the same month to be figured as 29 days;
 From 1st to 31st of the same month to be figured as 30 days;
 From 1st to 1st of the following month to be figured as 30 days;
 From 1st to 28th of February to be figured as 27 days;
 From the 23rd of February to the 3rd of March is to be figured as 10 days;
 From the 15th of May to the 6th of June is to be figured as 21 days.*

Where interest is payable on 30th or 31st of the month:

From 30th or 31st to 1st of the following month to be figured as 1 day;
 From 30th or 31st to 30th of the following month to be figured as 30 days;
 From 30th or 31st to 31st of the following month to be figured as 30 days;
 From 30th or 31st to 1st of second following month to be figured as 1 month, 1 day.

(c) Securities Traded "and interest"

When delivery of a security traded "and interest" is made between the record date fixed for the purpose of determining the holder entitled to receive interest and the interest payment date, a deduction equivalent to the full amount of the interest to be paid shall be made on settlement.

(d) Securities Traded "flat"

When delivery of a security traded "flat" is made after the record date fixed for the purpose of determining the holder entitled to receive interest, in the settlement of a contract made prior to the date on which the security was traded "ex-interest," a due-bill check for the full amount of the interest to be paid shall accompany the delivery.

(e) Income Bonds

Income bonds shall be dealt in "flat" even though such bonds are paying interest, except that where a certain fixed rate is guaranteed in the indenture and provision is made for additional contingent payment, they shall be dealt in "and interest" at the fixed rate guaranteed in the indenture (so long as interest payments at such fixed rate are not in default and no announcement of intention to default has been made).

(f) Fractions of a Cent

In all transactions involving the payment of interest, fractions of a cent equalling or exceeding five mills shall be regarded as one cent; fractions of a cent less than five mills shall be disregarded.

Amended by SR-FINRA-2016-047 eff. Sept. 5, 2017.
 Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.
 Amended by SR-NASD-94-56 eff. June 7, 1995.
 Amended eff. Jan. 2, 1968; Feb. 9, 1968; Feb. 21, 1969; Mar. 18, 1983.

Selected Notices: 83-69, 95-36, 10-49, 17-19.

[← 11610. LIABILITY FOR EXPENSES](#)

[UP](#)

[11630. DUE-BILLS AND DUE-BILL CHECKS →](#)

VERSIONS

Sep 05, 2017 onwards

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> FINRA RULES > 11000. UNIFORM PRACTICE CODE > 11600. DELIVERY OF BONDS AND OTHER EVIDENCES OF INDEBTEDNESS

11630. Due-Bills and Due-Bill Checks

(a) Definition of Due-Bills

The term "due-bill" as used in this Rule means an instrument employed for the purpose of evidencing the transfer of title to any security or rights pertaining to any security contracted for or evidencing the obligation of a seller to deliver such to a subsequent purchaser. A due-bill shall not be transferable or assignable by the purchaser.

(b) Definition of Due-Bill Checks

The term "due-bill checks" as used in this Rule means a due-bill in the form of a check payable on the date of payment of a cash dividend, interest on registered bonds or interest on unit investment trust securities, which prior to such date shall be considered as a due-bill, as defined in paragraph (a) of this Rule, for the amount of such dividend or interest.

(c) Due-bills for Stock Dividends and Rights

A security sold before it trades "ex-dividend" (for stock and scrip dividends) or "ex-rights" and delivered too late for transfer on or before the record date, shall be accompanied by a due-bill for the distribution to be made. When a due-bill accompanying a delivery evidences the obligation of the seller to deliver stock, the purchaser shall prorate the value of the contract, and shall make payment of the balance upon redemption of the due-bill. The requirement to pro-rate the value of the contract as described above shall not apply to stock dividends less than ten percent (10%) or to "spinoffs" or rights.

(d) Due-bill Checks for Cash Distribution and Interest

Due-bill checks for a cash distribution, interest on registered bonds or interest on unit investment trust securities shall accompany securities delivered too late for transfer on or before the record date.

(e) Redemption of Due-Bills

Due-bills for any security or rights pertaining to any security shall be redeemable on the date on which the security or rights are issued by the corporation or as soon thereafter as the signer or guarantor of the due-bill can obtain transfer of the security or rights into denominations necessary to effect the redemption of the due-bills.

(f) Default Upon Redemption of Due-Bills

A due-bill for any security or rights pertaining to any security issued pursuant to paragraph (c) of this Rule and presented for redemption pursuant to the terms of paragraph (e) of this Rule, and not honored by the seller may, at the option of the buyer, be treated as a "fail to receive" from the seller, and the distribution evidenced by such due-bill may be bought-in for the account and risk of the seller pursuant to the terms of Rule 11810. However, buy-ins executed in accordance with this paragraph (f) must be executed after the payable date of such securities as determined by the issuing corporation.

••• Supplementary Material: -----

.01 Sample Due-Bills Form.

(a) Due-Bill for Stock Dividend or Stock Distribution

For value received, the undersigned hereby assigns, transfers and sets over to _____ the stock distribution of _____ () shares of _____ stock of _____ to be issued on _____ to the registered holder of _____ () shares of _____ stock of _____ represented by certificate number _____, to which the undersigned is entitled as a stock dividend, and hereby irrevocably constitutes and appoints _____ attorney to transfer the shares representing said stock dividend on the books of said corporation, with full power of substitution in the premises.

(Date)

	_____ (Official Signature)
--	-------------------------------

(b) Due-Bill for Rights

For value received, the undersigned hereby assigns, transfers, and sets over to _____ the warrant and/or fractional warrant to which the undersigned is entitled, evidencing the rights to subscribe for _____, which warrant and/or fractional warrant is to be issued to the holder of record at the close of business _____ of _____ () shares of _____ stock of _____ represented by certificate No. _____	
_____ (Date)	
	_____ (Official Signature)

(c) Due-Bill for Interest on When Issued Contract

This is to certify that, upon issuance of _____ in accordance with the plan approved by _____, the undersigned will pay to _____ \$ _____ representing (contingent)(income) interest for _____ on \$ _____ principal amount of said bonds sold to it when, as, and if issued on ____ 20 ____	
This due-bill shall become null and void if the contract for sale of said bonds can not be completed in accordance with the plan approved by _____, on _____	
_____ (Date)	
	_____ (Official Signature)

(d) Due-Bill for Dividend on When Issued Contract

This is to certify that, upon issuance of _____ in accordance with the plan approved by _____, the undersigned will pay to _____ \$ _____, representing the dividend of \$ _____ per share declared for the period ending 20 ____ , on _____ shares of _____ stock of ____ sold to it when, as, and if issued on _____ 20 ____	
This due-bill shall become null and void if the contract for sale of said stock cannot be completed in accordance with the plan approved by _____, on _____	
_____ (Date)	
	_____ (Official Signature)

(e) Due-Bill Check

Consider this check as due-bill until payable date as shown below

NEW YORK _____, XYZ BANK	20 _____	No. 1999 1-2 — 210
Pay To The Order Of _____		
\$ _____		
<u>Dollars</u>		
In Payment of Dividend or Interest	Dividend Account – Interest Account –	
On _____	NOT PAYABLE BEFORE _____	
RECORD DATE _____		

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.
Amended eff. Feb. 21, 1969; Mar. 1, 1970; Nov. 1, 1971; Nov. 1, 1972; Mar. 18, 1983.

Selected Notices: 83-69, 10-49.



[FINRA RULES](#) > [11000. UNIFORM PRACTICE CODE](#) > [11600. DELIVERY OF BONDS AND OTHER EVIDENCES OF INDEBTEDNESS](#)

11640. Claims for Dividends, Rights, Interest, etc.

(a) Dividends or Rights

A buyer of stock who has the certificate in its possession in time to enable it to effect transfer prior to the closing of the books or to the record date shall have no claim upon the seller (unless the seller is the registered holder) for the dividend or rights pertaining to such certificate, but the seller, upon request of the buyer, shall use its best efforts to collect the same for the buyer.

(b) Substantiating Claims

When a buyer of stock who has failed to have said stock transferred in time requests the seller to collect the dividends or rights pertaining thereto, the seller may require from the buyer the presentation of the certificate or a letter from the transfer agent substantiating the claim, or the buyer's written statement that it or its customer was the holder on the record date, and a guarantee of indemnity for liability arising out of any further demand for said dividend or rights.

(c) Interest or Rights

The provisions of paragraphs (a) and (b) of this Rule shall be equally applicable to interest or rights pertaining to registered bonds and unit investment trust securities.

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.

Amended eff. Mar. 18, 1983.

Selected Notices: 83-69, 10-49.

[11630. DUE-BILLS AND DUE-BILL CHECKS](#)

UP

[11650. TRANSFER FEES](#)

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[> FINRA RULES](#) > [11000. UNIFORM PRACTICE CODE](#) > [11600. DELIVERY OF BONDS AND OTHER EVIDENCES OF INDEBTEDNESS](#)

11650. Transfer Fees

The party at whose instance a transfer of securities is made shall pay all service charges of the transfer agent.

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.

Selected Notice: 10-49.

[< 11640. CLAIMS FOR DIVIDENDS, RIGHTS, INTEREST, ETC.](#)

[UP](#)

[11700. RECLAMATIONS AND REJECTIONS >](#)

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11710. General Provisions

(a) Definition

The term "reclamation" as used in this Code shall mean a claim for the right to return or the right to demand the return of a security which has been previously accepted. Securities which have been presented for delivery on a transaction and which for a valid reason have been refused shall within the meaning of Rules 11710 and 11720, inclusive, be deemed a rejection for the purposes of these Rules.

(b) Uniform Reclamation Form

(1) Form Must Accompany Securities

A properly executed Uniform Reclamation Form must accompany securities on reclamation or return.*

(2) Absence of Form Permits Sell-Out

Any security reclaimed or returned on a transaction without a properly executed Uniform Reclamation Form as prescribed within this Rule may, at the option of the receiving broker, be "sold-out" pursuant to Rule 11820, however, in no event later than three business days after receipt of the receiving broker or its agent.

(c) Time for Delivery of Reclamation and Manner of Settlement

(1) A security with an irregularity having been delivered may be returned or reclaimed between the hours established by rule or practice in the community where the delivery or reclamation is to be made.

(2) When a security is returned or reclaimed, the party who originally delivered it shall immediately give the party returning it either the security in proper form for delivery in exchange for the security originally delivered, or the money amount of the contract. In the latter case, unless otherwise agreed, the party to whom the security is returned shall be deemed to be failing to deliver the security until such time as a proper delivery is made.

(d) Minor Irregularities

Reclamation for an irregularity which affects only the currency of the security in the market shall be made within 15 days from the day of original delivery, except that, if the security is issued under the jurisdiction of a foreign country, the period for reclamation under this section shall be 45 days from the day of original delivery.

(e) Wrong Form of Certificate

Reclamation, by reason of the fact that a form of certificate was delivered which was not a good delivery, but which is exchangeable without charge for a certificate which is a good delivery, shall be made within 15 days from the day of original delivery.

* Specifications for use of the Uniform Reclamation Form are contained in the Final Report of the Banking and Securities Industry Committee entitled "Four Uniform Forms," dated December 22, 1971.

••• Supplementary Material: -----

.01 Uniform Reclamation Form.

Uniform Reclamation Form	To Accompany Reclamations Subject to Rules & Regulations of:	Stock Clearing Corp. Annex Clearing Corp. National Clearing Corp. FINRA - Uniform Practice Code
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RECLAIMED TO	REC No.	NAME OF RECEIVER	DATE SECURITIES BELOW RECEIVED
RECLAIMED BY	DEL. No.	NAME OF DELIVERER	DATE OF RETURN
QUANTITY		Security Description (certificate's can be applied to reverse side of copy #1)	AMOUNT
Wrong Security _____ Should Be		Wrong Money _____ Our Money	
Carries Due Bill		Duplicates Delivery _____ You Delivered On	
Needs Signature Guarantee		Wrong Settlement Date _____ Our S/D	
Needs Tax Stamp		No Instructions	
Release Power of Attorney		Needs Legal Opinion	
Coupon Missing		Needs Better Account Date	
Other - Explanation			
_____		_____	_____
Name of Person making Reclamation (Print)		Telephone Number	Extension
ATTACH COPIES 1 & 2 TO CERTIFICATE - COPIES 3 & 4 ARE RETAINED BY DELIVERER			

FORM AS SHOWN IS NOT DRAWN TO SCALE

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.
 Amended eff. Sept. 1, 1969; Dec. 1, 1972.

Selected Notice: 10-49.



[FINRA RULES](#) > [11000. UNIFORM PRACTICE CODE](#) > [11700. RECLAMATIONS AND REJECTIONS](#)

11720. Irregular Delivery — Transfer Refused — Lost or Stolen Securities

(a) Irregular Delivery

Reclamation, by reason of the fact of an irregularity in the delivery of a security, shall be within 30 months after the settlement date of the contract. For purposes of this paragraph (a), the term "irregular delivery" shall include, among other things, wrong, duplicate, misdirected or over-deliveries and delivery of unit investment trust securities having the incorrect payment option.

(b) Transfer Refused

Reclamation, by reason of the fact that a specific certificate tendered in settlement of a contract has been presented for transfer and transfer thereof has been refused by the transfer agent, shall be within 30 months after the settlement date of the contract.

(c) Lost or Stolen or Confiscated Securities

Reclamation, by reason of the fact that a security is lost or stolen or confiscated shall be within 30 months after the settlement date of the contract.

(d) Running of 30 Month Period

The running of the 30-month period described in this Rule shall not be deemed to foreclose a member's rights to pursue its claim via other open avenues, including but not limited to the FINRA arbitration procedure.

Amended by SR-FINRA-2010-060 eff. Dec. 15, 2010.
Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.
Amended by SR-NASD-91-13 eff. Nov. 1, 1991.
Amended eff. Jan. 2, 1968; Sept. 1, 1971; Apr. 1, 1974; Mar. 18, 1983; and September 11, 1991.

Selected Notices: 83-69, 10-49.

[11710. GENERAL PROVISIONS](#)

[UP](#)

[11721. OBLIGATIONS OF MEMBERS WHO DISCOVER SECURITIES IN THEIR POSSESSION TO WHICH THEY ARE NOT ENTITLED](#)

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[> FINRA RULES](#) [> 11000. UNIFORM PRACTICE CODE](#) [> 11700. RECLAMATIONS AND REJECTIONS](#)

11721. Obligations of Members Who Discover Securities in Their Possession to Which They Are Not Entitled

Any member who discovers securities in its possession to which it is not entitled is required to make reasonable attempts to ascertain and to promptly notify the true owner of such securities and to take affirmative steps to correct the situation. Failure to abide by this requirement may result in a violation of Rule 2010.

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.

Amended by SR-NASD-91-13 eff. Nov. 1, 1991.

Amended eff. Jan. 2, 1968; Sept. 1, 1971; Apr. 1, 1974; Mar. 18, 1983; and September 11, 1991.

Selected Notices: 83-69, 10-49.

[< 11720. IRREGULAR DELIVERY — TRANSFER REFUSED — LOST OR STOLEN SECURITIES](#)

[UP](#)

[11730. CALLED SECURITIES >](#)

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[FINRA RULES](#) > [11000. UNIFORM PRACTICE CODE](#) > [11700. RECLAMATIONS AND REJECTIONS](#)

11730. Called Securities

Reclamation by reason of the fact that a security was delivered after publication of notice of call for its redemption, may be made without limit of time and such security may be returned to the party who held it at the time of such publication; except that this Rule shall not apply when an entire issue is called for redemption or when the security involved was dealt in specifically as a "called" security.

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.

Amended eff. Jan. 2, 1968.

Selected Notice: 10-49.

[11721. OBLIGATIONS OF MEMBERS WHO DISCOVER SECURITIES IN THEIR POSSESSION TO WHICH THEY ARE NOT ENTITLED](#)

UP

[11740. MARKING TO THE MARKET](#)

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[FINRA RULES](#) > [11000. UNIFORM PRACTICE CODE](#) > [11700. RECLAMATIONS AND REJECTIONS](#)

11740. Marking to the Market

(a) Demand for Deposit

The party who is partially unsecured by reason of a change in the market value of the subject of a contract in securities may demand from the other party a deposit equal to the difference between the contract price and the market price, without being required to make a mutual deposit. Such deposit shall be made either with the member demanding same or with a mutually agreed-on depository or, on failure to agree on a depository, with any member of the Federal Reserve System with an office in the financial district of the city where the unsecured party maintains its office.

(b) Assignment of Contract

Either party to a contract in securities may assign the contract, either at the time the transaction is effected or at the time a request is made for funds to "mark to the market," provided the other party to the contract assents to the assignment.

(c) Refund of Deposit

If the market value of the subject of the contract changes so as to permit a total or partial refund of any deposits which have been made in accordance with paragraph (a) of this Rule, such refunds shall be made on demand.

(d) Delivery of Demand for Deposit or Refund

All demands for deposits or refunds shall be in writing and shall be delivered at the office of the party upon whom the demand is made during the business hours of member banks of the Federal Reserve System located in the community where such party maintains its office, and such demands shall be complied with immediately.

(e) Failure to Comply with Demand

Failure of a party to comply with a demand for a deposit or refund made in accordance with paragraphs (a), (c) and (d) of this Rule shall entitle the party making the demand to close the contract without notice, by making offsetting purchase or sale contracts in the best available market for the account and liability of the party failing to comply with said demand.

(f) Contract Closure

No contract shall be closed pursuant to paragraph (e) of this Rule prior to the expiration of regular delivery time in the community where the party making the demand maintains its office, on the next business day following the day when notice of such demand was received by the other party.

(g) Notice of Offsetting Purchase or Sale

The party making such offsetting purchase or sale contracts shall as promptly as possible on the day on which they are made (1) notify the other party via letter, facsimile transmission, electronic mail, or other comparable written media, and (2) mail or deliver formal confirmation of same to the other party and a copy of said confirmation to the Committee.

Amended by SR-FINRA-2010-030 eff. Dec. 15, 2010.
Amended eff. Feb. 21, 1969; Mar. 1, 1970.

Selected Notice: 10-49.

[11730. CALLED SECURITIES](#)

UP

[11800. CLOSE-OUT PROCEDURES](#)

> FINRA RULES > 11000. UNIFORM PRACTICE CODE > 11800. CLOSE-OUT PROCEDURES

11810. Buy-In Procedures and Requirements

The Rule

Notices

(a) A securities contract that has not been completed by the seller according to its terms may be closed by the buyer not sooner than the third business day following the date delivery was due, in accordance with this Rule.

However, this Rule shall not apply:

(1) where the contract is subject to the "buy-in" requirements of a national securities exchange or a registered clearing agency, in which case, the requirements of the national securities exchange or registered clearing agency, as applicable, would apply;

(2) to transactions in securities exempted under Section 3(a)(12) of the Exchange Act;

(3) to transactions in municipal securities as defined in Section 3(a)(29) of the Exchange Act;

(4) to transactions in redeemable securities issued by companies registered under the Investment Company Act; provided, however, that this Rule shall apply to secondary market transactions between members in any security issued by a registered investment company classified as a "unit investment trust" under Section 4 of the Investment Company Act. Redemption of securities directly by the trustee of the unit investment trust are not transactions between members for purposes of this subparagraph; and

(5) to transactions in Direct Participation Program securities as defined in Rule 2310.

(b) Notice of "Buy-In" and Confirmation of Receipt

(1) Written notice of "buy-in" shall be delivered to the seller at its office not later than 12:00 noon, Eastern Time (ET), two business days preceding the execution of the proposed "buy-in."

(2) For purposes of this Rule, written notice shall include an electronic notice through a medium that provides for an immediate return receipt capability. Such electronic media shall include but not be limited to facsimile transmission, a computerized network facility, or the electronic functionality of a registered clearing agency.

(3) Confirmation of receipt of the "buy-in" notice by the seller shall be maintained with the notice as part of the buyer's books and records.

(4) If the seller receiving the "buy-in" notice does not accept such "buy-in" notice, it shall send a signed, written response to the buyer stating its rejection with respect thereto by no later than 6:00 p.m. ET on the date of issuance of such notice. If the seller receiving the "buy-in" notice does not send a signed, written response to the buyer stating its rejection of such "buy-in" notice by no later than 6:00 p.m. ET on the date of issuance of the "buy-in" notice, the notice shall be deemed to have been accepted by the seller. However, prior to the proposed effective date of the "buy-in," the seller has a right to request proof of fail obligation from the buyer and the buyer shall deliver such proof to the seller prior to such date. In no event shall a buyer be entitled to a "buy-in" that exceeds the liability of a seller under an unsettled securities contract because of the failure of the seller to reject a "buy-in" notice as stated in this paragraph (b). A buyer may not execute a "buy-in" notice to such extent the buyer fails to deliver the proof of fail obligation in accordance with the requirements of this paragraph (b).

(5) Notice shall be redelivered immediately by the receiving party to other parties from which the securities involved are due in the form of a re-transmitted notice. A re-transmitted notice of "buy-in" received by a member shall be delivered to subsequent parties not later than 12 noon ET on the business day preceding the time and date of execution of the proposed buy-in, and the time specified for delivery shall not be prior to the time specified in the original notice.

Each party receiving a re-transmitted notice shall be subject to paragraphs (b)(3) and (4) of this Rule; provided, however, that with respect to the written response required by paragraph (b)(4), each party receiving the re-transmitted notice must provide such response to the party from which such notice was received.

(6) When notice of "buy-in," or re-transmitted notice thereof, is given for less than the full amount of securities due, it shall not be for less than one trading unit.

(c) Information Contained in "Buy-in" Notice