

Regulatory Relief

Guidance to Members Affected by Hurricane Sandy

Executive Summary

Due to the impact from Hurricane Sandy, FINRA is providing guidance on a number of regulatory and compliance issues, including emergency office relocations, continuing education requirements for registered personnel, registered personnel engaged in active military duty, regulatory filings and inquiries, membership applications and customer communications. In addition to the guidance discussed in this Notice, firms also are reminded that FINRA's website contains a dedicated page for other [advisories](#) issued by FINRA as a result of Hurricane Sandy.

Questions

Questions or comments concerning this *Notice* may be directed to

- ▶ Daniel M. Sibears, Executive Vice President, Member Regulation Programs, at (202) 728-6911; or
- ▶ the FINRA Call Center at (301) 590-6500.

Discussion

FINRA recognizes that members need relief from many regulatory requirements as a result of the dislocation caused by Hurricane Sandy.

Emergency Office Relocations

To relocate displaced personnel, firms not impacted by Hurricane Sandy are encouraged to make office space available and to otherwise assist those who have been recently displaced. If a firm relocates displaced personnel to a temporary location that is not currently registered as a branch office or identified as a regular non-branch location, the firm should use its best efforts to provide written notification to its FINRA Regulatory Coordinator as soon as possible after establishing a new temporary office or space-sharing arrangement, to include at minimum: the office address, the entities involved, the names of registered personnel, a contact telephone number and, if

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Notice Type

- ▶ Guidance

Suggested Routing

- ▶ Compliance
- ▶ Executive Representative
- ▶ Institutional
- ▶ Internal Audit
- ▶ Legal
- ▶ Operations
- ▶ Registration
- ▶ Senior Management
- ▶ Systems

Key Topic(s)

- ▶ Continuing Education
- ▶ Customer Communication
- ▶ Disaster Recovery
- ▶ Emergency Office Relocation
- ▶ Form U4
- ▶ Membership Applications
- ▶ Military Personnel & National Guard
- ▶ Regulatory Filings and Inquiries

Referenced Rules & Notices

- ▶ Exchange Act Rules 17a-3 and 17a-4
- ▶ FINRA Rule 4510 Series
- ▶ Interpretive Material 1000-2
- ▶ NASD Rule 3012

possible, the expected duration. The notification should also indicate the type of business that the firm providing the space is engaged in (*e.g.*, sharing arrangement is with an organization in a securities or some other kindred business).

Regulatory Filings and Responses to FINRA Inquiries, Matters and Investigations

Due to area power outages and network unavailability, some firms may have difficulty making timely regulatory filings and responding to regulatory inquiries or investigations. In some instances, there is currently no estimated date or time for power or servers to be restored. As a result, some firms may need extensions for open inquiries, investigations or upcoming filings, such as filings related to customer complaints that were received just prior to and in the days immediately following Hurricane Sandy. Firms that require extra time to comply with open requests or that may be delayed with required filings are to contact their Regulatory Coordinators or FINRA department making the request to seek extensions.

Form U4

FINRA is temporarily suspending the requirement to maintain updated Form U4 information (*e.g.*, office of employment address) for registered employees affected by the referenced relocations associated with this event. In addition, it is not necessary to submit branch office applications for any newly opened temporary office locations or space-sharing arrangements established as a result of recent events.

Customer Communication

In instances where registered representatives are unavailable to service their customers, firms are encouraged to promptly place a notice on their websites indicating to affected customers who they may contact concerning their accounts, access to funds or securities.

Qualifications Examinations and Continuing Education

FINRA is extending the continuing education requirements and qualifications examination windows for candidates who reside in the Mid-Atlantic and North Eastern Regions of the United States declared a "major disaster" by the federal or state governments. Registered representatives who have a qualifications examination or a continuing education window due to expire between October 29, 2012, and November 9, 2012, will have their windows extended to December 10, 2012. As more information becomes available, FINRA may provide additional extensions. Please contact FINRA Field Support Services at (800) 999-6647 with any questions or if you require additional information on test center status in these areas.

Information for Applicants for FINRA Membership and Existing Member Firms

FINRA is currently unable to access its offices in New York City where its membership staff is primarily located. FINRA remains committed to working through membership applications so that decisions on applications may be issued as quickly as possible. FINRA staff may not have received application materials submitted electronically or via hard copy mail on or around Monday, October 29, 2012. Please contact FINRA's Membership Application Program staff to confirm that materials submitted during the week of October 29, 2012, were received.

Military Personnel and National Guard

We are aware the the National Guard has a substantial presence in the areas impacted by the storm to provide assistance. As such, please be reminded that FINRA By-Laws provide specific relief to FINRA registered persons engaged in the investment banking and securities business who volunteer or are called into active military duty. Under Interpretive Material 1000-2, such persons will be placed in a specially designated "inactive" status once FINRA is notified of their military call-up, but will remain registered for FINRA purposes. Such persons will remain eligible to receive transaction-related compensation, including continuing commissions, because they remain registered with a firm while on inactive status. Also, an employing firm may allow a registered person on inactive status to enter into an arrangement with another person registered with the employing firm to service his or her accounts and to share in commissions generated by those accounts. However, such a person on inactive status may not perform any duties of a registered person. In addition, dues and assessments identified in Article VI of the FINRA By-Laws will be waived for such persons. Firms should notify FINRA of such events by mailing or faxing to the Registration and Disclosure Department a letter (on firm letterhead) identifying the name and CRD number of the person called into active duty, the name and CRD number of the firm (or firms) with whom the person is associated, the date the firm received notification from the individual and a copy of the official call-up notification. Firms should mail letters notifying FINRA of military call-ups to FINRA Registration and Disclosure Department, P.O. Box 9495, Gaithersburg, MD 20898-9495 or fax them to (240) 386-4751. If you have questions about this process, please call the Gateway Call Center at (301) 590-6500. For more information view our [Active Military Leave Guidance](#) Web page.