



Disclosure Reporting Tips and Best Practices

November 9, 2021

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Introductions

Today's Hosts

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What Was Boot Camp?

Disclosure Review Boot Camp History

- First session held May 26, 2016, in Rockville, MD
 - Camp expanded from one- to two-day sessions in 2018
- Session size was limited to 20 participants
- Session included group exercises and interactive case study
- Topics included all Disclosure types, tips and reminders
- Topics covered Disclosure Review processes and procedures

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Today's Objectives

Today's Objectives

1. Provide an Abridged Edition
2. Determine if there is interest from firms
for more training related to disclosure reporting
3. Gather feedback for future disclosure training

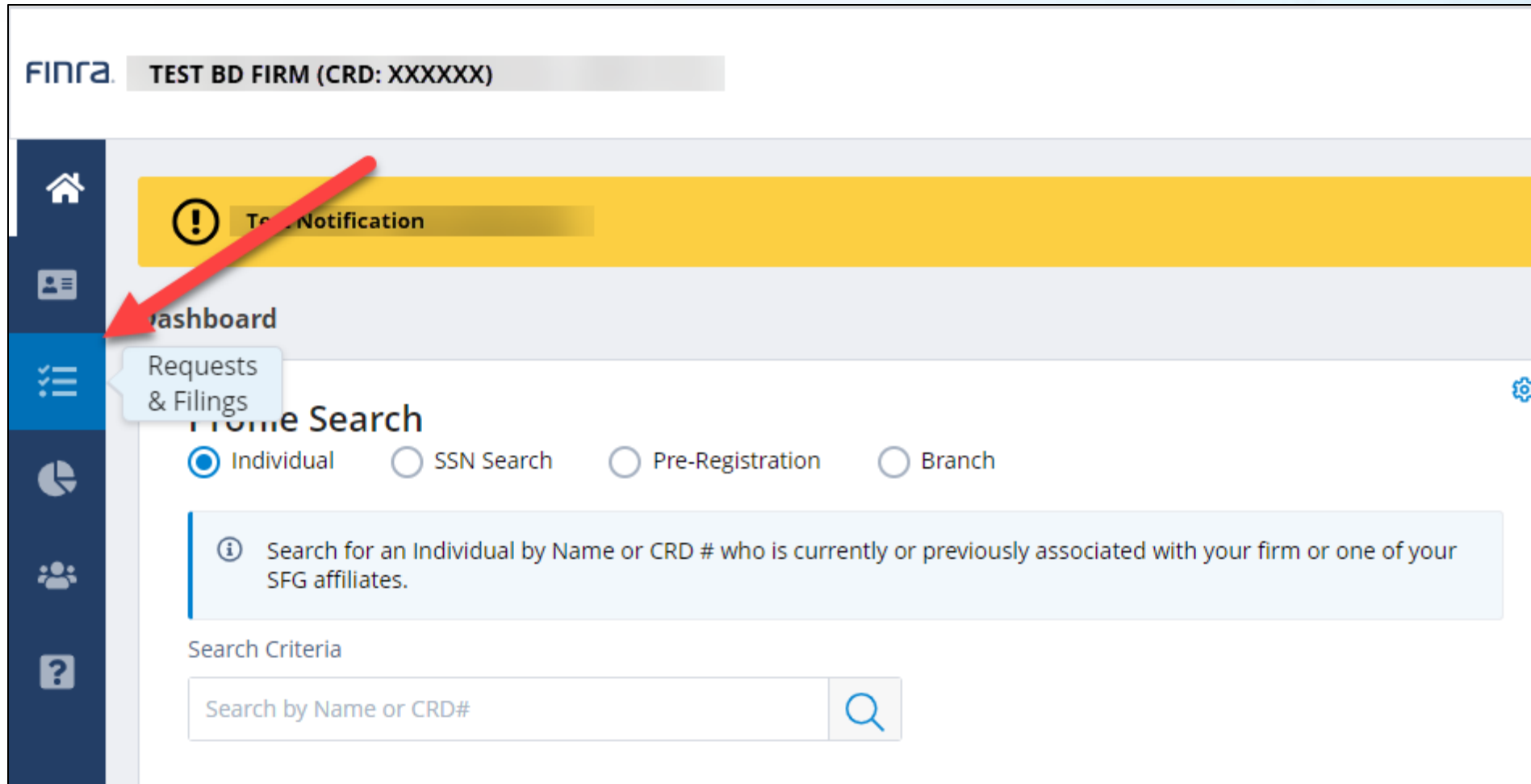
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Disclosure Reporting Tips and Best Practices

Disclosure Review & FINRA Gateway

Disclosure Review & FINRA Gateway

- Viewing Disclosure Letters in FINRA Gateway Requests



Disclosure Review & FINRA Gateway

■ Viewing Disclosure Letters in FINRA Gateway Requests

What's in Requests and Filings?

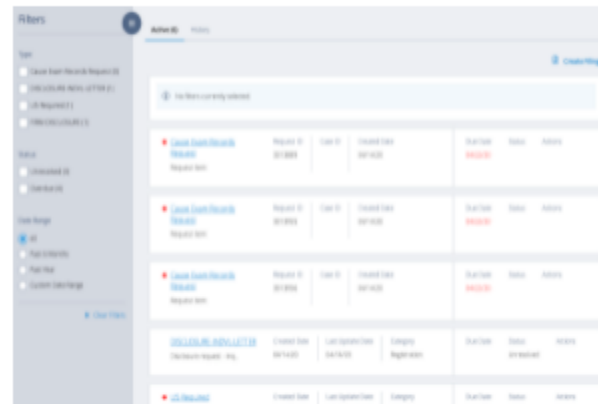
The following features are in Requests and Filings:

- **New Registration related items** (i.e. Firm Disclosure, **Individual Disclosure Letter**, Branch Deficiency, U4 Filings, and U5 Required)
- **Forms and Filings** (i.e. Annual Audit, Shorts, and others)
- **Information Requests** (i.e. OFDMI Requests, FINRA/SEC Bluesheets, and others)
- **Financial and Operational Filings** (from eFOCUS)

NOTE: Work items shown are based on your entitlements.

Check out some of the following tutorials to learn more...

- [Welcome to Requests and Filings](#)
- [Create a New Filing](#)
- [Create a Saved Worklist](#)



Type	Request ID	Case ID	Created Date	Status	Action
Individual Disclosure Letter	12345	67890	2021-01-15	Pending	View
Individual Disclosure Letter	12345	67890	2021-01-15	Pending	View
Individual Disclosure Letter	12345	67890	2021-01-15	Pending	View
U4 Required	12345	67890	2021-01-15	Pending	View

Category

- Information Request
- U4
- Registration
- U5
- Disclosure Letter

Disclosure Review & FINRA Gateway

- Viewing Disclosure Letters in FINRA Gateway Requests

NOTE: When communicating with Disclosure Review, identify letters by Date Sent and Individual CRD Number

Effective Date = Date Sent
 Individual CRD Number = Case ID

Request

[Redacted]: Form Action Required - Disclosure Required [Open](#)

Date Sent:
~~Effective Date:~~ 04/16/2021 Due Date: 05/16/2021 Requested: 04/16/2021 Updated: 04/16/2021

~~Case ID:~~ [Redacted] Request ID [Redacted] Requester: CRED Disclosure Review Email:

CRD #:

Disclosure Letters in FINRA Gateway Requests

- ✓ Court Documents
- ✓ Correspondence (Signed and On Letterhead)
- ✓ Comments that direct attention to critical information

There is no need to submit comments that simply state:

- X “Filing Submitted”
- X “See Attached”
- X “Please Review”
- X “Why hasn’t this letter been resolved?!?”

Disclosure Letters in FINRA Gateway Requests

How would you like to submit? *

Please note: Due Date for this request is only satisfied when 'Complete' has been submitted.

Partial: Not final; allows you to submit additional attachments or ask a question without submitting.

Complete: Final submission; cannot submit additional item(s).

[SEND RESPONSE](#)

Due Date	Status
05/27/21, 11:59 PM	Submitted
05/27/21, 11:59 PM	Withdrawn
05/27/21, 11:59 PM	Accepted

Marking a Disclosure Letter as “Complete” does not “Resolve” the Letter.

“Withdrawn” or “Accepted” status indicates the Disclosure Letter is resolved.

“Submitted” indicates the Letter submission was marked “Complete.”

Additional documents may not be uploaded for a letter marked “Complete.”

Inactive Disclosure Letters are visible in the “Completed” Requests.

Email submissions are still accepted: DisclosureReviewDocuments@FINRA.org

Disclosure Reporting using Data Collection

- Enhanced Form Filing – Designed To Minimize Reporting Errors

CUSTOMER COMPLAINT OR ARBITRATION/CFTC REPARATION OR CIVIL LITIGATION IN WHICH YOU ARE NOT NAMED.

If the matter involves a customer complaint, arbitration/CFTC reparation or civil litigation in which a customer alleges that you were involved in sales products or services.

Is this an oral complaint?
 Yes No

Is this a written complaint?
 Yes No

Is this an arbitration/CFTC reparation or civil litigation?
 Yes No

If yes, provide: **Certain responses "activate"/"deactivate" related fields.**
Responses may need to be changed in order to information input in error.

Arbitration/reparation forum or court name and location

Docket/Case#:

Public Records Review (PRR)

Public Record Review (PRR) History

May 18, 2018
PRR Enhancement Information Notice



July 9, 2018
Enhanced PRR



September 7, 2018
Real-time Monitoring

2015 to Mid-2018
Annual financial public
record reviews



Public Records Review (PRR) Types

Daily Review

- Review of financial public records upon initial registration
- Comprehensive review, indefinite look back
- Completed within days of U4 filing

“Monitoring” Review

- Ongoing review of financial public records for all registered representatives
- Excluding RR’s w/ European residential addresses
- Catches bankruptcy filings, judgments, and lien recordings – as soon as the next day
- Helpful in updating “Pending” events & reducing late reporting

Criminal Review

- Periodic Review of Registered Representatives who:
 - Do not have a fingerprint result in the last five years, and
 - Have not been subject to Criminal Review in the last five years

PRR Letters – Handling & Response

Carefully read the disclosure letter

Some letters contain all the data necessary to complete the appropriate DRP
Where available, a public records website is included in the disclosure letter

Make a “good faith effort” to validate the event

Effort relative to age of the event and details provided
“Lack of recollection” alone is an insufficient response

Submit disclosure – OR – documents / correspondence (in most cases)

Correspondence should CLEARLY indicate non-reportability
“Filed in error” should be stated — not implied
Final disposition documents may not necessarily confirm non-reportability
(e.g., lien release, judgment satisfaction, bankruptcy discharge)

Benefits of Enhanced PRR ...

To Firms:

- PRR satisfies 3110(e) requirement “for a search of reasonably available public records” regarding financial matters

To Public Disclosure:

- Financial disclosures post faster to BrokerCheck

To FINRA Disclosure Review:

- More accurate, consistent, and timely regulatory data and intelligence is now available



Form U5

Form U5

Initial & Ongoing Reporting Obligation

Regulatory Notice

10-39

Form U5

Obligation to Provide Timely, Complete and Accurate Information on Form U5

Executive Summary

This *Notice* reminds firms of their obligation to provide timely, complete and accurate information on Form U5 (Uniform Termination Notice for Securities Industry Registration).¹

September 2010

Notice Type

- Guidance

Suggested Routing

- Compliance
- Legal
- Operations

Form U5 Disclosure

- **Disclosure Certification Checkbox**
 - ✓ Certification when there is no new information
 - ✓ Responses to 7B & 7F questions are required

- **Independent Knowledge of Events**
 - ✓ While employed by / associated with / in connection with

- **7B. Internal Review Disclosure (U5-Only)**
 - ✓ Currently is, **or** at termination was ...

- **7F. Termination Disclosure**
 - ✓ “After allegations were made that accused the individual of”

Note: Termination Explanation ≠ Termination DRP

Questions?



For questions regarding specific disclosure reporting issues,
Call **301-869-6699, Option 4** for Disclosure Review

For questions or feedback regarding Disclosure Training,
Email CRED.Training@FINRA.org