



## MEMORANDUM

**To:** File  
**From:** Bonnie Gauch  
**Date:** February 14, 2012  
**RE:** Retail Foreign Exchange Transactions, S7-30-11 - accounts

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The staff communicated with Georgia Bullitt, Esq. and Mindy Lo, Esq. of Morgan Lewis and Bockius, LLP (“Morgan Lewis”) regarding the type of account(s) in which broker-dealers generally book customers’ forex transactions. After speaking with nine SIFMA/ISDA member broker-dealers, Morgan Lewis indicated that the practice varied. Of those nine:

- five broker-dealers book their retail forex trades in their customers’ good faith securities account;
- two broker-dealers book their retail forex trades in a separate foreign exchange account;
- one broker-dealer books its retail forex trades in a separate, segregated securities account that is cash collateralized; and,
- one broker-dealer books its retail forex trades in its customers’ margin accounts carried on a fully-disclosed basis by its clearing broker-dealer.