

# 2018 NASAA Broker-Dealer Examination & Registration Training

Web CRD<sup>®</sup> and IARD<sup>™</sup> Filing Process



# Training Objectives

- Explain how an individual or organizational form filing is processed by the CRD/IARD system.
- Demonstrate what causes certain filings to end up in one CRD queue versus another.

# Session Topics

- Form Filing
- Notice and Acceptance Queues
- New CRD
- Questions

# Form Filing



# Initial Form U4 with no Disclosure



## ■ Firm submits Initial U4 with no disclosure

- System applies **APPROVED**, **PENDING** or **Deficient status**
- Notice appears in either the **Automatic Approval Notice Queue**, **Manual Approval Acceptance Queue**, or **Waivable Deficiencies Acceptance Queue**
  - A state user must review individuals who enter the Manual Approval queue and set the appropriate state status

# U4 Relicense Filing

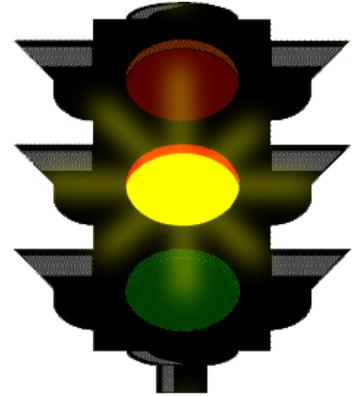
## ■ Firm submits U4 Relicensing

- System applies either **APPROVED** or **TEMPREG** status
  - TEMPREG = New or updated disclosure reported since the individual was last approved in the state(s)
  - Access the **Temporary Registrations Acceptance Queue** to review these registrations.
  - After 30 calendar days TEMPREG statuses will systematically flip to APPROVED
    - NOTE: If the firm submits new or updated disclosure within the 30 calendar days of the initial filing, the clock will reset using 30 days from the latest filing date

# Initial or Amended Form U4 with New or Updated Disclosure

## ■ Form U4 with new or updated disclosure

- Review disclosure data and create/match Disclosure Reporting Pages (DRPs) to occurrences.
- Determine if additional disclosure is required.
  - Create and send broker/dealer firms disclosure deficiency or inquiry letters.
- Set the “reportable” and “disclosable” flags, as appropriate.
- FINRA sets Reportable/Disclosable flags.
- When an individual’s FINRA registration is approved:
  - The AG registration(s) are set to **PENDING**, if there are no other deficiencies.
  - A notice is sent to the state **Manual Approval Acceptance Queue**



# Current Disclosure Summary

The Occurrence ID Number or the DRP Type (e.g., Customer Complaint) hyperlink will allow you to view the Disclosure Occurrence Composite page. The Composite page consists of the most recent DRP submitted by each filing source (i.e. Form U4, U5 and/or U6) for that disclosure event.

Current Disclosure Summary									
Individual CRD#:				Individual Name: LAST, FIRST MI					
Occurrence	Reportable/ Disclosable		Eligible for Public Disclosure	Material Difference in Disclosure	Composite				
	Yes	Yes			Filing	Event Date	First Reported	Final Resolution	Questions Answered
Customer Complaint (1227366)	Yes	Yes		No	<a href="#">U4-DUAL Customer Complaint 03/22/2005 FIRM NAME (12345)</a>	10/04/2004	11/15/2004	12/14/2004	14I(2)
Regulatory Action (1648197)	Yes	Yes		No	<a href="#">U6-REGINDVL Regulatory Action 04/12/2013 FINRA</a>	04/05/2012	04/12/2013	04/12/2013	
					<a href="#">U4- AMENDMENT Regulatory Action 04/12/2013 FIRM NAME (12345)</a>	04/10/2013	04/12/2013	04/12/2013	14D(1)(b)

The Filing Type hyperlink (e.g., U4 AMENDMENT) will allow you to view the last form filing that reported the disclosure event. The form filing includes all sections submitted and not just the DRP. You can also view the changes submitted on that particular filing.

The Date hyperlink will allow you to view all DRPs (historical and current) submitted for that disclosure event with the most recent DRP first.

# Filing History

- Click on the hyperlinked form type to view the historical filing, and use the *View Changes* links to activate redlining.

Form Filing History			
Individual CRD#:		Individual Name: LAST, FIRST MI	
Filing Date	Form Type	Filing Type	Source
01/22/2013	<a href="#">U4</a>	Initial	FIRM NAME (12345)
07/14/2011	<a href="#">U6</a>	CRD Individual	FINRA
03/02/2007	<a href="#">U5</a>	Full	FIRM NAME (12345)
01/11/2007	<a href="#">U4</a>	Amendment	FIRM NAME (12345)
01/04/2007	<a href="#">U4</a>		

**View Filing Options**

- View Changes From Previous Filing for Same Firm
- View Changes From Previous Filing

<b>U4 - AMENDMENT 01/11/2007</b>
<b>Individual Name: LAST, FIRST MI</b>
<b>Firm Name: FIRM NAME</b>
<b>1. GENERAL INFORMATION</b>

# What Else Can Hold Up a Rep's Filing?

Deficiencies	Agent (AG)	Registered Adviser (RA)
Co-requisite		• S7
Funds	• Yes	• Yes
Exam	• S63, S66, S7	• S65, S66
Dual	• Yes	• Yes
Fingerprint	• Yes	
AR Registration	• Yes	
FA Registration	• Yes	
FINRA	• Yes	
Prerequisite	• Yes	
Pending Firm Approval	• Yes	

# What Else Can Hold Up a Rep's Filing? (Continued)

- **Access the Waivable Deficiency Queue to review the following types:**
  - Exam (S63, S65, S66)
  - Dual
  - AR registration (for AGs)

# Form U5 with no Disclosure

## ■ Firm submits U5 with no disclosure

- System applies **TERMED** status or **TERMINATION REQUESTED** status if state's review method setting for the individual is manual
  - Notice appears in **U5 Manual Acceptance Queue** *if* the state has the individual set to a Manual U5 review method



# Form U5 with New or Updated Disclosure

## ■ Firm submits Full U5

- Review disclosure data and create/match Disclosure Reporting Pages (DRPs) to occurrences.
- Determine if additional disclosure is required.
  - Create and send broker-dealer firms disclosure deficiency or inquiry letters.
- Set the “reportable” and “disclosable” flags, as appropriate.
- A notice will populate in the **U5 Manual Acceptance Queue** *if* the state has the individual set to a manual U5 review method.

# Jurisdiction Termination for Cause Notice Queue

- Access this queue to view notices concerning individuals who have been terminated for cause or who have “Yes” answer(s) and DRPs on their Form U5.

CRD Main | IARD Main | Forms | Individual | Organization | Notifications | Reports

View Individual | Non-Filing Info | Jurisdiction Acceptance Queues | Jurisdiction Notice Queues

### Jurisdiction Termination for Cause Notice Queue Search Criteria

**Notice Queues**

- Automatic Approval
- CHRI Received from FBI
- Delinquent U5 Notice
- Disclosure Notice
- SRO Inactive Notice
- SRO Termination Notice
- Jurisdiction Termination for Cause Notice**
- Amended Date and Reason for Termination Notice
- Notice Queue Totals

**Include Dates**

Filing Date

Between:  And:

Month to Date

**Include Terminations**

All

All without disclosure

All with the following type of disclosure

Investigation  Regulatory Action  Criminal

Termination  Cust Complaint  Internal Review

**Include Termination Reasons**

All  Discharged

Permitted to Resign

Other

**Include Individuals**

All  Firm CRD #:

Individual CRD #:

**Include Home States**

Yes  No

**Include Assignments**

All  Assigned To:

Unassigned

**Select Sort Criteria**

Termination Date  Ascending

# Jurisdiction – Amended Date and Reason for Termination Notice Queue

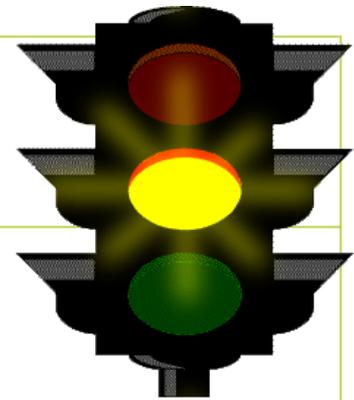
- Access this queue to view notices concerning changes to the date or reason for termination for individuals who were registered in the jurisdiction.

Amended Date and Reason for Termination Notice Queue Search Criteria	
<b>Notice Queues</b> <ul style="list-style-type: none"><li>▪ Automatic Approval</li><li>▪ CHRI Received from FBI</li><li>▪ Delinquent U5 Notice</li><li>▪ Disclosure Notice</li><li>▪ SRO Inactive Notice</li><li>▪ SRO Termination Notice</li><li>▪ Jurisdiction Termination for Cause Notice</li><li>▪ <b>Amended Date and Reason for Termination Notice</b></li><li>▪ Notice Queue Totals</li></ul>	<b>Include Dates</b>
	<b>Filing Date</b>
	<input checked="" type="radio"/> <b>Between:</b> <input type="text" value="05/07/2018"/> <b>And:</b> <input type="text" value="06/07/2018"/>
	<input type="radio"/> <b>Month to Date</b>
	<b>Include Notices</b>
	<input checked="" type="radio"/> <b>All</b>
	<input type="radio"/> <b>All without disclosure</b>
	<input type="radio"/> <b>All with the following type of disclosure</b>
	<input type="radio"/> <b>Investigation</b> <input type="radio"/> <b>Regulatory Action</b> <input type="radio"/> <b>Criminal</b>
	<input type="radio"/> <b>Termination</b> <input type="radio"/> <b>Cust Complaint</b> <input type="radio"/> <b>Internal Review</b>
<b>Include Termination Amendments</b>	
<input checked="" type="radio"/> <b>All</b> <input type="radio"/> <b>All with amended Date of Termination</b>	
<input type="radio"/> <b>All with amended Reason for Termination</b>	
<b>Include Individuals</b>	
<input checked="" type="radio"/> <b>All</b> <input type="radio"/> <b>Firm CRD #:</b> <input type="text"/>	
<input type="radio"/> <b>Individual CRD #:</b> <input type="text"/>	
<b>Include Home States</b>	
<input type="radio"/> <b>Yes</b> <input checked="" type="radio"/> <b>No</b>	
<b>Include Assignments</b>	
<input checked="" type="radio"/> <b>All</b> <input type="radio"/> <b>Assigned To:</b> <input type="text"/>	
<input type="radio"/> <b>Unassigned</b>	
<b>Select Sort Criteria</b>	

# Org. Filing Processing



# Org. Filing Processing



## ■ Form BD data with new or updated disclosure

- Review disclosure data and create/match Disclosure Reporting Pages (DRPs) to occurrences.
- Determine if additional disclosure is required.
- Set the “reportable” and “disclosable” flags, as appropriate.
- Jurisdiction registration requests are set to NOSTAT.
- Notices are sent to the **No Status (NOSTAT)** queue or the **Amend (Form BD) Notice Outstanding** queue

# Other Conditions That May Require Regulator Review

## ■ Regulators may want to review BD filings when the following conditions occur:



- Branch Amendments or Branch Deficiencies
- Partial Withdrawals
- Mass Transfers
- Name Change

## ■ There are 11 Jurisdiction/SRO Organization Queue Types

- Access [www.finra.org](http://www.finra.org) to access Regulator Quick Reference Guides to learn more about navigating the queues.

# Electronic Initial Form BD

## ■ New Broker-Dealer applicants are now able to submit the Initial Form BD electronically via Web CRD.

- Applicants are still required to mail a signed and notarized paper Form BD to FINRA after making their online submission.



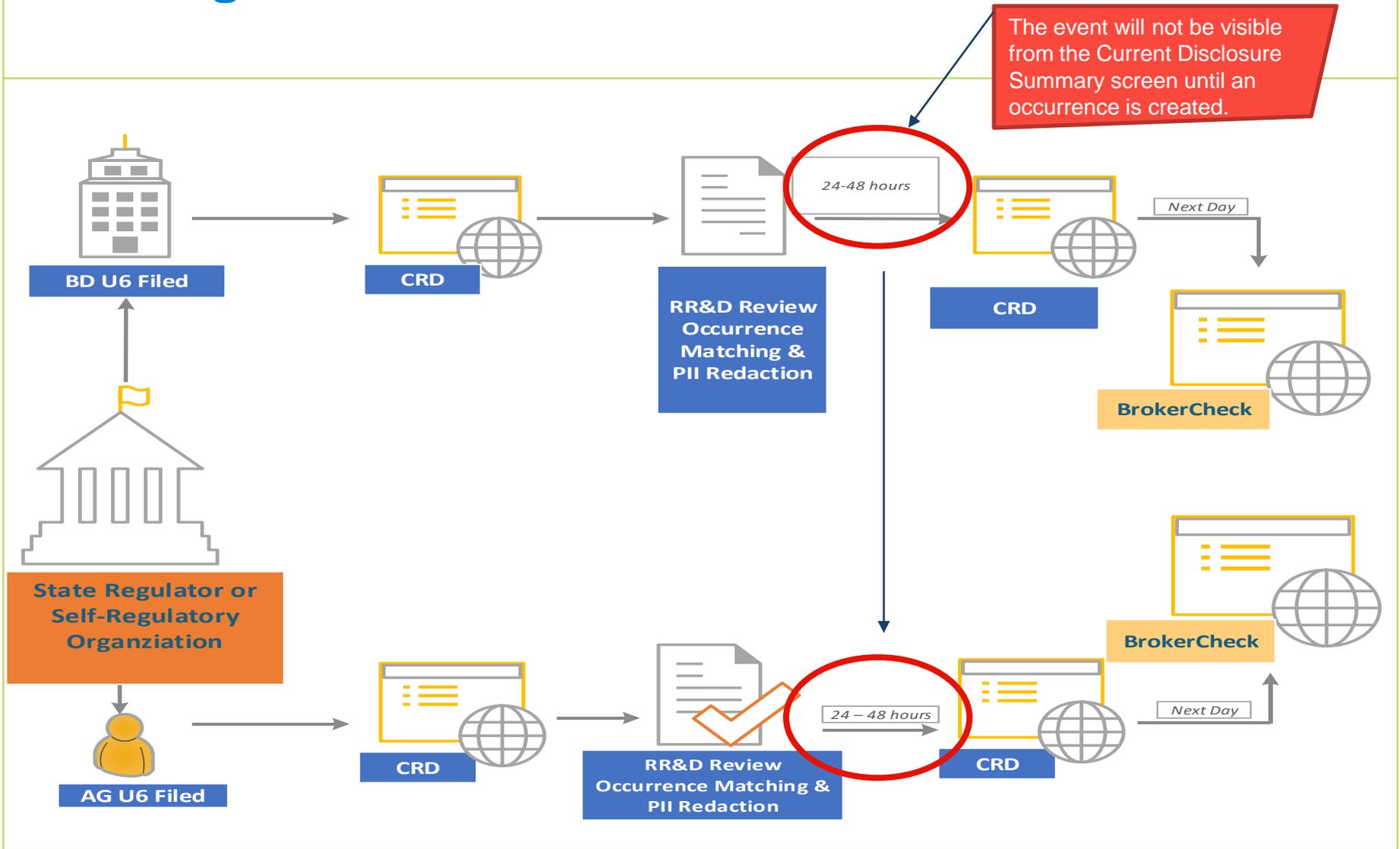
**Form BD**

- Create New BD Filing
  - Initial** ←
  - Amendment
- Pending BD Filings
- Historical BD Filings

## ■ Updated guidance for new FINRA members is available online:

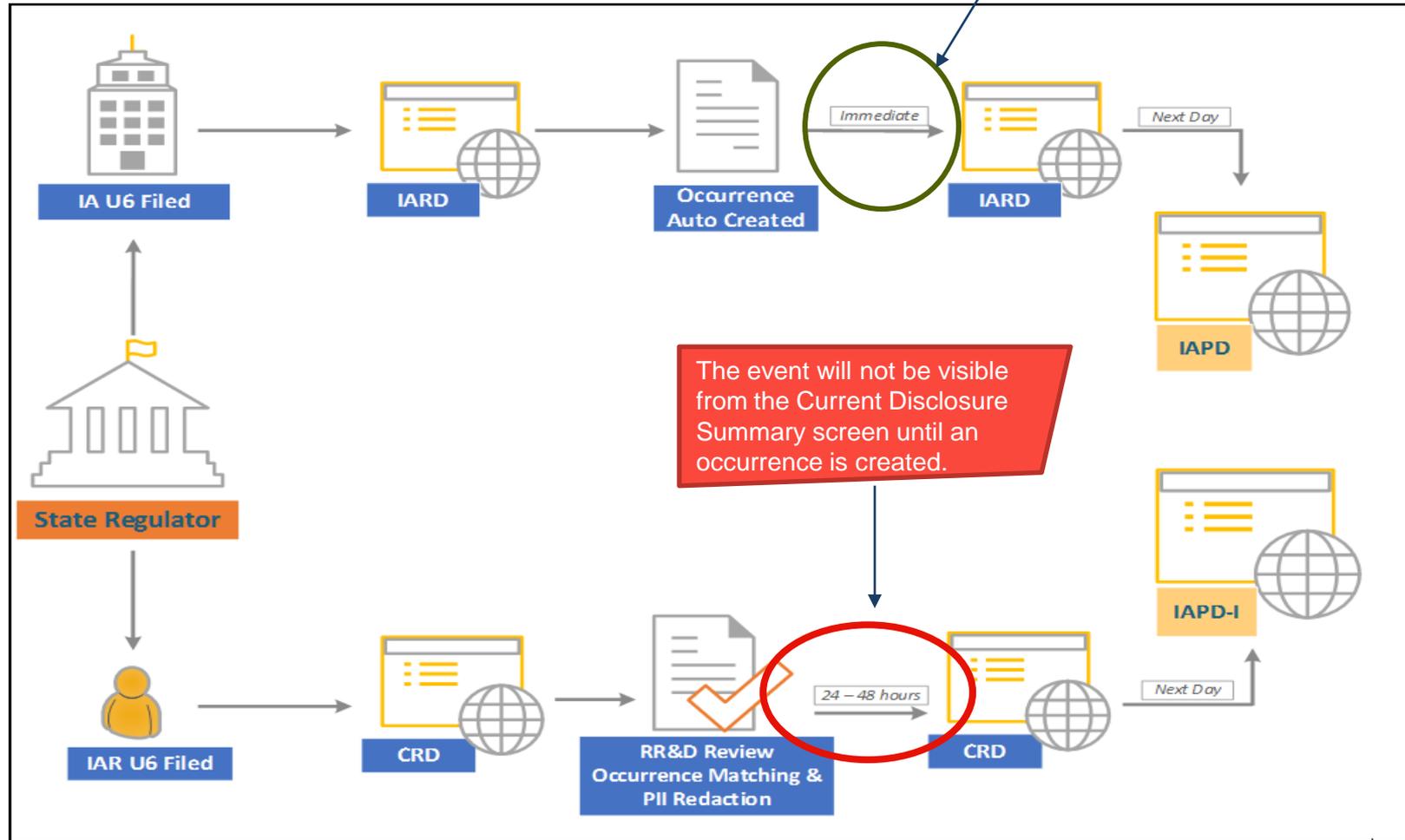
- [www.finra.org/industry/new-bd-firm-registration](http://www.finra.org/industry/new-bd-firm-registration)

# U6 Filing Process for Broker Dealers and AGs



# U6 Filing Process for IA and IARs

IARD automatically creates occurrence. When a U6 is submitted for an IA firm, you can see the Occurrence ID and view the disclosure from the Current Disclosure Summary Screen.



# Jurisdiction Acceptance and Notice Queues - Individual

# Jurisdiction Acceptance Queues

- Jurisdiction Acceptance Queues allow state users to monitor requests for individual registration with their jurisdiction.
  - Entitlement can be granted by a CRD administrator.
  - Queues can be accessed from the CRD Main page or the Individual tab.

The screenshot shows the FINRA Web CRD interface. The 'Individual' tab is selected and highlighted with a red box. Below the navigation tabs, a table displays the 'Jurisdiction Acceptance Queues' section, which is also highlighted with a red box. The table is organized into four columns: CRDMain, Forms, Individual, and Organization.

CRDMain	Forms	Individual	Organization
<b>User Info</b>	<b>Form U6</b>	<b>View Individual</b>	<b>View Org</b>
Blank Forms	Create New U6 Filing	Individual Search	Organization Search
FAQ	CRD Individual	Disclosure Only Individual Search	Disclosure Only Organization Search
Release Notes	Disclosure Only Individual	<b>Non-Filing Info</b>	<b>Organization Queues</b>
SRO/Jurisdiction Fee and Setting Schedule	CRD/IARD Organization	NFI Individual Search	Alert
Recommended Browsers	Disclosure Only Organization	<b>Jurisdiction Acceptance Queues</b>	Amend (Form BD)
Certified EFS Vendors	Pending U6 Filings	Manual Approval	Broker Dealer Withdrawal (BDW)
Send Comments	Historical U6 Filings	Temporary Registrations	Branch
		U5 Manual	Non Filing Branch
		Waivable Deficiencies	Branch Deficiencies
		Acceptance Queue Totals	Mass Transfer (MT)

# Available Acceptance Queues

## ■ Manual Approval

- Lists individuals with registrations that the jurisdiction must manually approve.
- A registration status can be updated as follows: Approved, Abandoned, Denied, Pending, Rejected or Restricted Approval.
- The registration requests in this queue have no waivable deficiencies, require manual approval, have an approved FINRA registration, and have a Pending registration status in your jurisdiction.
- Items leave this queue once the individual's registration status is changed to any status other than Pending.

## ■ U5 Manual

- Lists U5 requests that a regulator has blocked or stopped from occurring automatically.
- The registration status of these individuals is Termination Requested.
- Update through this Queue/NFI; caution applying the correct effective date

# Available Acceptance Queues (Continued)

## ■ Temporary Registrations

- Lists individuals holding a 30-day temporary relicensing registration.
- The jurisdiction may manually approve these registrations or the jurisdiction may elect to let the 30 days expire, which allows Web CRD to automatically approve the registration.
- Registration requests in this queue have an approved FINRA registration, no waivable deficiencies, relicensing registration with the temporary registration page completed and the relicensing method allowed for temporary approval.

## ■ Waivable Deficiencies

- Lists individuals with registration deficiencies that the jurisdiction can clear (Exam, Dual, FINRA-AR, etc.).
- The registration requests in this queue do not have non-waivable deficiencies (Disclosure, Fingerprint, etc.) and have approved FINRA registrations.

# Acceptance Queue Totals

- Lists of all the Acceptance Queues with the number of broker-dealer agents (AG) and RAs in each queue.
  - Clicking the hyperlinked AG/RA counts will display yearly and quarterly subtotals.

Web CRD <sup>®</sup>

CRD Main | IARD Main | Forms | **Individual** | Organization | Notifications | Reports

View Individual | Non-Filing Info | **Jurisdiction Acceptance Queues** | Jurisdiction Notice Queues ? Printer Friendly

**Acceptance Queues**

- Manual Approval
- Temporary Registrations
- U5 Manual
- Waivable Deficiencies
- **Acceptance Queue Totals**

Note: The refresh process can be time-intensive and can only be performed once every 60 minutes.

### Total Items In Acceptance Queues

Queue	AG Count	RA Count	Last Refreshed
Manual Approval Queue	820	75	5/16/2016 12:45:59 AM <a href="#">[Refresh]</a>
Temporary Registrations Queue	37	0	5/16/2016 12:46:03 AM <a href="#">[Refresh]</a>
U5 Manual Queue	0	0	N/A <a href="#">[Refresh]</a>

Queue	Dual	Dual AG/RA	Exam	AR Registration	Last Refreshed
Waivable Deficiencies Queue	0	0	233	0	5/16/2016 12:47:21 AM <a href="#">[Refresh]</a>

# Jurisdiction Notice Queues

- **Jurisdiction Notice Queues allow regulators to monitor status updates for individuals registered in their jurisdiction.**
  - Entitlement to Jurisdiction Notice Queues can be granted by a CRD administrator.
  - Queues can be accessed from the CRD Main page, or the Individual tab.

Jurisdiction Notice Queues
Automatic Approval
CHRI Received from FBI
Delinquent US Notice
Disclosure Notice
SRO Inactive Notice
SRO Termination Notice
Jurisdiction Termination for Cause Notice
Amended Date and Reason for Termination Notice
Notice Queue Totals

# Available Notice Queues

## ■ Automatic Approval

- Lists notices of registrations that have been automatically approved in the jurisdiction.
- Notices remain in this queue, unless they are manually deleted.

## ■ CHRI Received from FBI

- Lists all individuals registered or registering with the jurisdiction that have Criminal History Record Information (CHRI).
- This queue includes a fingerprint barcode hyperlink that links to the CHRI.
- Specific CHRI entitlement is required for access to this queue, and users must accept additional terms and conditions before viewing the data.

# Available Notice Queues (Continued)

## ■ Delinquent U5 Notice

- Lists AGs and RAs whose current employers have filed a Form U4 – Relicense filing, but whose prior employers have yet to file U5 form filings.

## ■ Disclosure Notice

- Lists notices of disclosure filings against individuals with registrations in the jurisdiction.
- Notices remain in this queue unless they are manually deleted.

## ■ SRO Inactive Notice

- Lists notices of individuals that have an inactive registration(s) due to a registration status of Inactive Prints, CE Inactive or Suspension.
- Notices remain in this queue until the status changes to a status that is not inactive.

# Available Notice Queues (Continued)

## ■ SRO Termination Notice

- Lists notices of individuals who are registered in your jurisdiction and who have had registration(s) terminated by an SRO without filing a Form U5.
- Notices remain in this queue for 30 days, unless they are manually deleted.

## ■ Jurisdiction Termination for Cause Notice

- Lists notices of individuals who:
  - have been terminated for cause (e.g., Discharged, Permitted to Resign or Other), or
  - have a Yes answer(s) and DRP(s) submitted on a full Form U5.

## ■ Amended Date and Reason for Termination Notice

- Lists all individuals who are registered with the jurisdiction or were registered with the jurisdiction and have had either the date or the reason for termination updated on a U5 Amendment filing.

# Notice Queue Totals

- Lists six of the Notice Queues with the number of AGs and RAs in each queue.
  - Clicking the hyperlinked AG/RA counts will display yearly and quarterly subtotals.

Note: The refresh process can be time-intensive and can only be performed once every 60 minutes.

## Total Items In Notice Queues

Queue	AG Count	RA Count	Last Refreshed
Automatic Approval Notice Queue	<a href="#">5894</a>	<a href="#">1490</a>	5/6/2014 12:42:32 AM <a href="#">[Refresh]</a>
Delinquent U5 Notice Queue	<a href="#">11</a>	<a href="#">36</a>	5/6/2014 12:42:33 AM <a href="#">[Refresh]</a>

Queue	DR Count	DM Count	Last Refreshed
Disclosure Notice Queue	<a href="#">2142</a>	0	5/6/2014 12:42:33 AM <a href="#">[Refresh]</a>

Queue	Item Count	Last Refreshed
CHRI Received from FBI Notice Queue	<a href="#">937</a>	5/6/2014 12:42:34 AM <a href="#">[Refresh]</a>
Jurisdiction Termination for Cause Notice Queue	<a href="#">1096</a>	5/6/2014 12:43:04 AM <a href="#">[Refresh]</a>
Amended Date and Reason for Termination Notice Queue	<a href="#">66</a>	5/6/2014 12:43:18 AM <a href="#">[Refresh]</a>

# New CRD





## CRD Transformation (Continued)

- CRD Transformation is a multi-year project that will reimagine the CRD system into a modernized platform that features a simpler and more streamlined experience for all users, providing firms with a more flexible and efficient way to get their compliance work done.
- Regulatory users will begin to see changes in 2019.
- Visit [www.finra.com/newCRD](http://www.finra.com/newCRD) for updates regarding CRD Transformation.

# CRD Transformation (Continued)

- A new home page will be made available to firm users on June 30, 2018.

The screenshot displays the FINRA CRD user interface. At the top, there is a navigation bar with the FINRA logo, 'CRD', 'Home', and a user profile for 'Taylor Garza'. Below the navigation bar, there are three tabs: 'Individual Activities' (selected), 'Branch Activities (Coming Soon)', and 'Firm Activities (Coming Soon)'. The main content area shows a table of 17,919 activities. The table has columns for Type, Description, Subject, Status, Status Date, and Due. The first few rows show activities for 'Continuing Ed' with various subjects and due dates. On the right side, there are two panels: 'Quick Links' with options like 'Update rep info (U4 Amend)' and 'E-Bill', and 'My Reports' with options like 'Accounting - Account Activity - Firms' and 'Roster - Individual - Registered Individual Summary ...'. At the bottom, there is a pagination control showing 'Page 1 of 1,494' and 'Next'/'Last' buttons.

TYPE	DESCRIPTION	SUBJECT	STATUS	STATUS DATE	DUE
Continuing Ed	CE Requirement: 101	BROOKE SAUNDERS 1000101	CE inactive	3/2/18	3/1/18
Continuing Ed	CE Requirement: 101	EDGAR CORTEZ 1000102	Required	3/2/18	6/29/18
Continuing Ed	CE Requirement: 106	ZACHARY JOHNSTON 1000103	Approaching CE start date	3/2/18	7/29/18
Continuing Ed	CE Requirement: 106	TIMOTHY DAWSON 1000104	Approaching CE start date	3/2/18	7/29/18
Continuing Ed	CE Requirement: 106	ALLEN MILLER 1000105	Approaching CE start date	3/2/18	7/29/18
Continuing Ed	CE Requirement: 106	JESSIE HAYS 1000106	Approaching CE start date	3/2/18	7/29/18
Continuing Ed	CE Requirement: 106	MARTA LOWE 1000107	Approaching CE start date	3/2/18	7/29/18
Continuing Ed	CE Requirement: 106	LAURENCE LEWIS 1000108	Approaching CE start date	3/2/18	7/29/18
Continuing Ed	CE Requirement: 106	GARRY OBRIEN 1000109	Approaching CE start date	3/2/18	7/29/18
Continuing Ed	CE Requirement: 106	KRISTY SIMPSON 1000110	Approaching CE start date	3/2/18	7/29/18
Continuing Ed	CE Requirement: 106	LORA TYLER 1000111	Approaching CE start date	3/2/18	7/29/18
Continuing Ed	CE Requirement: 106	ELBERT HIGGINS 1000112	Approaching CE start date	3/2/18	7/29/18



# Questions

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