2018 NASAA Broker-Dealer Examination & Registration Training

Web CRD® and IARD™ 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
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.

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

<table>
<thead>
<tr>
<th>Occurrence</th>
<th>Reportable/Disclosable</th>
<th>Eligible for Public Disclosure</th>
<th>Material Difference in Disclosure</th>
<th>Composite Filing</th>
<th>Event Date</th>
<th>First Reported</th>
<th>Final Resolution</th>
<th>Questions Answered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Complaint (1227366)</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>U4-DUAL Customer Complaint 03/22/2005 FIRM NAME (12345)</td>
<td>10/04/2004</td>
<td>11/15/2004</td>
<td>12/14/2004</td>
<td>14I(2)</td>
</tr>
<tr>
<td>Regulatory Action (1648197)</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>U6-REGINDV REGULATORY ACTION 04/12/2013 FINRA</td>
<td>04/05/2012</td>
<td>04/12/2013</td>
<td>04/12/2013</td>
<td>14D(1)(b)</td>
</tr>
</tbody>
</table>

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.
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

<table>
<thead>
<tr>
<th>Filing Date</th>
<th>Form Type</th>
<th>Filing Type</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/22/2013</td>
<td>U4</td>
<td>Initial</td>
<td>FIRM NAME (12345)</td>
</tr>
<tr>
<td>07/14/2011</td>
<td>U6</td>
<td>CRD Individual</td>
<td>FINRA</td>
</tr>
<tr>
<td>03/02/2007</td>
<td>U5</td>
<td>Full</td>
<td>FIRM NAME (12345)</td>
</tr>
<tr>
<td>01/11/2007</td>
<td>U4</td>
<td>Amendment</td>
<td>FIRM NAME (12345)</td>
</tr>
<tr>
<td>01/04/2007</td>
<td>U4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**View Filing Options**

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

**U4 - AMENDMENT 01/11/2007**

- Individual Name: LAST, FIRST MI
- Firm Name: FIRM NAME

1. GENERAL INFORMATION
### What Else Can Hold Up a Rep’s Filing?

<table>
<thead>
<tr>
<th>Deficiencies</th>
<th>Agent (AG)</th>
<th>Registered Adviser (RA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-requisite</td>
<td></td>
<td>• S7</td>
</tr>
<tr>
<td>Funds</td>
<td>• Yes</td>
<td>• Yes</td>
</tr>
<tr>
<td>Exam</td>
<td>• S63, S66, S7</td>
<td>• S65, S66</td>
</tr>
<tr>
<td>Dual</td>
<td>• Yes</td>
<td>• Yes</td>
</tr>
<tr>
<td>Fingerprint</td>
<td>• Yes</td>
<td></td>
</tr>
<tr>
<td>AR Registration</td>
<td>• Yes</td>
<td></td>
</tr>
<tr>
<td>FA Registration</td>
<td>• Yes</td>
<td></td>
</tr>
<tr>
<td>FINRA</td>
<td>• Yes</td>
<td></td>
</tr>
<tr>
<td>Prerequisite</td>
<td>• Yes</td>
<td></td>
</tr>
<tr>
<td>Pending Firm Approval</td>
<td>• Yes</td>
<td></td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Jurisdiction Termination for Cause Notice Queue Search Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Include Dates</td>
</tr>
<tr>
<td>◼ Filing Date</td>
</tr>
<tr>
<td>◼ Between: 05/07/2018</td>
</tr>
<tr>
<td>◼ And: 06/07/2018</td>
</tr>
<tr>
<td>◼ Month to Date</td>
</tr>
<tr>
<td>Include Terminations</td>
</tr>
<tr>
<td>◼ All</td>
</tr>
<tr>
<td>◼ All without disclosure</td>
</tr>
<tr>
<td>◼ All with the following type of disclosure</td>
</tr>
<tr>
<td>◼ Investigation</td>
</tr>
<tr>
<td>◼ Terminal</td>
</tr>
<tr>
<td>◼ Regulatory Action</td>
</tr>
<tr>
<td>◼ Cust Complaint</td>
</tr>
<tr>
<td>◼ Criminal</td>
</tr>
<tr>
<td>◼ Internal Review</td>
</tr>
<tr>
<td>Include Termination Reasons</td>
</tr>
<tr>
<td>◼ All</td>
</tr>
<tr>
<td>◼ Discharged</td>
</tr>
<tr>
<td>◼ Permitted to resign</td>
</tr>
<tr>
<td>◼ Other</td>
</tr>
<tr>
<td>Include Individuals</td>
</tr>
<tr>
<td>◼ All</td>
</tr>
<tr>
<td>◼ Firm CRD #:</td>
</tr>
<tr>
<td>◼ Individual CRD #:</td>
</tr>
<tr>
<td>Include Home States</td>
</tr>
<tr>
<td>◼ Yes</td>
</tr>
<tr>
<td>◼ No</td>
</tr>
<tr>
<td>Include Assignments</td>
</tr>
<tr>
<td>◼ Yes</td>
</tr>
<tr>
<td>◼ Assigned to:</td>
</tr>
<tr>
<td>◼ Unassigned</td>
</tr>
<tr>
<td>Select Sort Criteria</td>
</tr>
<tr>
<td>◼ Termination Date</td>
</tr>
<tr>
<td>◼ Ascending</td>
</tr>
</tbody>
</table>
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.

Notice Queues
- Automatic Approval
- CRI 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

Amended Date and Reason for Termination Notice Queue Search Criteria

Include Dates
- Filing Date
- Between: 05/07/2016 to 06/07/2018
- Month to Date

Include Notices
- All
- All without disclosure
- All with the following type of disclosure
  - Investigation
  - Regulatory Action
  - Criminal
  - Termination
  - Cust Complaint
  - Internal Review

Include Termination Amendments
- All
- All with amended Date of Termination
- All with amended Reason for Termination

Include Individuals
- All
- Firm CRD #:
- Individual CRD #:

Include Home States
- Yes
- No

Include Assignments
- All
- Assigned To:
- Unassigned

Select Sort Criteria
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 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.

- 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

The event will not be visible from the Current Disclosure Summary screen until an occurrence is created.

State Regulator or Self-Regulatory Organization

AG U6 Filed

BD U6 Filed

CRD

RR&D Review
Occurrence Matching & PII Redaction

24-48 hours

Next Day

BrokerCheck

24–48 hours

Next Day

BrokerCheck
U6 Filing Process for IA and IARs

The event will not be visible from the Current Disclosure Summary screen until an occurrence is created.

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 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.
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.

### Total Items In Acceptance Queues

<table>
<thead>
<tr>
<th>Queue</th>
<th>AG Count</th>
<th>RA Count</th>
<th>Last Refreshed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manual Approval Queue</td>
<td>820</td>
<td>75</td>
<td>5/16/2016 12:45:59 AM [Refresh]</td>
</tr>
<tr>
<td>Temporary Registrations Queue</td>
<td>37</td>
<td>0</td>
<td>5/16/2016 12:46:03 AM [Refresh]</td>
</tr>
<tr>
<td>U5 Manual Queue</td>
<td>0</td>
<td>0</td>
<td>N/A [Refresh]</td>
</tr>
</tbody>
</table>

Note: The refresh process can be time-intensive and can only be performed once every 50 minutes.

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### Other Queues

<table>
<thead>
<tr>
<th>Queue</th>
<th>Dual</th>
<th>Dual AG/RA</th>
<th>Exam</th>
<th>AR Registration</th>
<th>Last Refreshed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waivable Deficiencies Queue</td>
<td>0</td>
<td>0</td>
<td>233</td>
<td>0</td>
<td>5/16/2016 12:47:21 AM [Refresh]</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Jurisdiction Notice Queues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic Approval</td>
</tr>
<tr>
<td>CHRI Received from FBI</td>
</tr>
<tr>
<td>Delinquent US Notice</td>
</tr>
<tr>
<td>Disclosure Notice</td>
</tr>
<tr>
<td>SRO Inactive Notice</td>
</tr>
<tr>
<td>SRO Termination Notice</td>
</tr>
<tr>
<td>Jurisdiction Termination for Cause Notice</td>
</tr>
<tr>
<td>Amended Date and Reason for Termination Notice</td>
</tr>
<tr>
<td>Notice Queue Totals</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Queue</th>
<th>AG Count</th>
<th>RA Count</th>
<th>Last Refreshed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure Notice Queue</td>
<td>DR Count</td>
<td>DM Count</td>
<td>Last Refreshed</td>
</tr>
<tr>
<td></td>
<td>2142</td>
<td>0</td>
<td>5/6/2014 12:42:33 AM [Refresh]</td>
</tr>
<tr>
<td>CHRI Received from FBI Notice Queue</td>
<td>Item Count</td>
<td></td>
<td>Last Refreshed</td>
</tr>
<tr>
<td></td>
<td>937</td>
<td></td>
<td>5/6/2014 12:42:34 AM [Refresh]</td>
</tr>
<tr>
<td>Jurisdiction Termination for Cause Notice Queue</td>
<td>1096</td>
<td></td>
<td>5/6/2014 12:43:04 AM [Refresh]</td>
</tr>
<tr>
<td>Amended Date and Reason for Termination Notice Queue</td>
<td>66</td>
<td></td>
<td>5/6/2014 12:43:18 AM [Refresh]</td>
</tr>
</tbody>
</table>

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

Benefits of The New Platform

- FLEXIBLE
- EASY
- INTEGRATED
- EFFICIENT
- COLLABORATIVE
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.

CRD Transformation (Continued)

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

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