



# 2019 ARM Educational Conference

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**FINRA**

**Registration & Disclosure Systems and Policy Updates**

**Amelia Island, FL**

**03/05/2019**

# Agenda

- **Registration Category and Exchange Updates**
- **2019 Registration System Roadmap**
- **New CRD Features**
- **Training Opportunities**
- **Enhanced Public Record Review**
- **Potential Changes to 4530 Quarterly Reporting**
- **Proposed Revisions Forms U4 & U5 – Update**

# Registration Category and Exchange Updates

# SRO Registration Category Changes

- In connection with the October 1, 2018 representative-level exam restructuring, Section 4 of Form U4 was reformatted to make selecting SRO registration categories more intuitive.
- Section 4 is now divided into the following three sub-groups:
  1. Representative-Level Registration Categories
    - a) Including retired representative registrations
  2. Principal-Level Registration Categories
    - a) Including retired principal-level registrations
  3. Exchange-Specific Registration Categories
    - a) Registrations not recognized by FINRA
- Other SROs have also made changes to the registration categories that they recognize.  
(See sample screenshots on the following slides...)

# SRO Registration Category Changes (cont.)

## ○ Registered representative registration categories:

REPRESENTATIVE LEVEL REGISTRATION CATEGORIES																			
REGISTRATION CATEGORIES	FINRA	NYSE	NYSE-AMER	NYSE-ARCA	NYSE-CHI	NYSE-NAT	CBOE	CBOE C2	CBOE BYX	CBOE BZX	CBOE EDGA	CBOE EDGX	NQX	BX	ISE	ISE GEMX	ISE MRX	PHLX	MIAX Emerald
IR - Investment Company and Variable Contracts Products Rep. (S6TO)	<input type="checkbox"/>																		
GS - Full Registration/General Securities Representative (S7TO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DR - Direct Participation Program Representative (S22TO)	<input type="checkbox"/>																		
MR - Municipal Securities Representative (S52TO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>													
TD - Securities Trader (S57TO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IB - Investment Banking Representative (S79TO)	<input type="checkbox"/>																		
PR - Limited Representative - Private Securities Offerings (S82TO)	<input type="checkbox"/>																		
RS - Research Analyst (S86 and S87)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																
OS - Operations Professional (S99TO)	<input type="checkbox"/>																		
Other _____ (Paper Form Only)																			
RETIRED REGISTRATION CATEGORIES																			
AR - Assistant Representative/Order Processing	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>						
CD - Canada-Limited General Securities Registered Representative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CN - Canada-Limited General Securities Registered Representative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>
CS - Corporate Securities Representative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>						
FA - Foreign Associate	<input type="checkbox"/>																		
IE - United Kingdom - Limited General Securities Registered Representative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OR - Options Representative	<input type="checkbox"/>												<input type="checkbox"/>	<input type="checkbox"/>					<input type="checkbox"/>
RG - Government Securities Representative	<input type="checkbox"/>																		

# SRO Registration Category Changes (cont.)

## Principal registration categories:

PRINCIPAL LEVEL REGISTRATION CATEGORIES																			
REGISTRATION CATEGORIES	FINRA	NYSE	NYSE-AMER	NYSE-ARCA	NYSE-CHI	NYSE-NAT	CBOE	CBOE C2	CBOE BYX	CBOE BZX	CBOE EDGA	CBOE EDGX	NQX	BX	ISE	ISE GEMX	ISE MRX	PHLX	MIAX Emerald
OP - Registered Options Principal (S4)	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SU - General Securities Sales Supervisor (S9 and S10)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CO - Compliance Official (S14)		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CR - Compliance Officer (S14)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>													
SA - Supervisory Analyst (S16)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																
GP - General Securities Principal (S24)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RP - Research Principal (S24)	<input type="checkbox"/>																		
BP - Investment Banking Principal (S24)	<input type="checkbox"/>																		
TP - Securities Trader Principal (S24)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PO - Private Securities Offerings Principal (S24)	<input type="checkbox"/>																		
IP - Investment Company and Variable Contracts Products Principal (S26)	<input type="checkbox"/>																		
FN - Financial and Operations Principal (S27)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FI - Introducing Broker-Dealer/Financial and Operations Principal (S28)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>													<input type="checkbox"/>
DP - Direct Participation Program Principal (S39)	<input type="checkbox"/>																		
FP - Municipal Fund (S51)	<input type="checkbox"/>																		
MP - Municipal Securities Principal (S53)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>													
PG - Government Securities Principal	<input type="checkbox"/>																		
Other _____ (Paper Form Only)																			
RETIRED REGISTRATION CATEGORIES																			
SM - Securities Manager		<input type="checkbox"/>	<input type="checkbox"/>																


# SRO Registration Category Changes (cont.)

- Online Form U4 filers will have the option to have Web CRD auto-select registration categories based on the registrations the individual has held during their continuous registration period.

**4. SRO Registrations**


Select appropriate *SRO* Registration requests.

Qualifying examinations will be automatically scheduled if needed. If you are only scheduling or rescheduling an exam, skip this section and complete Section 7 (EXAMINATION REQUESTS).



Click the **Auto-Select Registration Requests** button below to have the system automatically select all eligible registration categories (i.e., those you have held without a lapse) with all SROs that recognize those categories for the Representative and Principal Levels. Once the auto-selected requests have populated, you may deselect any registration request that has been automatically selected.

Please note: The Auto-Select functionality will not select any Exchange-Specific Registration Categories. You must manually select these registration requests.




Auto-Select Registration Requests

- Since October 1, 2018, the Auto-Select feature has been selected 27,255 times.
- The auto-select feature does not apply to filings uploaded via Web EFT.

# SRO Registration Category Changes (cont.)

- Registration categories not recognized by FINRA now have their own section on the form, and are not available for auto-selection.

EXCHANGE-SPECIFIC REGISTRATION CATEGORIES																							
<div> The Auto-Select functionality will not select any Exchange-Specific Registration Categories. You must manually select these registration requests.</div>																							
REGISTRATION CATEGORIES	FINRA	NYSE	NYSE-AMER	NYSE-ARCA	NYSE-CHI	NYSE-NAT	CBOE	CBOE C2	CBOE BYX	CBOE BZX	CBOE EDGA	CBOE EDGX	NQX	BX	ISE	ISE GEMX	ISE MRX	PHLX	MIAX Emerald	MIAX Options	MIAX PEARL	BOX	IEX
AP - Approved Person		<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>														<input type="checkbox"/>	
CF - Compliance Official Specialist		<input type="checkbox"/>	<input type="checkbox"/>																				
FE - Floor Employee		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>														<input type="checkbox"/>				<input type="checkbox"/>	
LE - Securities Lending Representative		<input type="checkbox"/>	<input type="checkbox"/>																				
LS - Securities Lending Supervisor		<input type="checkbox"/>	<input type="checkbox"/>																				
ME - Member Exchange		<input type="checkbox"/>			<input type="checkbox"/>													<input type="checkbox"/>				<input type="checkbox"/>	
MT - Market Maker Authorized Trader-Equities		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>											
OM - Options Member (S57TO)			<input type="checkbox"/>	<input type="checkbox"/>																			
CT - Securities Trader Compliance Officer (S14)					<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
FL - Floor Clerk - Equities (S19)		<input type="checkbox"/>																					



# SRO Updates

SRO	Description of Activity	Effective Date	CRD Go-Live Date
CHX	Change SRO name to "NYSE Chicago, Inc" and the acronym to "NYSE-CHI".  Added the CR, MT and SU registration categories.	February 15, 2019	February 23, 2019
MIAX EMERALD	New SRO was on-boarded to CRD.  Recognizes the CO, CT, FN, GS, GP, SU, TD and TP registration categories.	March 1, 2019	March 1, 2019

# 2019 Registration System Roadmap

# 2019 Registration System Roadmap

## Q1 2019

### FinPro (January 11, 2019)

- Implemented one-time passcode for identity verification

### New CRD (January 26, 2019)

- Introduced ability for firms to query and view individual information via new CRD

### Entitlement Platform Migration (February 2, 2019)

- Replaced login platform and implemented security enhancements

### Web CRD, IARD & PFRD Release 2019.02 (February 23, 2019)

- CHX renamed to NYSE-CHI
- New MIAX EMERALD SRO added
- Other enhancements and bug fixes

### New CRD (March 16, 2019)

- Enhancements to individual query/view for firms

## Q2 2019

### Web CRD, IARD & PFRD Release (TBD)

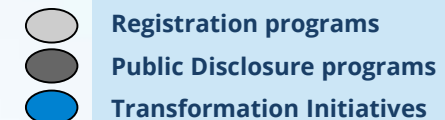
- State report enhancements
- Move databases to the Cloud
- Other enhancements and bug fixes

### E-Bill (TBD)

- Migrate all firm CRD accounting reports to E-bill
- Provide regulators with online access to disbursement data

### Web EFT Platform Migration (June 30, 2019)

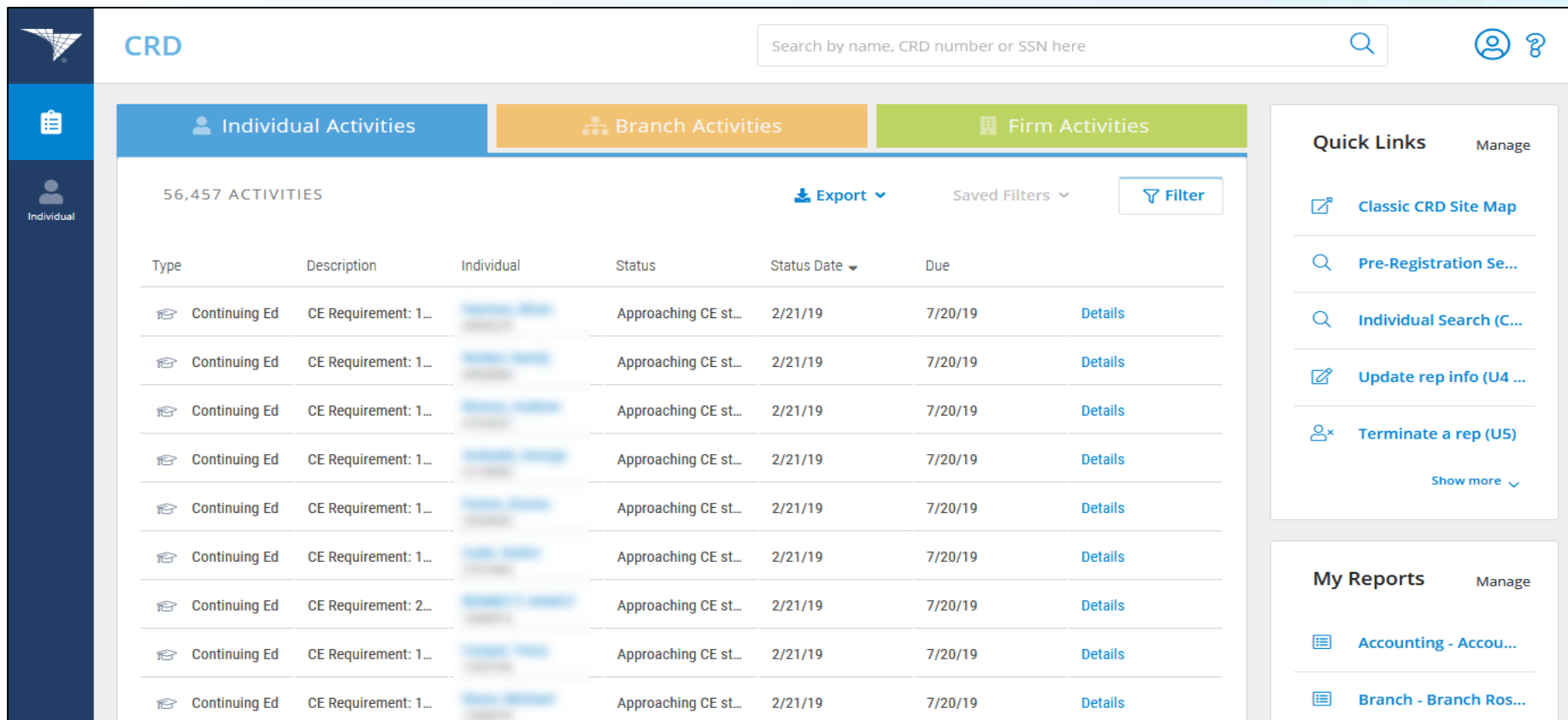
- Deadline for all subscribing firms to complete migration to fileX



# New CRD Features

# New CRD – Launched June 2018

- In June 2018, the new version of CRD was launched with the Activities List and customizable shortcuts for Quick Links and My Reports.



**CRD** Search by name, CRD number or SSN here

**Individual Activities** **Branch Activities** **Firm Activities**

56,457 ACTIVITIES [Export](#) [Saved Filters](#) [Filter](#)

Type	Description	Individual	Status	Status Date	Due	
Continuing Ed	CE Requirement: 1...	[blurred]	Approaching CE st...	2/21/19	7/20/19	<a href="#">Details</a>
Continuing Ed	CE Requirement: 1...	[blurred]	Approaching CE st...	2/21/19	7/20/19	<a href="#">Details</a>
Continuing Ed	CE Requirement: 1...	[blurred]	Approaching CE st...	2/21/19	7/20/19	<a href="#">Details</a>
Continuing Ed	CE Requirement: 1...	[blurred]	Approaching CE st...	2/21/19	7/20/19	<a href="#">Details</a>
Continuing Ed	CE Requirement: 1...	[blurred]	Approaching CE st...	2/21/19	7/20/19	<a href="#">Details</a>
Continuing Ed	CE Requirement: 1...	[blurred]	Approaching CE st...	2/21/19	7/20/19	<a href="#">Details</a>
Continuing Ed	CE Requirement: 2...	[blurred]	Approaching CE st...	2/21/19	7/20/19	<a href="#">Details</a>
Continuing Ed	CE Requirement: 1...	[blurred]	Approaching CE st...	2/21/19	7/20/19	<a href="#">Details</a>
Continuing Ed	CE Requirement: 1...	[blurred]	Approaching CE st...	2/21/19	7/20/19	<a href="#">Details</a>

**Quick Links** [Manage](#)

- [Classic CRD Site Map](#)
- [Pre-Registration Se...](#)
- [Individual Search \(C...](#)
- [Update rep info \(U4 ...](#)
- [Terminate a rep \(US\)](#)

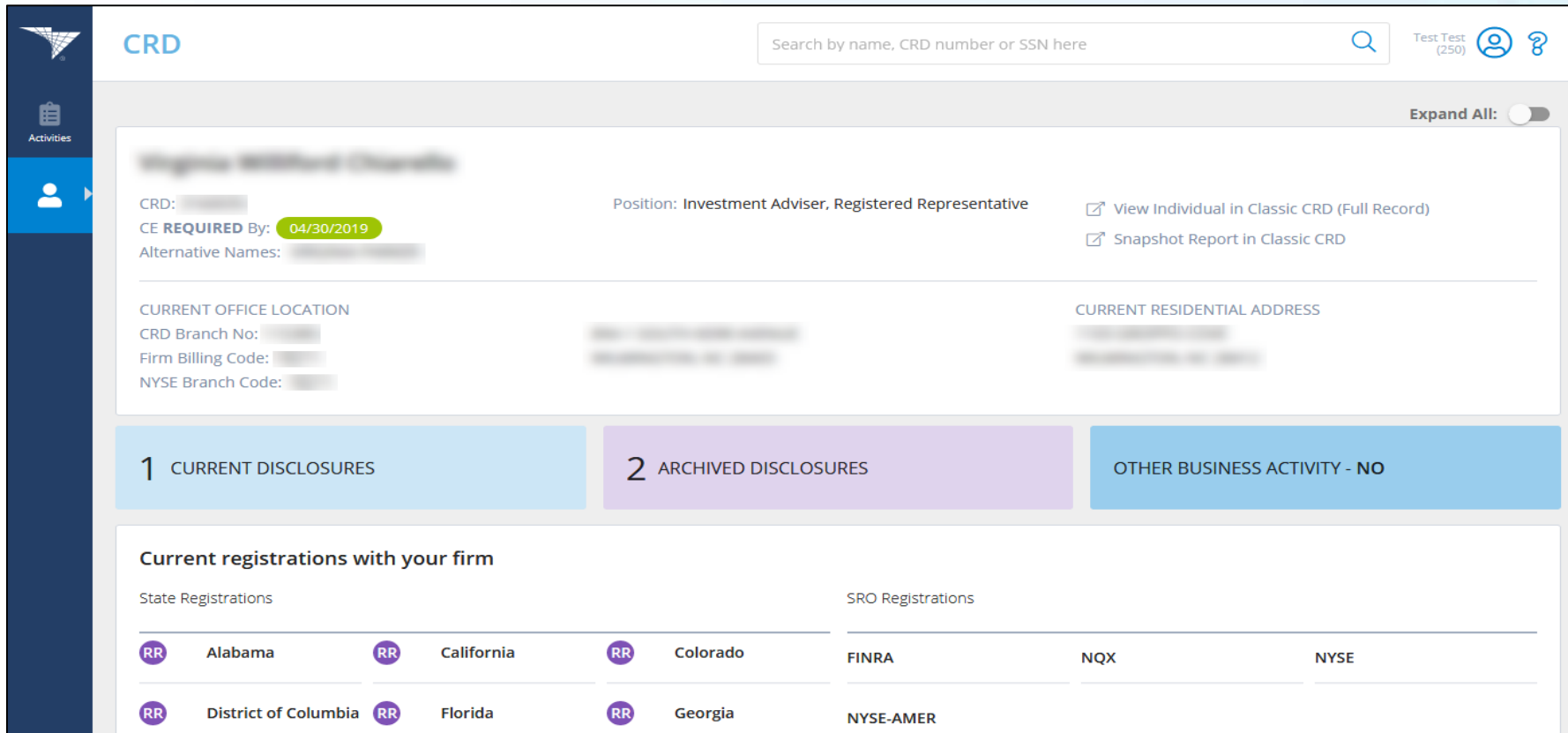
[Show more](#)

**My Reports** [Manage](#)

- [Accounting - Accou...](#)
- [Branch - Branch Ros...](#)

# New CRD – Individual Query/View

- Firms are now able to query and view individual information in the new version of CRD.
  - Users with classic “View Individual” access have been automatically entitled.



The screenshot displays the FINRA CRD (Central Registration Depository) interface for viewing individual information. The interface includes a sidebar with navigation options like 'Activities' and a user profile icon. The main content area shows a search bar at the top with the text 'Search by name, CRD number or SSN here'. Below the search bar, there's a section for 'Expand All' with a toggle switch. The main content area is divided into several sections:

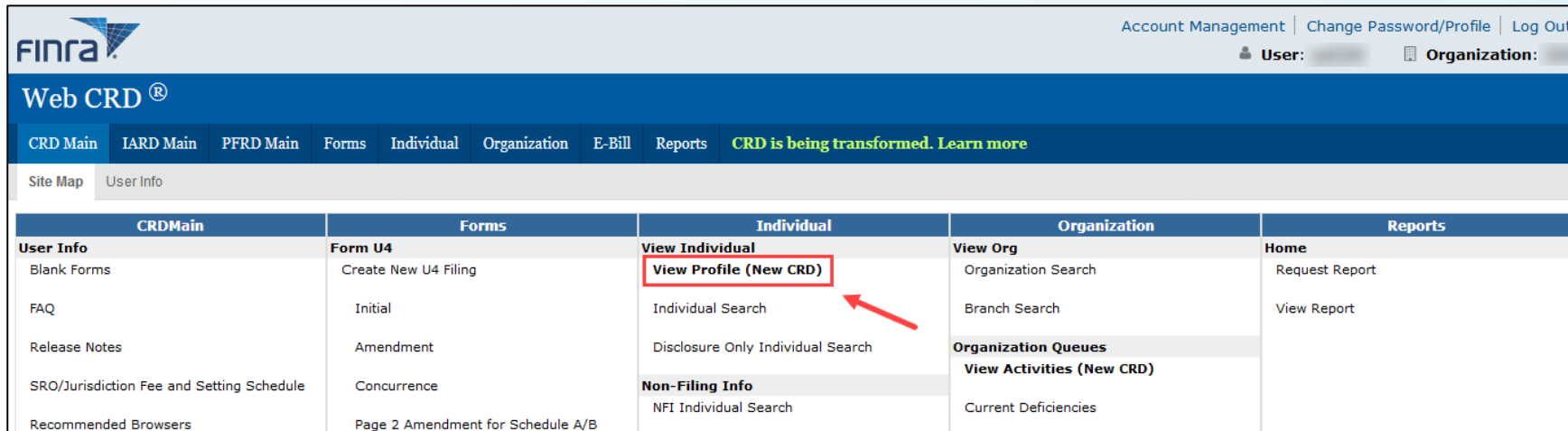
- Individual Information:** Displays the individual's name (blurred), CRD number (blurred), and Position: Investment Adviser, Registered Representative. It also shows a 'CE REQUIRED By' date of 04/30/2019 and Alternative Names (blurred). There are links to 'View Individual in Classic CRD (Full Record)' and 'Snapshot Report in Classic CRD'.
- Current Office Location:** Displays CRD Branch No., Firm Billing Code, and NYSE Branch Code (all blurred).
- Current Residential Address:** Displays the address (blurred).
- Disclosures:** A section with three tabs: '1 CURRENT DISCLOSURES' (active), '2 ARCHIVED DISCLOSURES', and 'OTHER BUSINESS ACTIVITY - NO'.
- Current registrations with your firm:** A section showing state and SRO registrations.
 

State Registrations			SRO Registrations		
RR Alabama	RR California	RR Colorado	FINRA	NQX	NYSE
RR District of Columbia	RR Florida	RR Georgia	NYSE-AMER		

# New CRD – Individual Query/View (cont.)

## ○ Users can access the new individual display in two ways:

- Log into the new version of CRD: <https://mycrd.finra.org>
- Use the links embedded in Classic CRD:



Account Management | Change Password/Profile | Log Out

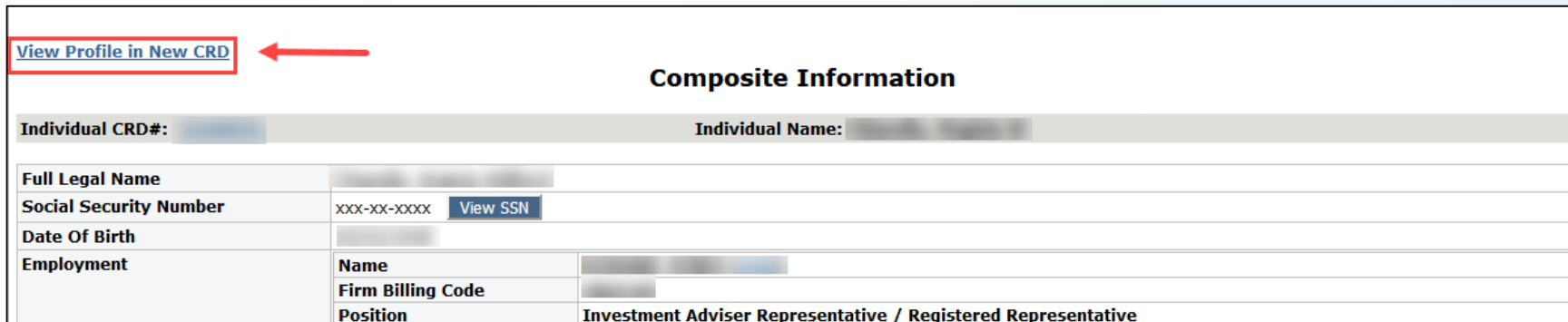
User: [redacted] Organization: [redacted]

Web CRD®

CRD Main | IARD Main | PFRD Main | Forms | Individual | Organization | E-Bill | Reports | **CRD is being transformed. Learn more**

Site Map | User Info

CRDMain	Forms	Individual	Organization	Reports
<b>User Info</b>	<b>Form U4</b>	<b>View Individual</b>	<b>View Org</b>	<b>Home</b>
Blank Forms	Create New U4 Filing	<b>View Profile (New CRD)</b>	Organization Search	Request Report
FAQ	Initial	Individual Search	Branch Search	View Report
Release Notes	Amendment	Disclosure Only Individual Search	<b>Organization Queues</b>	
SRO/Jurisdiction Fee and Setting Schedule	Concurrence	<b>Non-Filing Info</b>	<b>View Activities (New CRD)</b>	
Recommended Browsers	Page 2 Amendment for Schedule A/B	NFI Individual Search	Current Deficiencies	



**View Profile in New CRD**

### Composite Information

Individual CRD#: [redacted] Individual Name: [redacted]

<b>Full Legal Name</b>	[redacted]	
<b>Social Security Number</b>	xxx-xx-xxxx	<a href="#">View SSN</a>
<b>Date Of Birth</b>	[redacted]	
<b>Employment</b>	<b>Name</b>	[redacted]
	<b>Firm Billing Code</b>	[redacted]
	<b>Position</b>	Investment Adviser Representative / Registered Representative

# New CRD – Individual Query/View (cont.)

- **Upcoming enhancements to individual query and view planned for March 16, 2019:**
  - Display an indicator if the individual has created an account for the Financial Professional Gateway (FinPro)
  - Display an indicator if the individual was previously registered with a firm that was severely disciplined



# New CRD – Database Migration to the Cloud (cont.)



## ○ FINRA is finalizing plans to move the registration databases to the Cloud

- The migration will occur over 3 weekends in April 2019

April 2019	Dates	Activities	System Outages
Weekend 1	4/6 – 4/7/2019	Initial load of cloud databases	CRD, IARD, and IAPD are down
Weekend 2	4/13/ – 4/14/2019	Data compare and reserve for any issues	CRD, IARD, and IAPD
Weekend 3	4/19 – 4/21/20019 *4/19 is Good Friday	Complete database move to the Cloud	CRD, IARD and IAPD are down
Go-Live Sunday, April 21, 2019 - Complete database migration to the Cloud			

# E-Bill

- The existing CRD/IARD 'Accounting – Account Activity – Firms' PDF report will be accessible via E-Bill.

**Account Details**

Activity for Custom Range From 09/01/2018 To 09/30/2018 APPLY ADD FUNDS AFFILIATE TRANSFER REFUNDS

BEGINNING BALANCE <b>\$442,108.11</b>	DEPOSITS \$400,000.00	<b>\$406,765.11</b> SUFFICIENT	ESTIMATED BALANCE ⓘ	LAST POSTED BALANCE as of Feb 21, 2019 5:43 AM \$406,765.11
ENDING BALANCE <b>\$221,080.11</b>	FEES -\$618,778.00			PENDING TRANSACTIONS NONE
	WITHDRAWALS -\$2,250.00			

**ACTIVITY** **FEES** Show Filter Export Export

Posted Date	Category	Transaction Type	Description	Details	Entered By	Amount	Balance
09/29/2018	Fees	<a href="#">Fee Transactions(372)</a>				-\$17,992.00	\$221,080.11
09/28/2018	Fees	<a href="#">Fee Transactions(331)</a>				-\$16,778.00	\$239,072.11

# Web EFT Migration to fileX

- **What is fileX?**
  - A replacement for the current file transfer mechanism for Web EFT (FSG).
- **Features**
  - Multiple user accounts for a single firm.
  - New options for programmatic file transfer (SFTP, REST, AWS S3 Direct).
  - Consolidated location for all FINRA file transfer needs.
- **Considerations**
  - No changes to upload XML structure or report content/layout.
  - Availability of a dedicated user interface is TBD.
- **Migration Timeline**
  - Machine-to-machine test environment is currently available.
    - For access, have one of the firm's current EFT contacts send a request to [WebEFT.Support@finra.org](mailto:WebEFT.Support@finra.org) (please include the firm's CRD number).
  - All subscribers migrated to fileX by June 30, 2019.
- **Keeping Track of Updates**
  - Updates during the migration will be posted to: <http://www.finra.org/industry/web-eft/migration-to-filex>

# Training Opportunities

# Available Trainings

## ○ Foundations of CRD

- This class will cover both classic CRD and new CRD functionality, discussion on Registration and Disclosure hot topics, plus an overview of IARD.

## ○ FINRA Registration and Disclosure Boot Camp

- This class includes two days of practical and comprehensive training on reporting disclosure-related events and RAD-related hot topics. You will have the opportunity to meet one-on-one with Disclosure Review analysts and other RAD staff.

## ○ New CRD Webinar

- This class will cover the latest functionality for new CRD via live online presentation.

## ○ Customized Firm Training

- RAD's training team can work with firms to customize in-person or online training sessions to meet their needs. For more information, contact us at [WebCRD@finra.org](mailto:WebCRD@finra.org).

**See 2019 schedule on the following slide. To register, please visit:**

**<http://www.finra.org/industry/crd/training-support>**

# 2019 Training Schedule

## Q1 2019

**Foundations of  
CRD (March 7 – 8,  
Jacksonville FL)**

**New CRD Webinar  
(March 27, 2019)**

## Q2 2019

**Foundations of  
CRD (TBD)**

**New CRD Webinar  
(June 26, 2019)**

## Q3/Q4 2019

**Foundations of CRD  
(September 23 – 24,  
Rockville MD)**

**Disclosure Boot Camp  
(September 25 – 26,  
Rockville MD)**

**New CRD Webinar  
(October 23, 2019)**

# Enhanced Public Records Review (PRR)

# Enhanced Public Record Review (PRR) Background



## ○ **Objective**

- FINRA transitioned from annual public record reviews for all registered representatives (RRs) to initiating individual reviews whenever a new Form U4 is submitted (i.e., initial and transfer Forms U4). This new approach benefits the regulatory community, firms and investors, as it eliminates the need to validate this information as required by FINRA Rule 3110(e), and it also improves the quality and timeliness of data available in CRD and BrokerCheck.

## ○ **2015 to Mid-2018**

- RAD conducted annual financial public record reviews. These reviews resulted in thousands of new disclosures being reported on CRD and BrokerCheck; however, the review process was inefficient and took a long time to complete. This resulted in the data becoming stale.
- RAD also conducted criminal public records background checks on RRs who were either fingerprinted more than 5 years ago or who had not had a criminal background check performed within the past 5 years. This process was entirely separate from the annual financial public records review.



# Enhanced Public Record Review (PRR) Background



**May 18, 2018**

PRR Enhancement Information Notice



**2015 to Mid-2018**

Annual financial public record reviews



**July 9, 2018**

Enhanced PRR



**September 7, 2018**

Real-time monitoring

# 2018 Impacts Due to Enhanced PRR Initiative

## ○ Investor Impacts

- Financial disclosure received as a result of PRR was provided to BrokerCheck considerably faster than in previous years.

## ○ Firm Impacts

- Firms received some compliance relief for the Rule 3110(e) background validation obligation.
- Due to more timely notification of outstanding PRR items, firms realized a significant overall reduction in late disclosure fees and compliance related expenses.

## ○ FINRA Impacts

- More accurate, consistent, and timely regulatory data and intelligence is now available.
- Regular data sharing has led to increased collaboration between departments and better enforcement and uniformity throughout the organization.



# Ongoing Public Records Review Work

- New U4s will prompt an immediate financial public records review
- Last general annual financial public records review is being concluded
- All RRs (except those with a European residential address) will be included in financial public records review monitoring
- Annually, RRs with a European residential address will be reviewed for financial public records
- Criminal PRR records will be reviewed annually for any RR for whom the following apply:
  - CRD does not have a fingerprint result in the last 5 years, and
  - criminal PRR has not been conducted in the last 5 years.



# Pending changes to 4530(d) quarterly reporting

## ○Current

- RAD cross-checks customer complaints reported via 4530(d) with a sales practice violation code and dispute amount either not stated or estimated to be more than \$5,000, against those complaints reported in CRD
- If the complaint is not in CRD, RAD sends a letter to the firm to ask for a CRD filing or reason why it is not reportable

## ○Proposed

- 4530(d) reporting system will be updated to so that reporting firm can identify up front whether or not a sales practice related complaint reported in 4530(d):
  - Has been/will be filed in CRD
  - Is not required to be reported in CRD, or
  - CRD filing determination is not yet possible
- This will limit the inquiry letters RAD needs to send to firms – namely for those that will be filed in CRD or a determination was not yet made. This will lessen the administrative burden for both FINRA and industry – a “win-win.”



# Proposed Revisions to Forms U4 & U5 – Update



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# 2019 ARM Educational Conference

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FINRA

Registration System Transformation Update

Amelia Island, FL

03/05/2019

# Panelists



**Bill Swanstrom**

Vice President,  
Registration &  
Disclosure  
Business  
Development &  
Innovation  
(FINRA)



**Ivy Ho**

Vice President,  
Industry &  
Investor  
Technology  
(FINRA)



**Noah Egorin**

Senior Director,  
Registration &  
Disclosure  
Business  
Development &  
Innovation  
(FINRA)



**Jennifer DiValerio**

Managing Director,  
Broker Dealer  
Compliance  
(Foreside Financial  
Group, LLC)



Introduce a modern, cost efficient, financial services registration system that allows FINRA to be responsive to change, support proactive compliance, enable an ecosystem and delight all of its users.

# Transformation Themes



# Delivered to Firms



## Activities

Consolidated view of the classic CRD Queues and provided features to customize and export the lists



## Individuals

New interface for querying and viewing information about professionals



## FinPro

Continued expansion of FinPro, including notifying professionals when U5 information is filed and improving the onboarding experience



## Customization

Features that empower the user to display items relevant to their role, including activities, reports and quicklinks

# New CRD & FinPro Usage

New CRD

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**2,328**  
**individuals**

have used New CRD and represent

**>1/3 of FINRA**  
**firms**

FinPro

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**>80,000**  
professionals registered

**2275**

U5 Notifications Sent

# Coming This Year



## FinPro

Enhancements to support firms' and reps' attestation of information in CRD and notification of CE



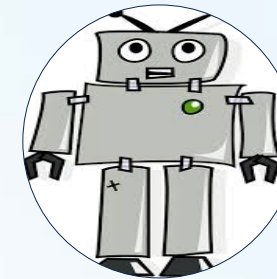
## Views

Further enhancements to how firms view individuals, and new displays and functionality for firms and branch information



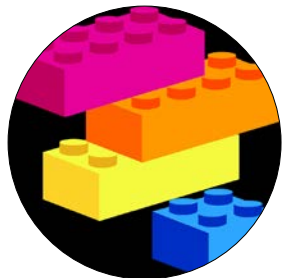
## Reporting

Introduction of new functionality to utilize and customize CRD data



## Automation

First new CRD APIs to allow for obtaining "real-time" data and supporting firm workflow



## Core Foundational Services

Along with the core database moving to the cloud, firm configuration, new audit and notification functionality will be established



## Regulator Functionality

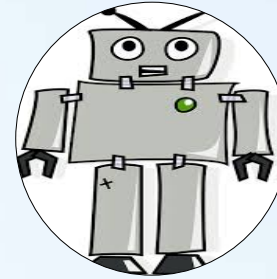
New capability for FINRA's disclosure review staff, including automation, workflow and communication features

# Under Development but Further Down the Road



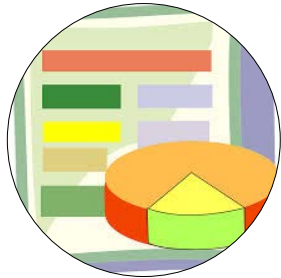
## Enhanced Data Collection

New experience for collecting required registration information (U4, U5)



## Automation

Expansion of interfaces for interacting with registration data and automating submissions



## Reporting

Increased capabilities to not only create and use reports but also explore data and analyses



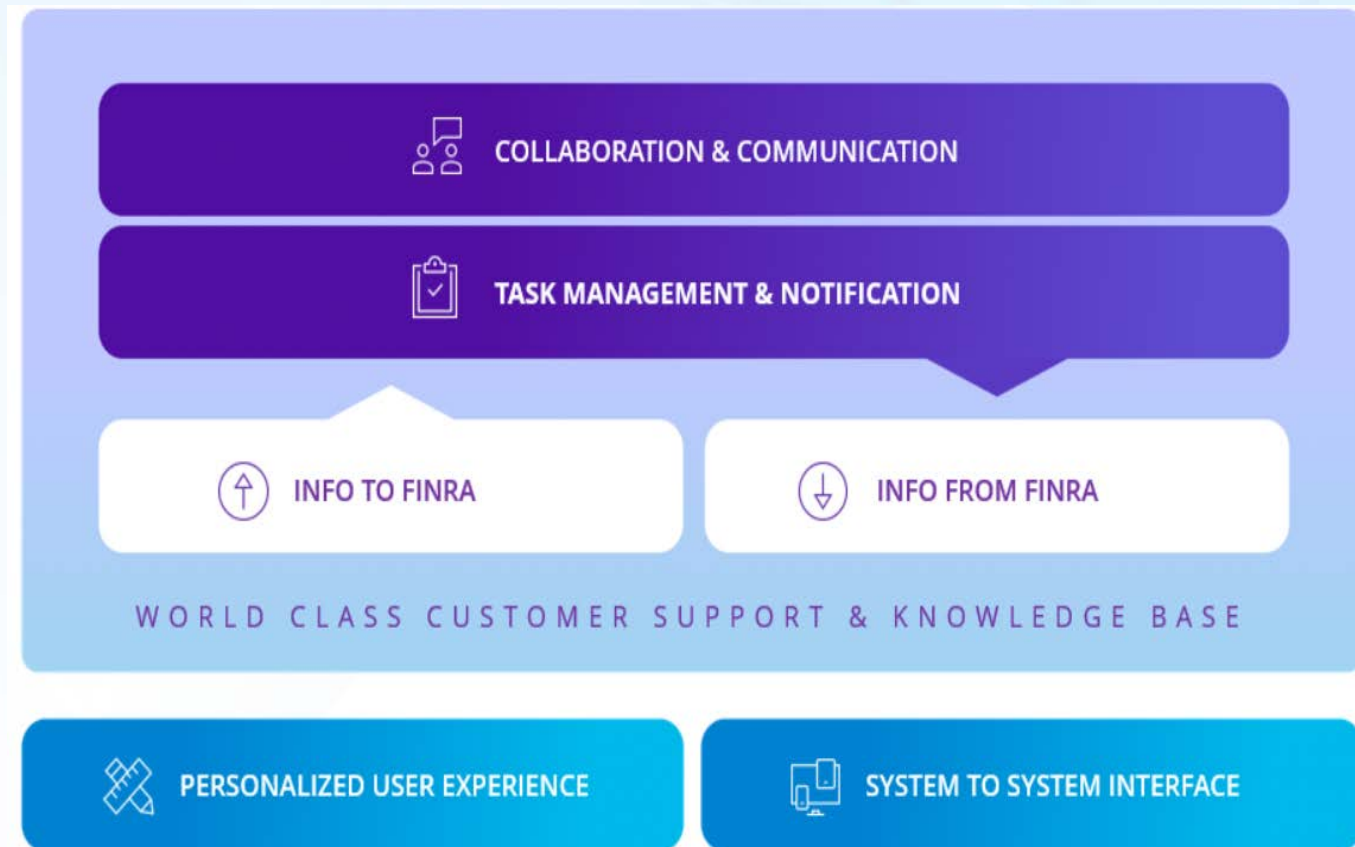
## Regulator Interactions

New functionality for firms to respond to inquiries, collaborate with FINRA and resolve regulatory tasks.

# FINRA's Digital Experience Transformation

- We are undertaking an effort to expand upon the CRD Transformation and overhaul how the industry interacts with all of FINRA by addressing common problems and opportunities:
  - Integrating the “big picture” of compliance activities,
  - Flexible access to data,
  - Automating tasks,
  - Consolidating notifications,
  - Promoting early warning indicators, and
  - Instituting best-in-class customer service and support

*Centralized, Personalized, Automated*





# Digital Experience Transformation Enhances CRD Transformation



- **Unified and simplified user experience**
  - Activities for Registration, Disclosure & Education → Activities for the entire firm
- **Flexible and firm-driven collaboration and communication**
  - Disclosure Letters Process → Common experience and features for all information requests by FINRA
- **Centralized notifications & audit**
  - Queue, Report Center & CE Notifications → FINRA Notifications with user controlling when & how
- **Guided information and data submission process**
  - Individual Apps & Forms → Consistent experience and removal of duplication (collect once/use many)
- **Customized data exploration and repeatable data export**
  - App-based static reports → Customizable data reporting, manipulation, and exporting inside and across domains
- **Flexible system-to-system integration**
  - Limited and inconsistent interfaces → Prioritization of support for integration and automation



# Key Takeaways, Timelines and Events

## ○ Takeaways

- Please continue to provide feedback ([www.finra.org/newcrd](http://www.finra.org/newcrd) or [webcrd@finra.org](mailto:webcrd@finra.org))
- The New “Be In the Know” page is a key resource for events, new features and soon to be launched functionality (<http://www.finra.org/industry/be-know>)
- Support Materials for Classic & New CRD are available (<http://www.finra.org/industry/crd/training-support>)
- We want to support your efforts to onboard representatives to FinPro ([finprofeedback@finra.org](mailto:finprofeedback@finra.org))

## ○ Timelines

- March 15 – June 30: EFT Firms need to migrate to the new fileX platform – <http://www.finra.org/industry/web-eft/migration-to-filex>

## ○ Events

- FINRA Annual Conference in Washington DC, May 15 – May 17
- SILA National Education Conference in San Diego, September 15 – September 18
- Look for roundtables, webinars and other virtual meetings

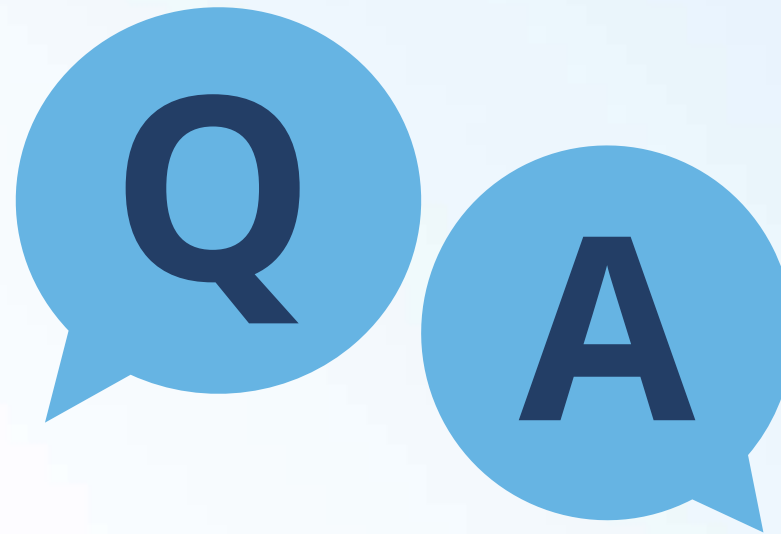
# Think big... Start small... Deliver incrementally...



## Get alerts about preview and pilot opportunities! Let us know what you want next!

## finra.org/newcrd

A screenshot of the FINRA website's 'Registration and Qualification' page. The page features a large banner with the text 'We Are Transforming CRD' and a sub-headline 'Making it easier for firms to satisfy their reporting and compliance obligations.' The banner includes a background image of a hand holding a pen over a document with various financial icons. To the right of the banner is a red button labeled 'LOGIN TO THE NEW CRD' and a paragraph of text explaining the requirements for access. Below the banner is a 'Submit Feedback' button. The page also includes a navigation menu at the top with links like 'Industry Home', 'Oversight', 'Rules &amp; Guidance', 'Registration &amp; Qualification', 'Regulatory Filing &amp; Reporting', 'Education &amp; Training', and 'Key Topics'. A search bar is located in the top right corner. The page is titled 'Home » For Industry Professionals » Registration and Qualification » Web CRD'.



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**Thanks For Joining Us Today!**



# 2019 ARM Educational Conference

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**FINRA**

**Testing and Continuing Education**

**Amelia Island, FL**

**03/05/2019**

# Qualification Exams

# October 1, 2018, Rollout

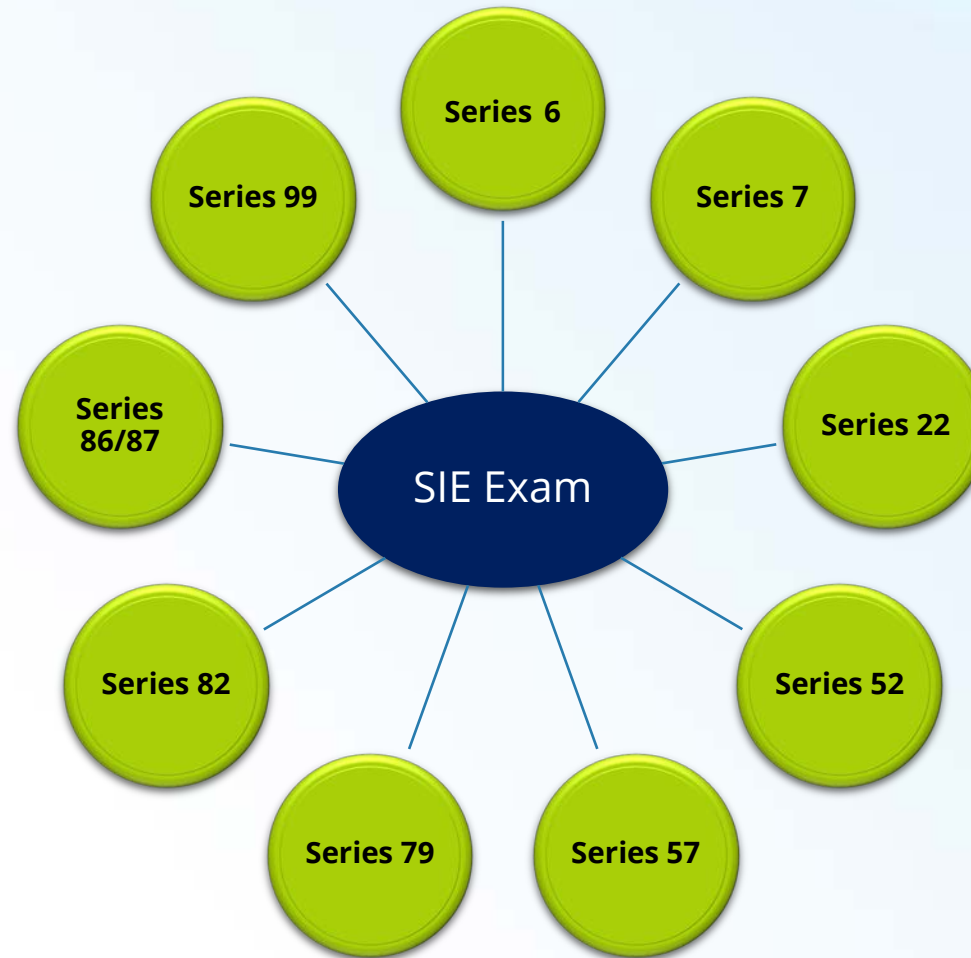
- **Securities Industry Essentials (SIE) Exam became available.**
- **The representative-level qualification exams have been restructured – most are now shorter in length.**
- **The registration rules have been consolidated into the FINRA Rule 1200 Series.**

# SIE Exam Content Committee

- **SIE content committee consists of 30+ industry professionals from member firms**
- **Tasked with helping FINRA create the SIE exam content outline**
- **Helped determine SIE vs. top-off exam subject matter**
- **Wrote questions for SIE exam and met quarterly for 3+ years to review and edit SIE questions**



# Revised Rep-Level Exam Structure



## Pre-SIE Rollout Activity

- **Series 6 and Series 7 legacy exam volume was up 30% in August and September 2018 as compared to 2017.**
- **Series 6 and Series 7 pass rates for this period in 2018 declined as compared to 2017.**

# SIE Exam Enrollment Options for Firms

- **Two CRD options for firm to request enrollments for the SIE exam.**
  - Form U4: request a rep-level registration
  - Test Enrollment Services System (TESS)
    - **Individual:** request enrollment for one candidate
    - **Group:** upload a list of candidates
    - **Purchase vouchers:** used by candidates to enroll for the SIE

# SIE Enrollments and Administrations

## ■ **SIE enrollments — as of January 31, 2019:**

- 29,612 SIE enrollments
  - Form U4 enrollments: 59%
  - TESS enrollments: 41%
- 2,153 vouchers purchased

## ■ **SIE administrations — as of January 31, 2019:**

- 16,195 SIE administrations
- Overall pass rate of 74%

# Top-off Quals Exams (1<sup>st</sup> Time Candidates)

## ■ Administrations as of January 31, 2019:

- Series 6 exam – 2,508
- Series 7 exam – 5,767
- Series 79 exam – 485

## ■ Pass-through rates:

- SIE + Series 6: 59%
- SIE + Series 7: 71%
- SIE + Series 79: 87%

## SIE: Academic Outreach

- In 2019, FINRA is focusing on raising awareness of the SIE exam with colleges and universities.
- FINRA will target career counseling offices to educate them on the benefit of students taking the SIE exam while in school.
- FINRA will also reach out to professors to assist with understanding the breadth and depth of content covered on the SIE exam.

## SIE: Academic Outreach (cont.)

- **FINRA will place a special emphasis on outreach to historically black colleges and universities (HBCUs) and other diversity organizations.**
- **FINRA will develop “SIE toolkits”:**
  - a toolkit for schools to use to develop and refine their message about the SIE to students, and
  - a toolkit for firms to use in partnering with schools to promote the SIE to students.

# Principal Exam Restructure

- **FINRA is developing a proposal to restructure the principal-level qualification exam program.**
- **The proposal will focus on streamlining the program and taking advantage of the benefits of the restructured rep-level program.**
- **The proposal will be vetted with the industry through focus panels and other means.**



## Principal Exam Restructure (cont.)

- Interested in providing input through a focus panel or otherwise?

**Reach out to Joe McDonald at:**

**[joe.mcdonald@finra.org](mailto:joe.mcdonald@finra.org).**

# Continuing Education

# CE Council Enhancement Recommendations

- **The Securities Industry/Regulatory Council on Continuing Education (CE Council) published a group of potential CE program enhancements on September 6, 2018.**
- **FINRA Regulatory Notice 18-26 collected 21 comments over two months.**
- **CE Council will publish a final set of recommendations that are informed by the comments received.**

# Regulatory Element Recommendations

- **Transitioning to an annual requirement**
  - Improved relevance and currency
  - Technology improvements to mitigate administrative impact
- **Tying Regulatory Element content to registrations**
  - Improved relevance

# Firm Element Recommendations

- **Improving Firm Element guidance from CE Council**
- **Consolidating training requirements where possible**
  - Additional regulatory training requirements
  - Non-regulatory credentialing programs
- **Establishing a centralized content catalog**
  - Improved access to appropriate learning materials
  - Optional source of Firm Element content

# Maintaining Qualification Status After Termination



- **CE Council is asking regulators to consider a new mechanism to allow registered individuals to maintain their qualification status while away from the industry.**
- **This would be a CE program that includes both the Regulatory Element and additional learning content comparable to Firm Element.**
- **There would be eligibility requirements and program term limits.**

## Next Steps

- **Formal CE Council recommendations**
- **Regulatory Notice to provide more information about the CE program changes and proposed rule language**
- **Opportunity for industry feedback**
- **Submission of rule filings to the SEC**

