FINRA Firm Clearing Arrangement Form Quick Reference Guide

Overview

Firms use FINRA's Firm Clearing Arrangement Form to report clearing arrangements, memberships in clearing organizations and other related data.

There are two pages on the Firm Clearing Arrangement Form. The first displays the Firm Clearing Method and the Clearing Organization Membership Details sections. These sections display for all users.

The second page displays the following sections:

- Introducing/Correspondent Firm Details,
- Electronic Data Processing System Details,
- Tri-Party Firm Details,
- Fixed Income Transaction Details and
- Filer Information..

The Filer Information section displays to all users, but the other sections are displayed depending on the Firm Clearing Method selected.

This guide explains how to complete and submit the form.

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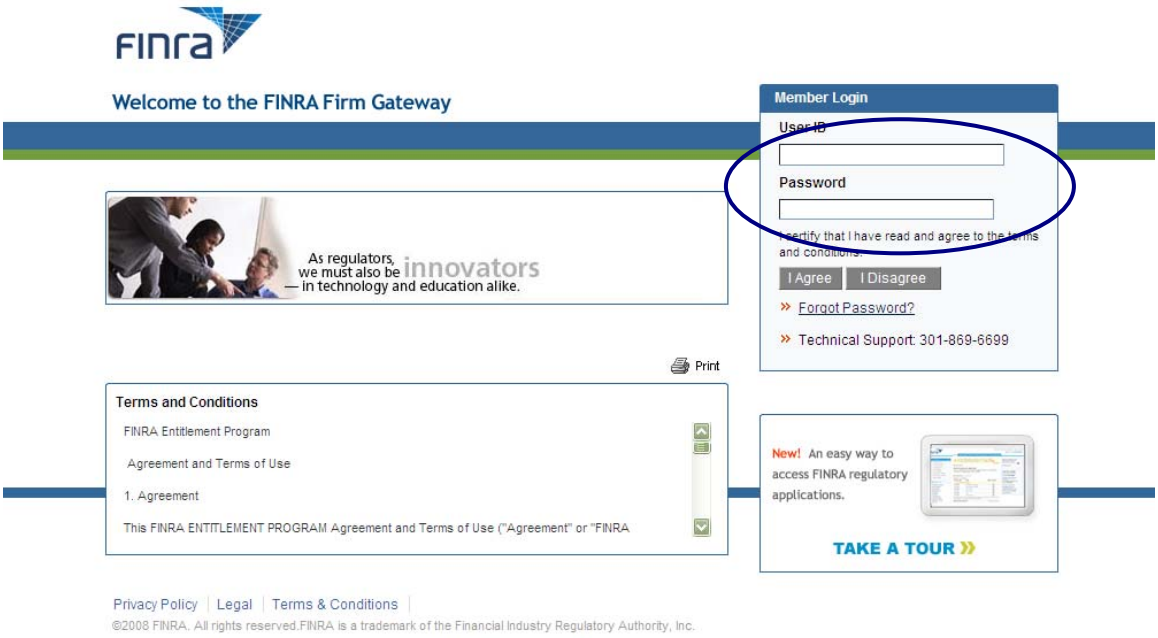
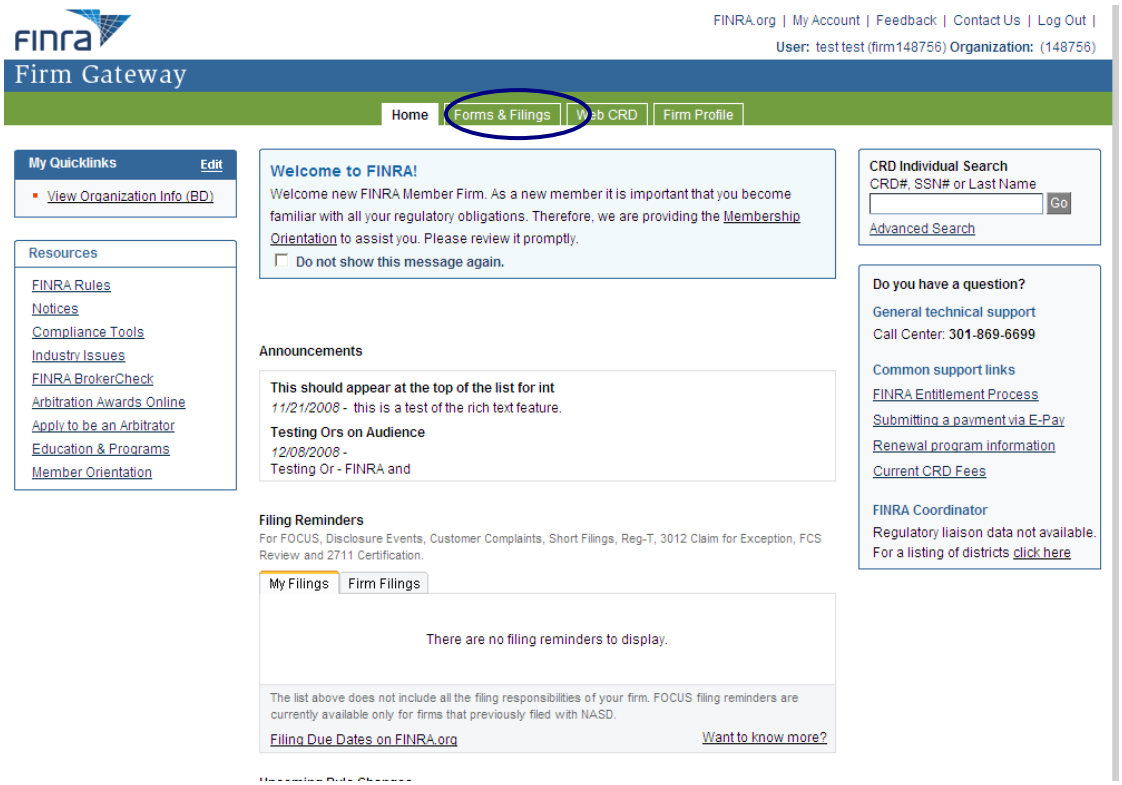
Log In

1. Log in to the Firm Gateway:***https://firms.finra.org***
2. Enter your FINRA user name and password.
3. Please read the FINRA Terms and Conditions, which appear in the main window. The system then displays the main page of Firm Gateway.



Initiating a Firm Clearing Arrangement Form

4. Select the "**Forms and Filings**" tab (located at the top).



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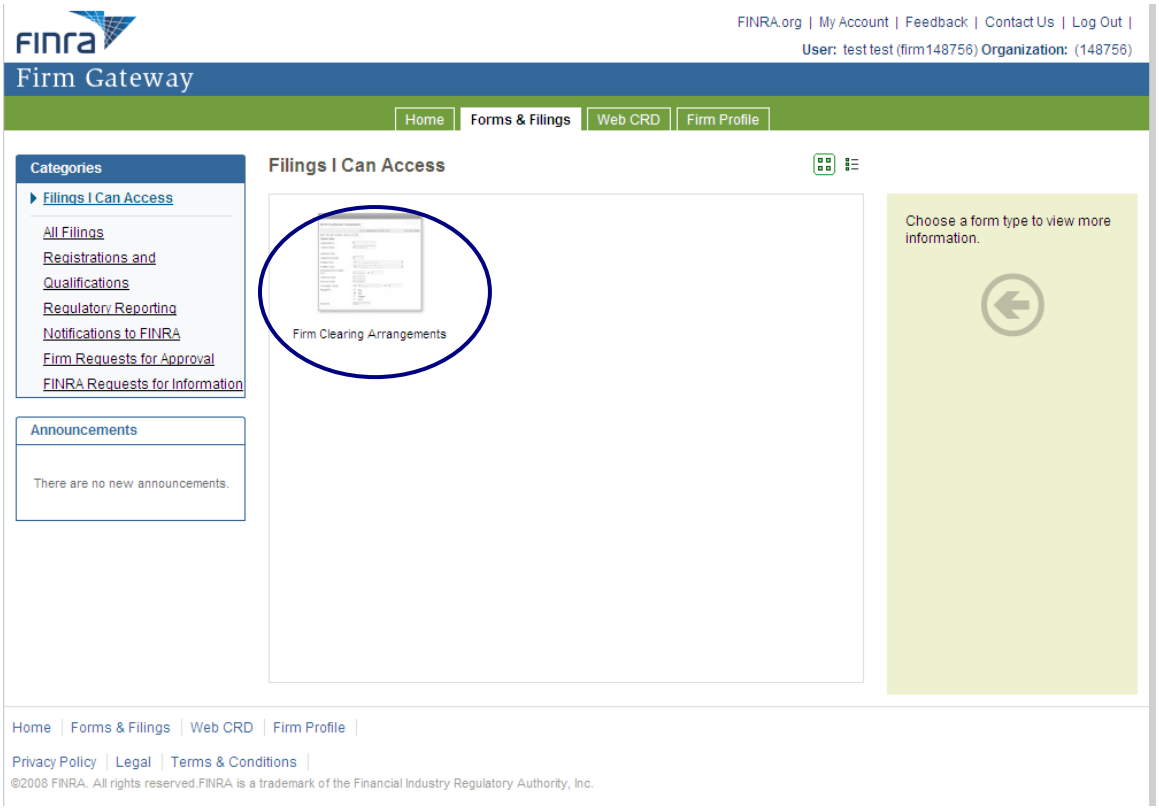
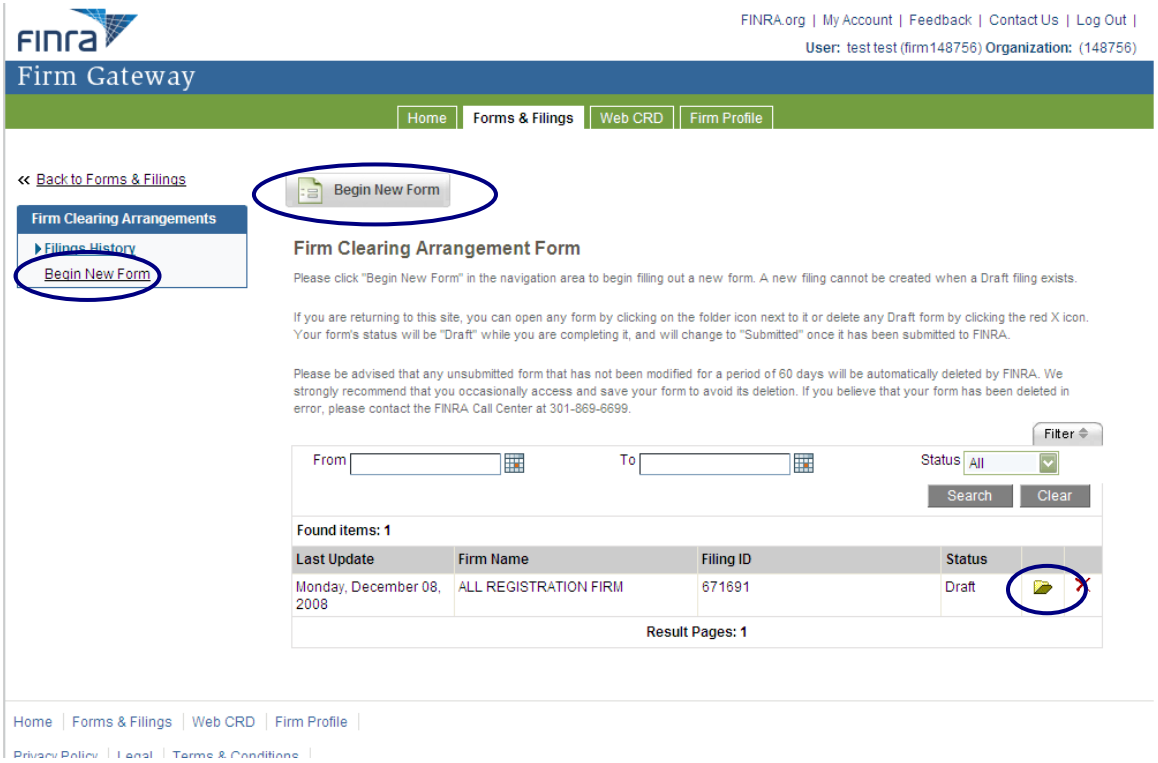
5. Select the "**Firm Clearing Arrangements**" form from the list of filings.



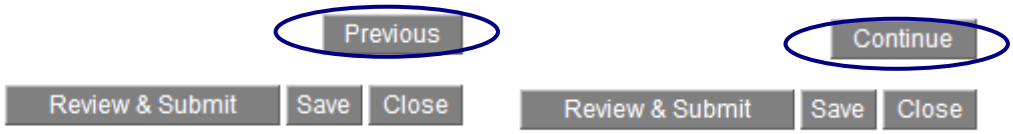
6. When the Form Filing Cabinet for the Firm Clearing Arrangements form displays, determine if you want to:
   - Open a new filing: Select the "**Begin New Form**" link in the left navigation panel; or
   - Open a draft filing: Select the "**Open File Folder"** image in the column to the right of the Status column.

   Note: A new filing cannot be created when a pending filing exists.



Navigating the Firm Clearing Arrangement Form

To navigate between the two pages, select the "**Continue**" button to display the second page and the "**Previous**" button to display the first page.



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Completing a Firm Clearing Arrangement Form

7. **Firm Clearing Method**: Select the clearing method(s) your firm uses.

FIRM CLEARING ARRANGEMENTS

Firm Name
ALL REGISTRATION FIRM

CRD#
148756

All fields marked with * are mandatory.

Firm Clearing Method and Clearing Organization Membership Details

Firm Clearing Method

Select how your firm clears and settles transactions *(Select all that apply)* **:** *

- ☐ a. Carries accounts or maintains funds or securities or provides clearing services for a correspondent/introducing broker dealer
- ☐ b. Carries and clears futures accounts or provides clearing services as a futures commission merchant under the Commodity Exchange Act
- ☐ c. Acts as a municipal securities brokers' broker and clear municipal accounts
- ☐ d. Clears Fixed Income transactions broker-to-broker
- ☐ e. Self clears and carries general securities accounts, which may include mutual funds or variable annuities
  - ☐ For customer accounts
  - ☐ For proprietary accounts
- ☐ f. Self clears, but does not carry general securities accounts, which may include mutual funds or variable annuities
- ☐ g. Self clears only redeemable shares of registered investment companies or of interests or participations in an insurance company separate account directly from or to the issuer on other than a subscription way basis
- ☐ h. Introduces to a clearing firm
- ☐ i. Acts as intermediary to a clearing firm for the purpose of settling accounts for another broker or dealer
- ☐ j. Relies on an intermediary to facilitate the clearance of its accounts by a clearing and carrying firm
- ☐ k. No Clearing Arrangement

  If No Clearing Arrangement, explain:
- ☐ l. Other

  If Other, explain:

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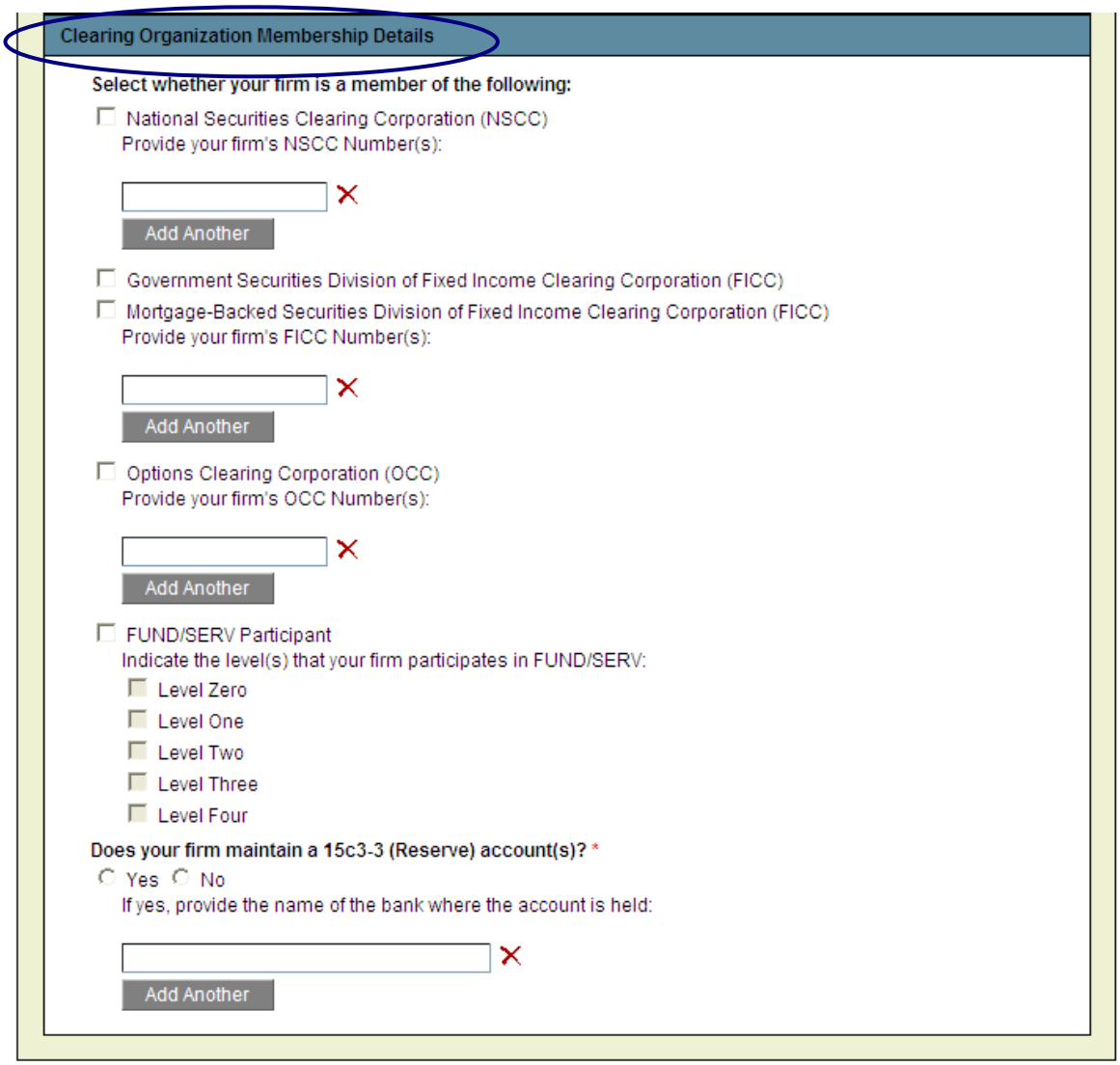
8. **Clearing Organization Membership Details**: Select the clearing organizations with which your firm is a member and provide the Clearing Organization Membership identifiers, if applicable. Also, indicate if your firm maintains an SEA Rule 15c3-3 (Reserve) Bank account. If you select "Yes," you must also provide the bank name where the account is held.



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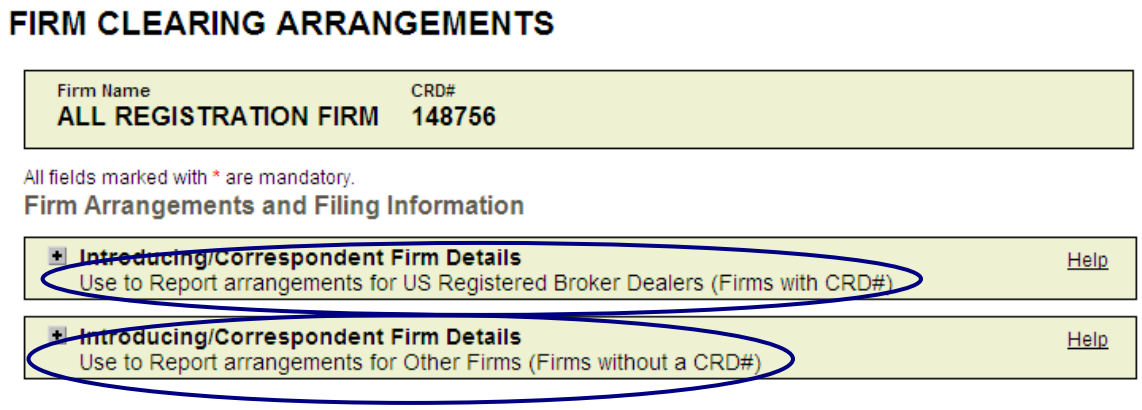
Firm Arrangements and Filing Information

The Firm Arrangement and Filing Information sections then display based on the clearing method selected in the Firm Clearing Method section. For example, if option "**a. Carries accounts or maintains funds or securities or provides clearing services for a correspondent/introducing broker dealer**" was selected, "**Introducing/Correspondent Firm Details**" will appear in this section.

9. **Introducing/Correspondent Firm Details**: The Introducing/Correspondent Firm Details sections will display if you selected option "**a. Carries accounts or maintains funds or securities or provides clearing services for a correspondent/introducing broker dealer**" in the Firm Clearing Method section.

   This section has two sub-sections. The first is "**Use to Report arrangements for U.S. Registered Broker-Dealers (Firms with CRD#)**" and the second is "**Use to Report arrangements for Other Firms (Firms without a CRD#),**" which is used to report arrangements with firms that are not registered U.S. broker-dealers, including foreign broker-dealers, investment adviser firms and banks. Before adding, modifying or closing an arrangement, first determine whether the correspondent/introducing firm has a CRD number and then use the appropriate section.



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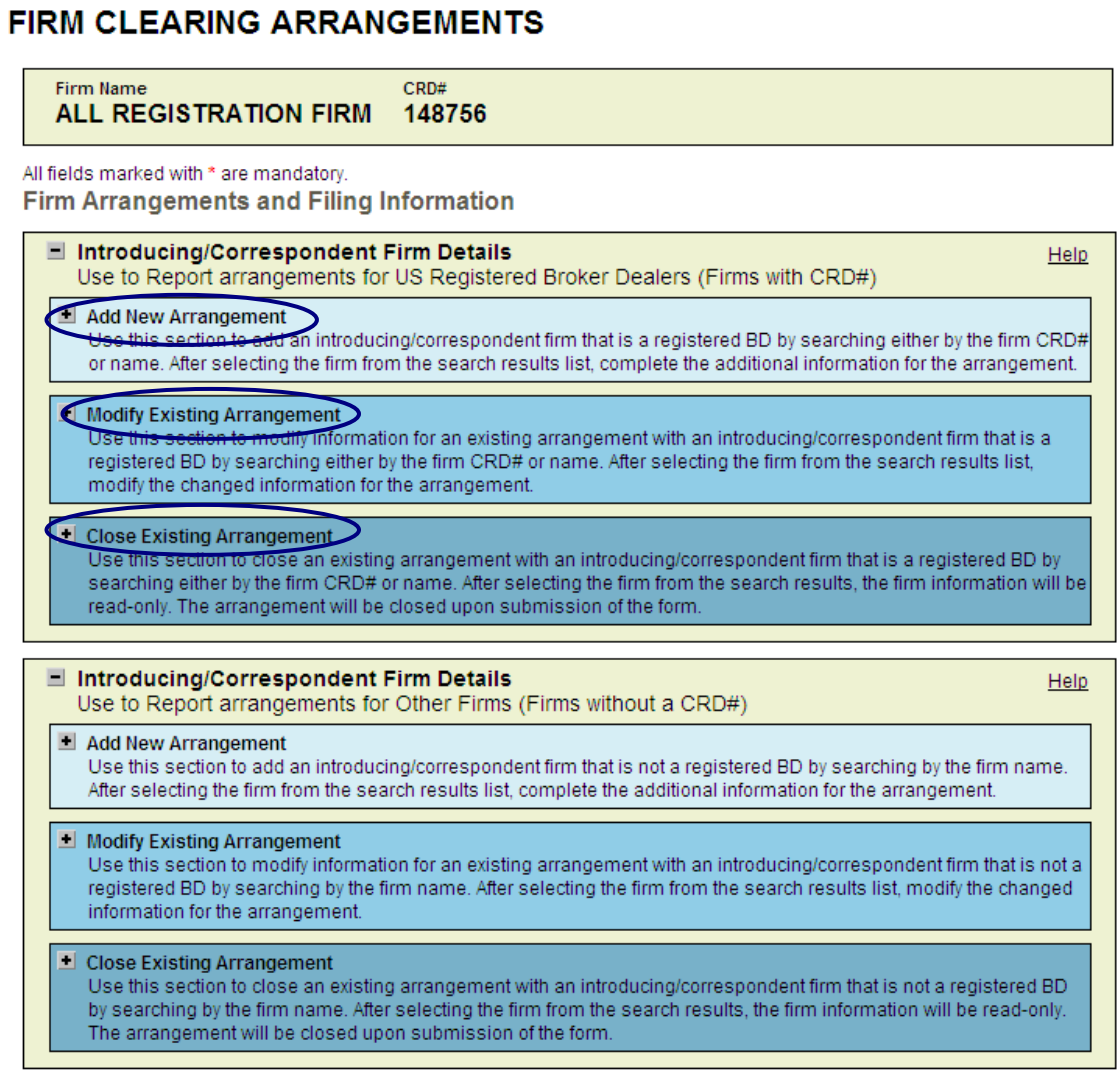
10. After selecting either "**Use to Report arrangements for US Registered Broker Dealers (Firms with CRD#)**" or "**Use to Report arrangements for Other Firms (Firms without a CRD#),**" determine if you need to:

- Add a new arrangement: Select the plus image ⊞ next to the "**Add New Arrangement**" label;
- Modify an existing arrangement: Select the plus image ⊞ next to the "**Modify Existing Arrangement**" label; or
- Close an existing arrangement: Select the plus image ⊞ next to the "**Close Existing Arrangement**" label.



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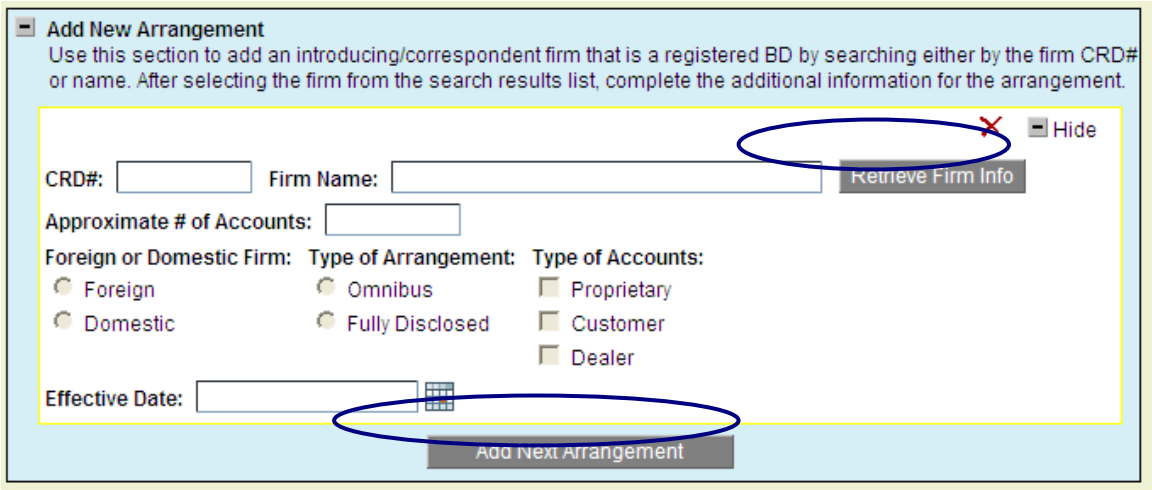
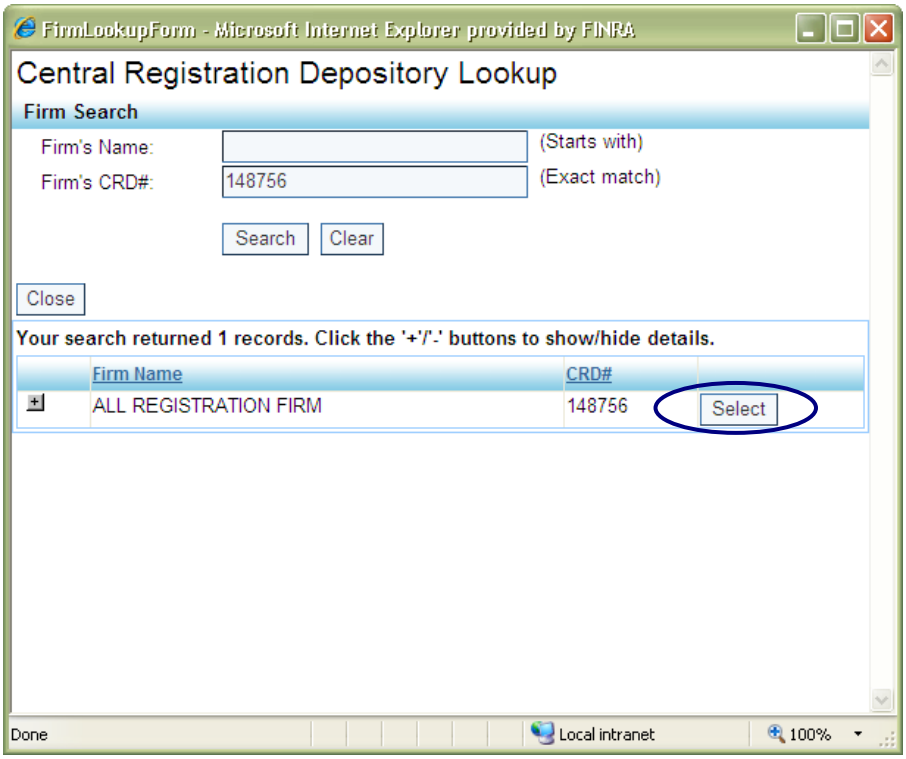
11. Add New Arrangement for U.S. Registered Broker-Dealer: To add a new arrangement for a U.S. registered broker-dealer, search for the firm by entering either the name or the CRD number and selecting the "**Retrieve Firm Info**" button.

Note: You must select the "**Retrieve Firm Info**" button and select a firm from the list to enable the additional fields in this section.



12. Select the firm from the search results list and complete the arrangement information. Select the "**Add Next Arrangement**" button to add another arrangement.



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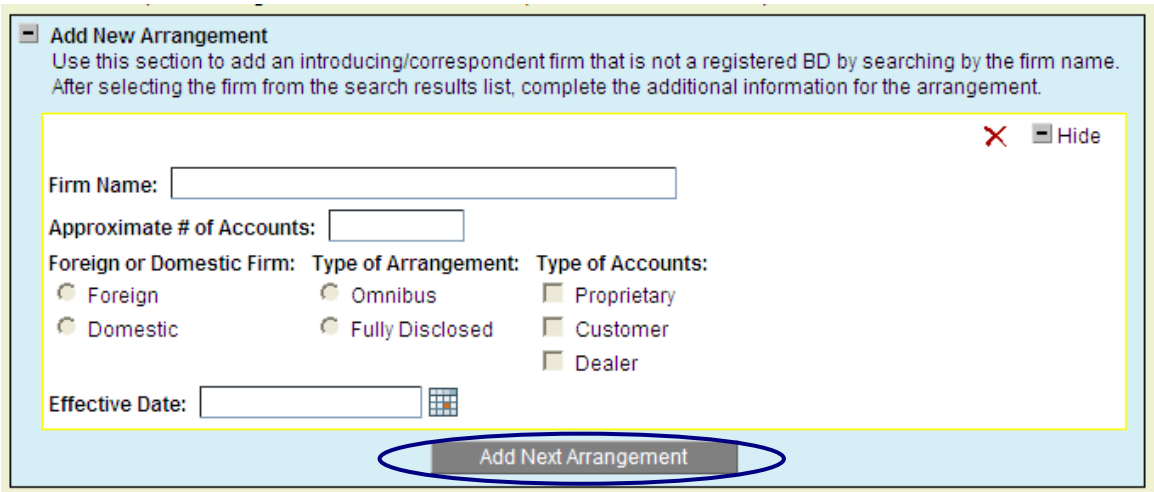
13. **Add New Arrangement for Other Firms:** To add a new arrangement for an ”other firm” (a non–U.S. registered broker-dealer), enter the firm name and the other details regarding the arrangement. Select the “**Add Next Arrangement**” button to add another arrangement.



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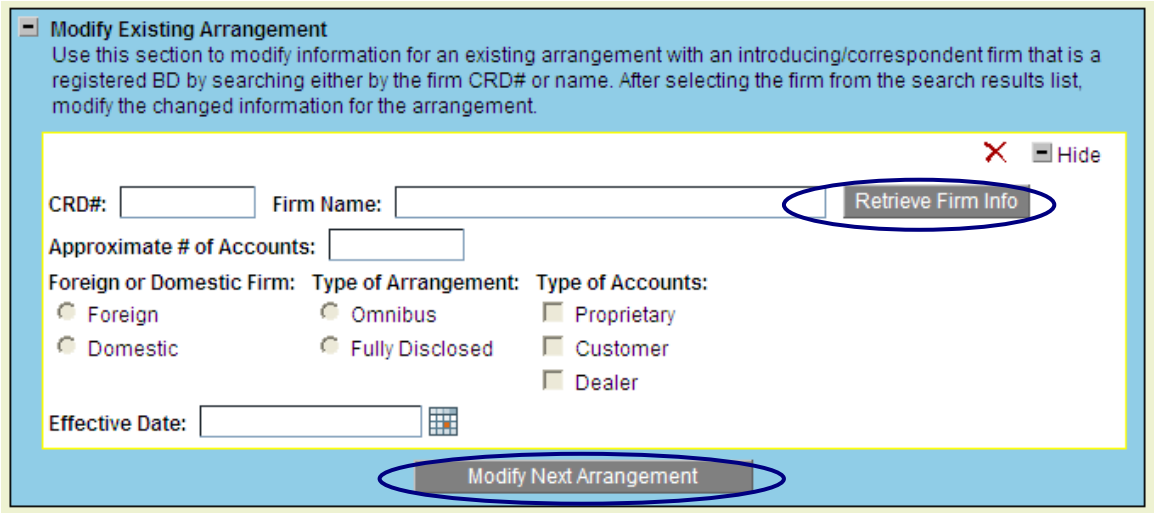
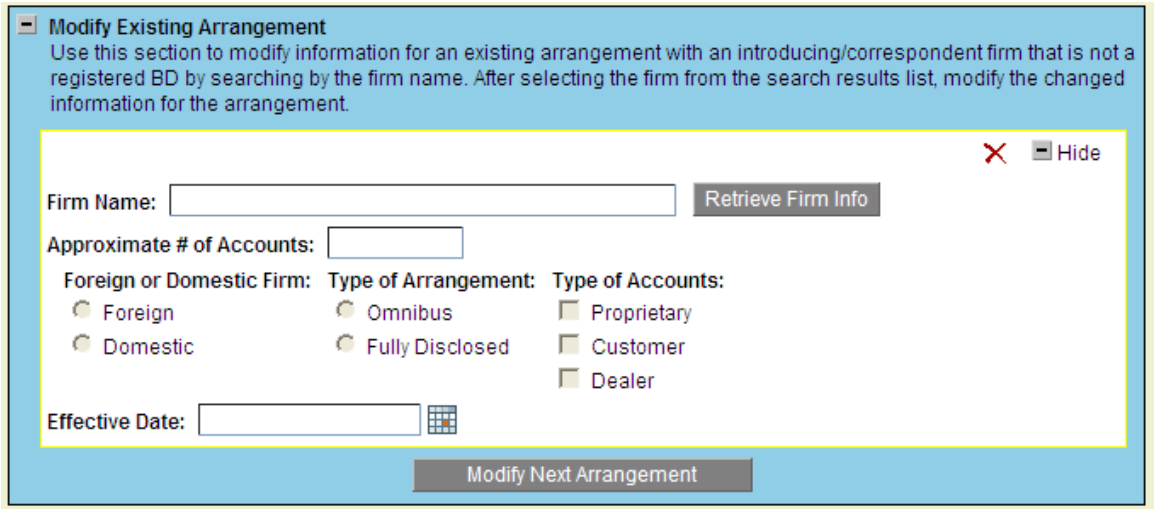
14. **Modify Existing Arrangement:** To modify an existing arrangement, search for the firm by entering either the firm name or CRD number and selecting the "**Retrieve Firm Info**" button. When the correct firm is retrieved, update the existing data with the new information. Select the "**Modify Next Arrangement**" button to modify information for another arrangement.

    Note: for U.S. registered broker-dealers, the system will automatically manage the name change of the broker-dealer on the Firm Clearing Arrangement form when the name is changed in the Web CRD System.

    .





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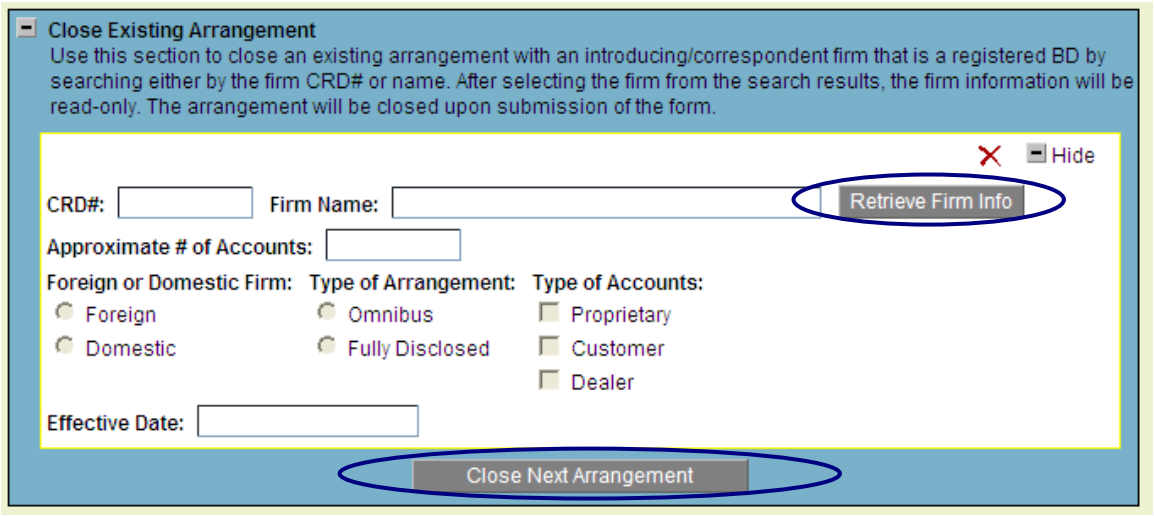
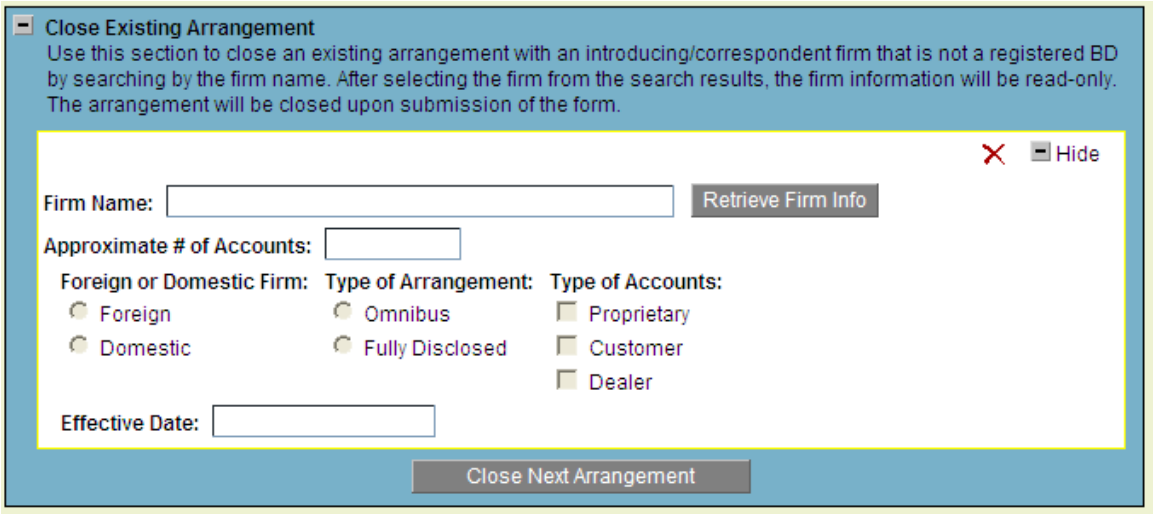
15. **Close Existing Arrangement:** To close an existing arrangement, search for the firm by entering either the firm name or CRD number and selecting the "**Retrieve Firm Info**" button. After the firm is added to the Close Existing Arrangement list, the information will be read-only and you will not be able to amend any of the existing information. When the filing is successfully submitted, any arrangement listed in the "**Close Existing Arrangement** " section will be marked as closed. Select the "**Close Next Arrangement**" button to close another arrangement.





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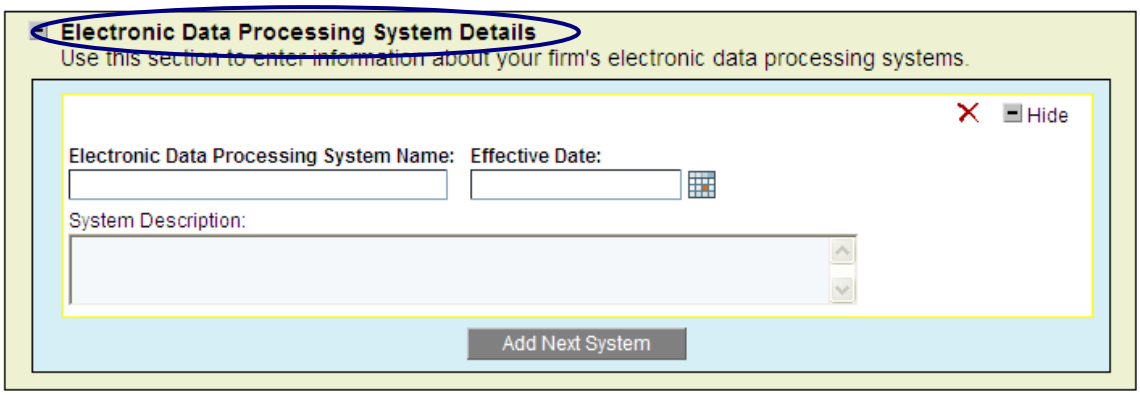
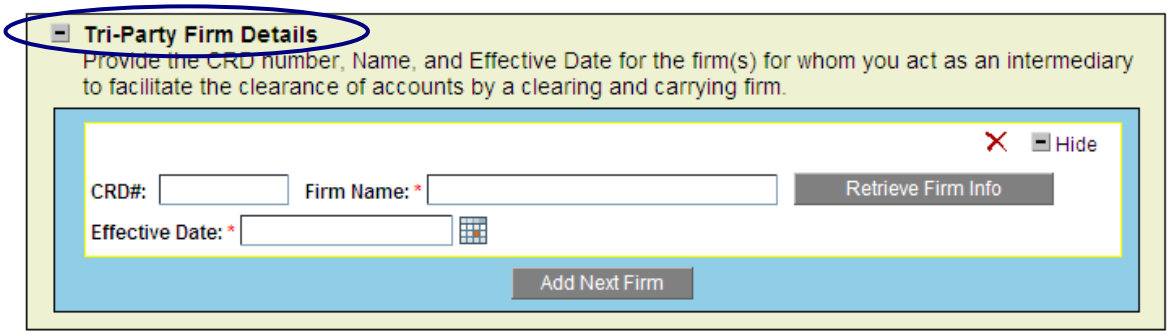
16. **Electronic Data Processing System Details**: This section displays if you selected any of the following options in the Firm Clearing Method section:
    - Carries accounts or maintains funds or securities or provides clearing services for a correspondent/introducing broker dealer;
    - Carries and clears futures accounts or provides clearing services as a futures commission merchant under the Commodity Exchange Act;
    - Acts as a municipal securities brokers' broker and clear municipal accounts
    - Clears Fixed Income transactions broker-to-broker;
    - Self-clears and carries general securities accounts, which may include mutual funds or variable annuities;
    - Self-clears, but does not carry general securities accounts, which may include mutual funds or variable annuities; or
    - Self-clears only redeemable shares of registered investment companies or of interests or participations in an insurance company separate account directly from or to the issuer on other than a subscription way basis.

    Use this section to report the type of operations/back office system used by your firm to process and clear transactions.



17. **Tri-Party Firm Details**: This section displays if you selected option "**i. Acts as intermediary to a clearing firm for the purpose of settling accounts for another broker or dealer**" in the Firm Clearing Method section. Use this section to report the introducing firms with which your firm has a tri-party agreement.



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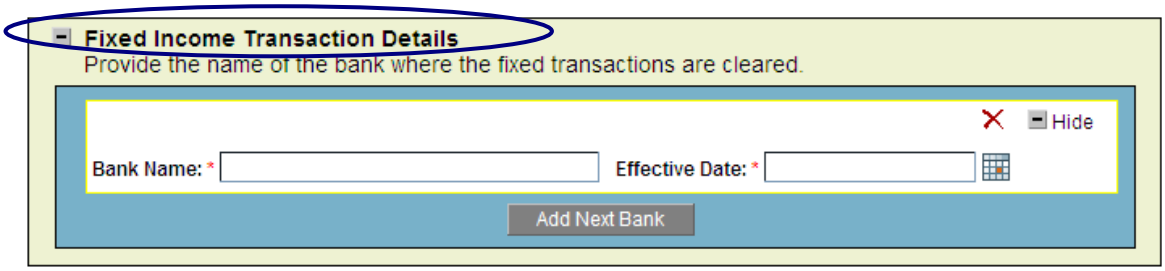
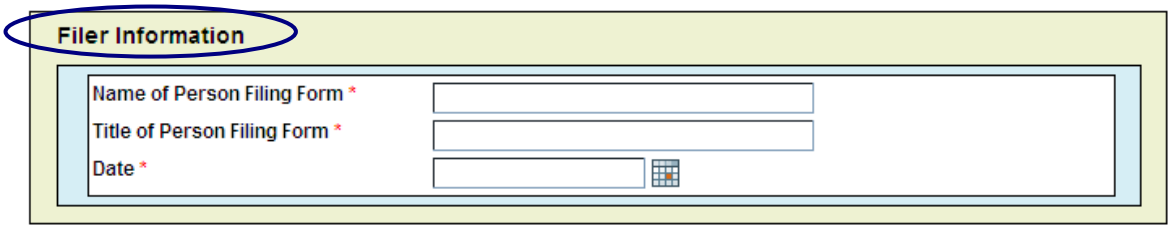
18. **Fixed Income Transaction Details**: This section displays if you selected option "**d. Clears Fixed Income transactions broker-to-broker**" in the Firm Clearing Method section. Use this section to report the bank name where such transactions are cleared.



19. **Filer Information**: Use this section to enter the name and title of person filing the form, and the date the form was filed.



Reviewing and Submitting the Firm Clearing Arrangement Form

20. You cannot submit the Firm Clearing Arrangement Form if there are any data validation errors on the form. Select the "**Review & Submit**" button to review the form for completeness.

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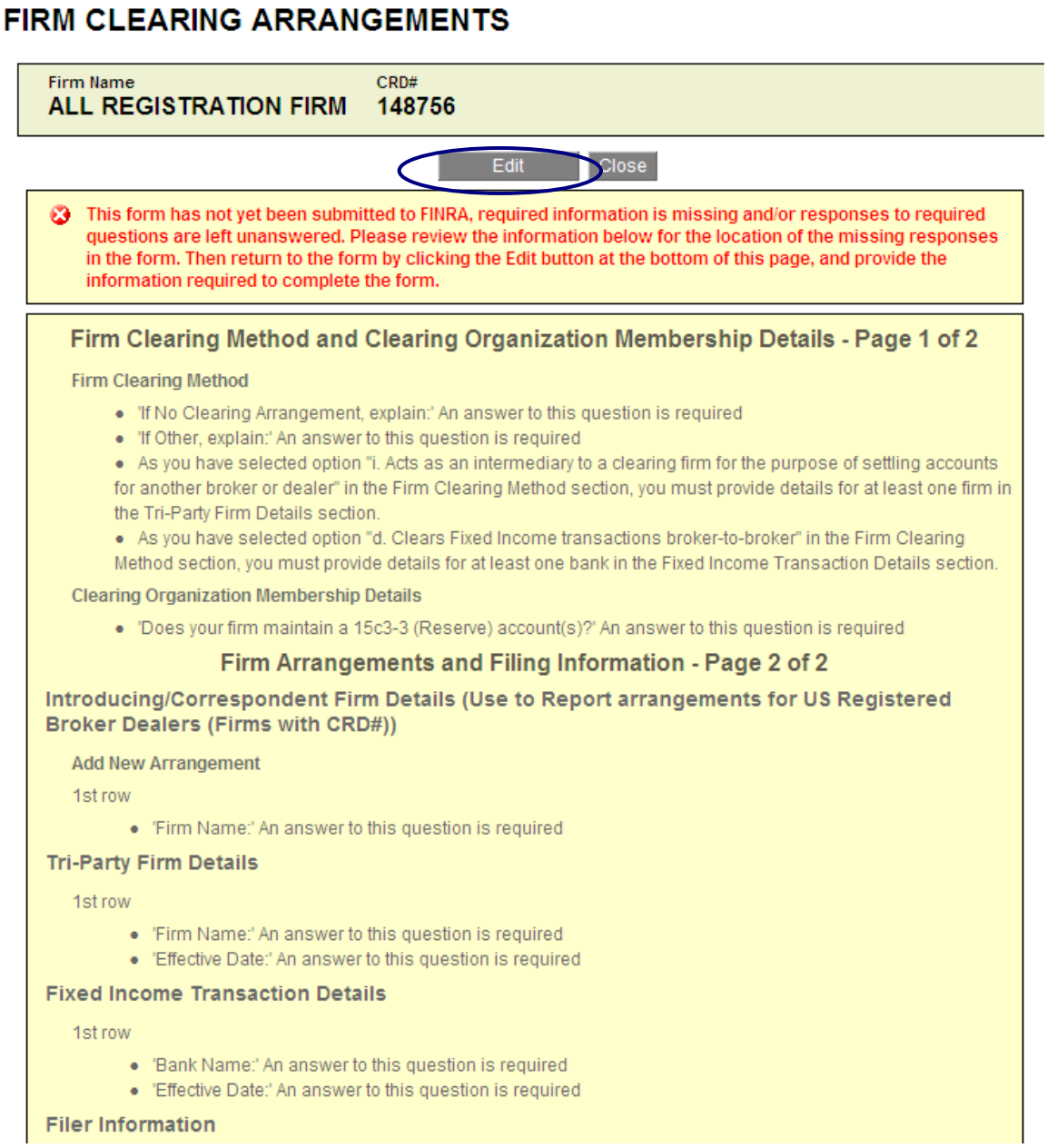
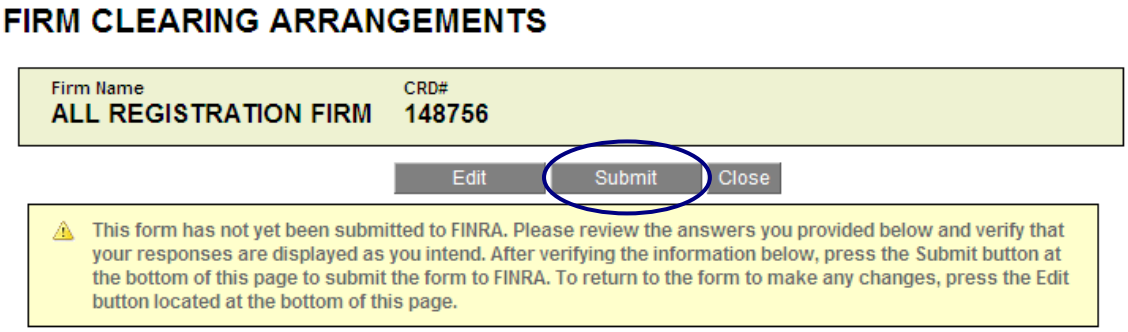
21. The Form Review page then displays. Review the list of validation errors and select the "**Edit**" button to display the form in edit mode.



22. After all validation errors are corrected, select the "**Review & Submit**" button again. If no other validation errors are detected, the system will display the "**Submit**" button.



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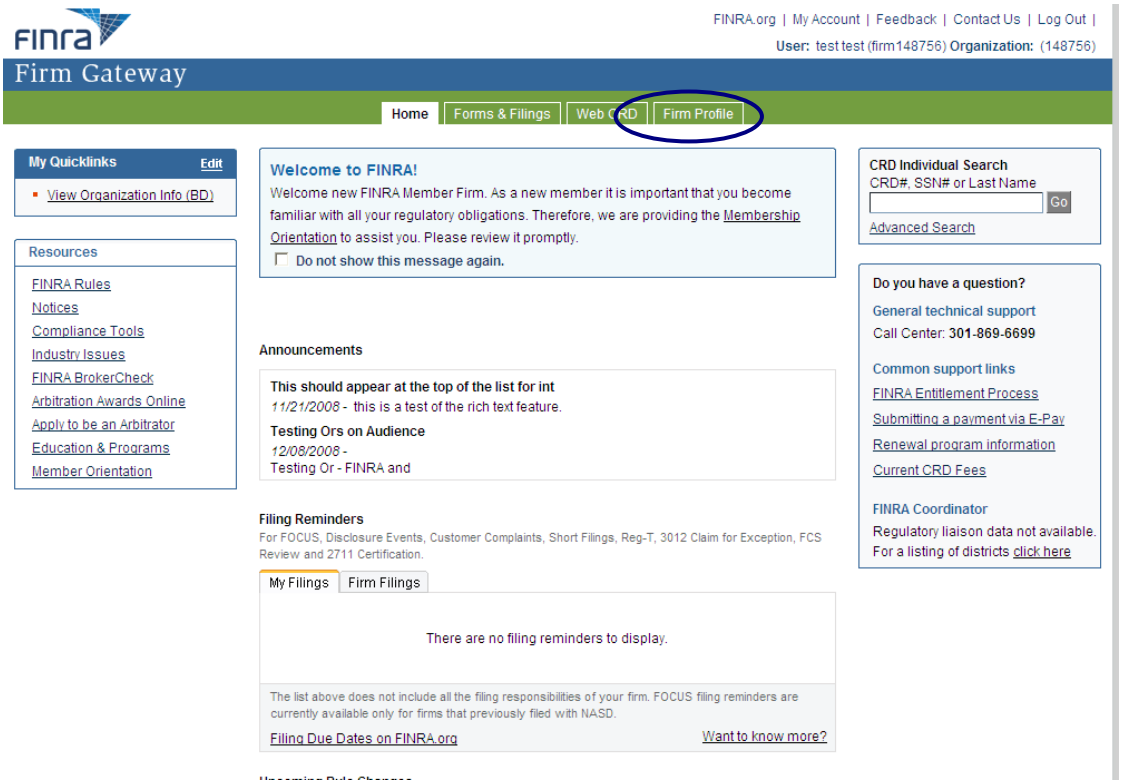
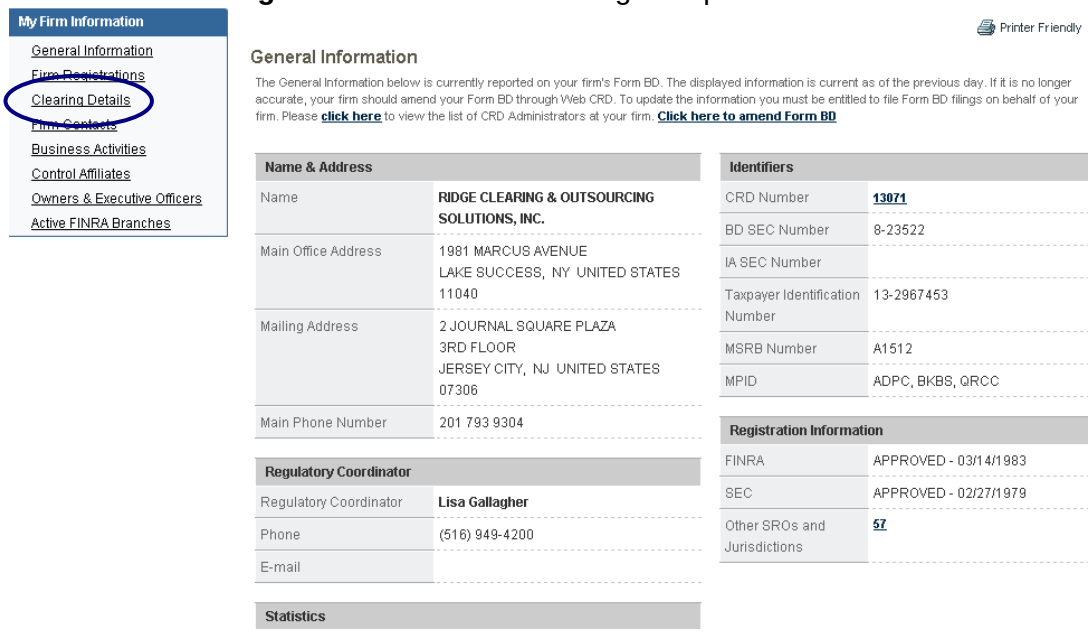
Viewing Firm Clearing Information

You firm's clearing information is available for review under the "**Firm Profile**" tab on the Firm Gateway.

1. Select the "**Firm Profile**" tab.



2. Select "**Clearing Details**" from the left navigation panel.



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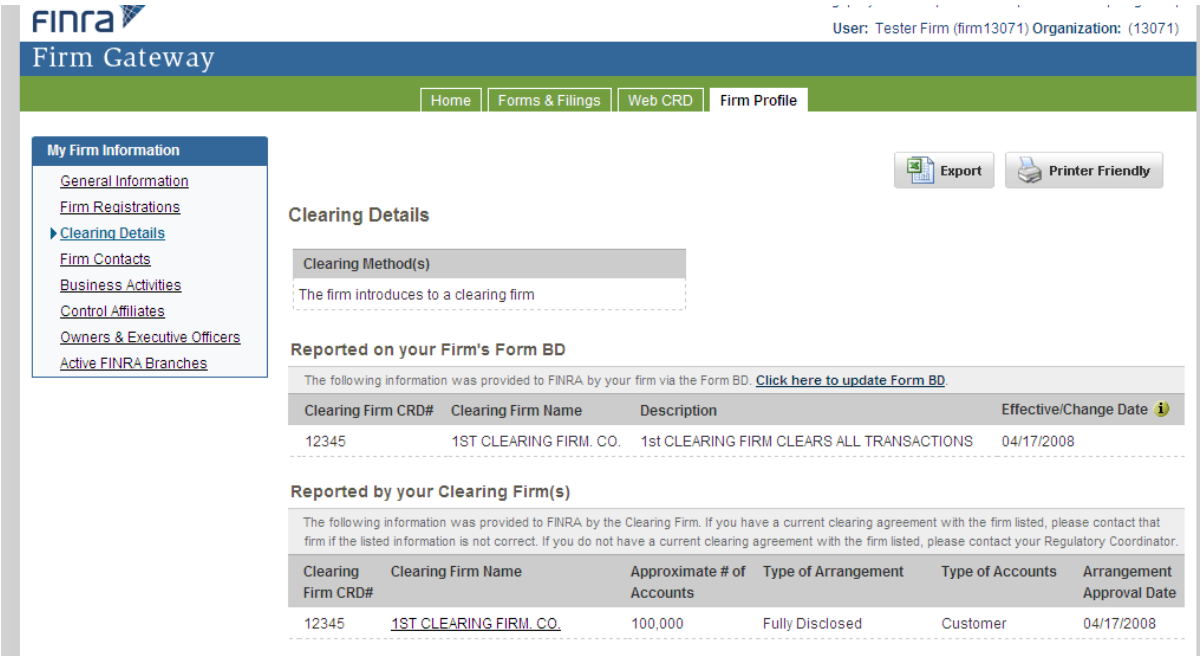
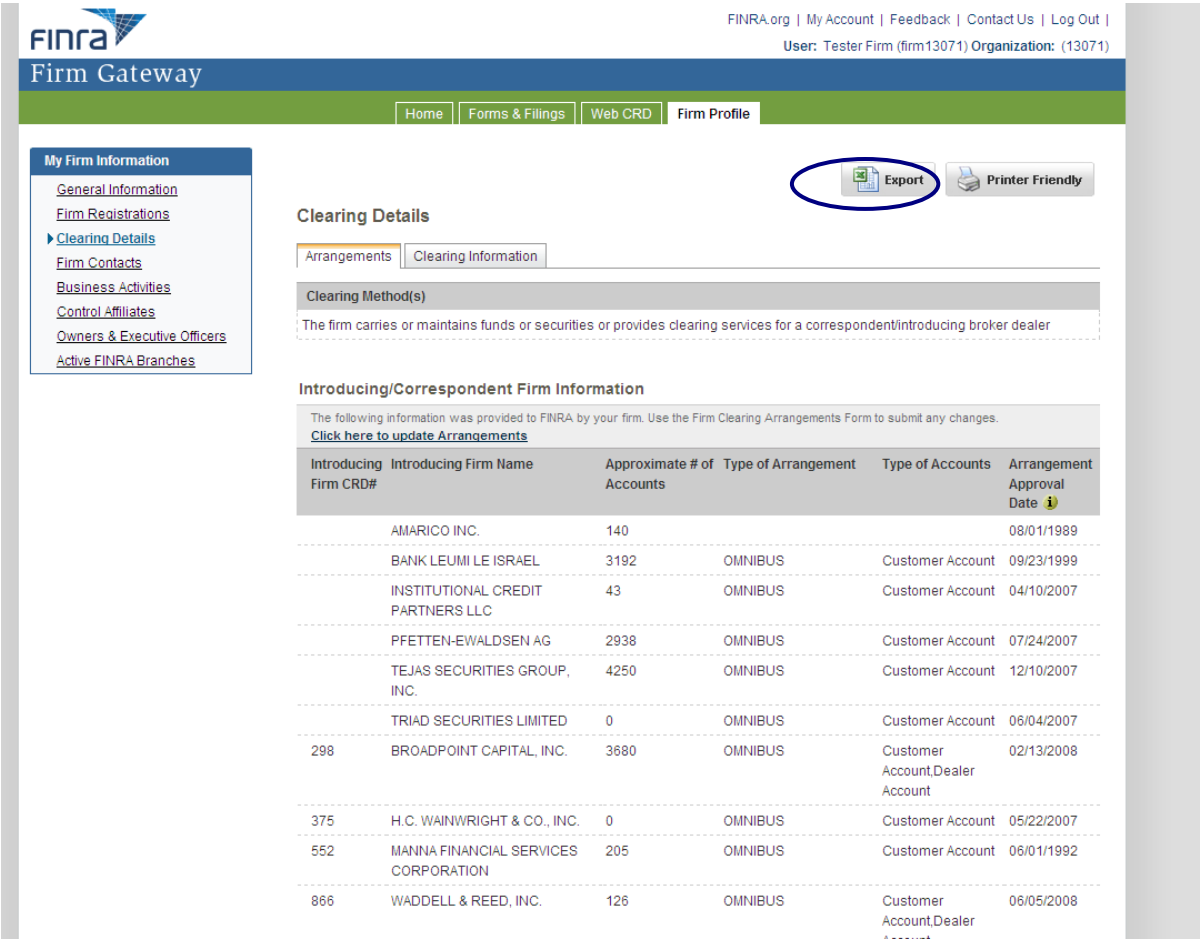
3. View the Clearing Information

If your firm is a correspondent/introducing firm, you will see the following layout:



If your firm is a clearing firm, you will see the following layout (select "**Export**" to place the information on this page into an Excel spreadsheet):



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FINRA Firm Clearing Arrangements Form Frequently Asked Questions

1. **Who can I contact for assistance in completing the form?**
   Contact the FINRA Firm Gateway at (800) 321-6273.

2. **How often does my firm need to file the form?**
   Firms must update the form on an ongoing basis with any changes no later than 30 days after the information has changed.

3. **My firm has a clearing agreement with one division at a correspondent firm on an omnibus basis and with a second division at the same correspondent firm on a fully disclosed basis. The new form only selects one option. Which one should I select?**
   This is a known issue with the current form and FINRA plans to rectify it with the next software release. Until then, select the option that is most relevant. Contact your Coordinator for more information.

4. **When adding or modifying an existing arrangement, when should a firm check the dealer account type indicator?**
   Clearing firms should utilize the dealer account type when the clearing arrangement involves a firm whose primary business is market making (*e.g.*, designated market makers and option market makers).

5. **Why are some of the checkboxes in the Firm Clearing Method section selected and editable and others selected and non-editable?**
   A clearing method checkbox appears as selected and disabled (read-only) if the clearing method has related arrangement information that has been reported by the firm. For example, clearing method option a. Carries accounts or maintains funds or securities or provides clearing services for a correspondent/introducing broker dealer" requires that the firm list the correspondent/introducing firm with whom the clearing firm has arrangements. If there are arrangements associated with a clearing method for a firm, the checkbox will appear as selected and disabled (read-only). To un-select the box, the firm would first need to close all the existing arrangements.

6. **The correspondent firm for whom I clear transactions received an email from FINRA when I added them on the form. What email notifications are sent?**
   Whenever a clearing firm adds or closes a correspondent/introducing firm arrangement on the Firm Clearing Arrangement form, the system sends an email to the chief compliance officer and chief financial officer of the correspondent/introducing firm notifying them of the change.

7. **I do not have the approval date for a clearing agreement with an introducing/correspondent firm. What date should I use in the system for the "Effective Date" field?**
   If the agreement is an old arrangement that was entered into many years ago, please use the date of 01/01/2009. If this is a newly approved arrangement, please contact your FINRA Coordinator.

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