

February 19, 2021

Ms. Jennifer Piorko Mitchell  
Office of the Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington, DC 20006-1506  
Alexandria, VA 22314

**Re: Regulatory Notice 20-42 – FINRA Seeks Comment on Lessons From the COVID-19  
Pandemic**

Dear Ms. Mitchell,

The Association of Registration Management, Inc. (“ARM<sup>1</sup>”) appreciates the opportunity to comment on Financial Industry Regulatory Authority (“FINRA”) Regulatory Notice 20-42<sup>2</sup> (“Notice 20-42”) regarding FINRA’s retrospective rule review of lessons learned from member firms’ experiences from the COVID-19 Pandemic. ARM and its members would like to express its gratitude to FINRA and its staff for their considerable efforts taken to assist member firms, firm personnel and investors as they navigate through this unprecedented time.

ARM has reviewed both the FINRA Regulatory Notice and the comment letter provided by our colleagues in the Securities Industry and Financial Markets Association (“SIFMA”). ARM supports the comments in the SIFMA letter. ARM would like to take the opportunity to highlight additional feedback where we believe FINRA can modernize existing rules and provide permanent relief to member firms without negative impact to the financial industry.

### **Office Locations**

The pandemic has moved our industry in to the BCP environment quickly and efficiently. Firms implemented work from home and remote supervision to follow the social distance guidelines and other health and safety protocols. The experience has enabled large numbers of individuals to work from home arrangements and firms to successfully continue to operate without disruption. Work from home will likely continue beyond the pandemic. We believe the current environment offers a significant view allowing for an alternative to the current approach toward remote supervision and the existing definition for branch

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<sup>1</sup> The Association of Registration Management is an industry association founded in 1975, comprised of registration professionals from broker-dealers and investment advisers who deal with the regulatory community on licensing matters and related issues.

<sup>2</sup> FINRA Regulatory Notice 20-42, FINRA Seeks Comment on Lessons From the COVID-19 Pandemic (Dec. 16, 2020), <https://www.finra.org/rules-guidance/notices/20-42>.

office including office of supervisory jurisdiction (“OSJ”) and non-OSJ. Again, ARM supports SIFMA’s proposed risk-based alternative work arrangements, supervision and suggested modifications to the definition of branch office and OSJ.

## **Qualification Exams**

ARM greatly appreciates the efforts by FINRA and other regulators to accelerate the delivery of remote online examinations and flexibility regarding enrollment windows<sup>3</sup>. Even with this progress, member firms and individuals continue to experience significant delays scheduling qualification examination appointments due to test center closures and lack of availability given COVID-19 restrictions. We hope FINRA will use this new technology to remove this substantial obstacle in the registration process and add all remaining FINRA administered examinations in the remote online program during and after the pandemic.

## **Reporting Requirements**

FINRA’s recognition of the impact of COVID-19 on member firms has significantly assisted firms to remain operational without causing unnecessary burden. Most specifically, providing relief of the “wet signature” requirement for initial or transfer Form U4 filings<sup>4</sup>.

We strongly encourage FINRA to eliminate the “wet signature” (“manual signature”) requirement under FINRA Rule 1010 to allow member firms to submit Form U4 utilizing an electronic signature. As alternative work arrangements will likely continue beyond the pandemic, electronic signatures allow firms to complete required filings without undue risk. ARM believes this change should be implemented retroactively to the date of relief provided by FINRA on March 18, 2020, so that financial services firms are not required to mitigate manual signatures once COVID-19 restrictions are lifted. Obtaining manual signatures retroactively, would be an enormous undertaking for member firms, requiring extensive cost and resources for this manual process.

Additionally, ARM appreciates FINRA’s further consideration regarding the elimination of the requirement under Rule 1010(c) with respect to amendments to disclosure information in the Form U4. FINRA already permits a firm to file amendments to the Form U4 disclosure information without obtaining a registered representative’s “wet signature”, if the firm uses reasonable efforts. Given the advances in technology, it would be beneficial to be inclusive of this requirement and remove the “wet signature” requirement for the Form U4 in totality.

## **Fingerprinting**

ARM appreciates the relief provided by FINRA and the SEC on March 20, 2020, extending the time for required individuals both registered and non-registered to be fingerprinted. We recognize the importance of fingerprinting required individuals. We ask that FINRA provide a period of no less than six (6) months for impacted firms to submit fingerprints post expiration of the relief. Remediation of this relief is a tremendous undertaking for member firms and individuals, requiring considerable resources. Additionally, many firms will be relying on third party vendors and with a large number of individuals having to fulfill this requirement, firms are anticipating scheduling delays.

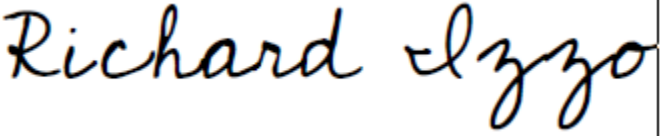
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<sup>3</sup> See “Coronavirus Impact on FINRA-Administered Exams,” available at <https://www.finra.org/rules-guidance/key-topics/covid-19/exams>

<sup>4</sup> See “See “Frequently Asked Questions Related to Regulatory Relief Due to the Coronavirus Pandemic,” available at <https://www.finra.org/rules-guidance/key-topics/covid-19/faq>

ARM appreciates the opportunity to offer this feedback and FINRA's consideration of our views. Please contact me if you wish to discuss our comments in more detail, if you have any questions, or if I can assist with this initiative any further.

Sincerely,

A handwritten signature in black ink that reads "Richard Izzo". The signature is written in a cursive style. A vertical line is drawn to the right of the signature, extending from the top of the "o" down to the bottom of the signature.

Richard Izzo  
President  
Association of Registration Management, Inc.  
[armgmt@armgmt.org](mailto:armgmt@armgmt.org)

On behalf of the Executive Board and members of the Association of Registration Management, Inc.