



February 2017 SEC No-Action Letter Relating to Third-Party SLOAs

BNY Mellon, N.A. ("BNY Mellon") makes the following representations related to the February 21, 2017, Securities and Exchange Commission ("SEC") No-Action Letter regarding certain standing letters of authorization (SLOAs) or other similar transfer authorization arrangements for cash. BNY Mellon's process includes the following steps:

- The client provides an instruction to BNY Mellon in writing that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed. Pershing requires a copy of the signed, written client instruction when entering instructions for the creation of a standing letter of authorization into Pershing's technology platform, NetX360®. **(Conditions 1 and 2)**
- BNY Mellon performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and, if the advisor has opted in, provides a transfer of funds notice to the client promptly after each transfer. **(Condition 3)**
- The client has the ability to terminate or change the instruction to BNY Mellon. **(Condition 4)**
- Unless the advisor requests otherwise, the advisor has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction. **(Condition 5)**
- Please note that **Condition 6** must be met by the advisor, as it requires that firms maintain records showing that third-party recipients are NOT related to their firm.
- If the advisor has opted in to having optional debit advice notices sent to advisor's clients, BNY Mellon sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction. **(Condition 7)**

THIS SOLUTION IS NOT AVAILABLE FOR SLOAs FOR SECURITIES MOVEMENTS DELIVERED TO ACCOUNTS OFF THE BANK CUSTODY OR PERSHING PLATFORM.