



## **Important 2013 Assessment Information—Please Read!**

**DATE:** April 05, 2013  
**TO:** FINRA Member Firms  
**RE:** 2013 Gross Income and Personnel Assessments

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Enclosed is your firm's 2013 invoice for the Gross Income Assessment (GIA), Rebate and Personnel Assessment (PA). As announced in [Regulatory Notice 09-56](#), effective January 1, 2010, FINRA restructured the Personnel Assessment and Gross Income Assessment fees.

In conjunction with the fee restructuring, FINRA offered a five-year rebate that reduced a firm's annual assessment by \$1,200 to minimize the impact of the tiered fee structure. The GIA rebate expired in 2012.

All other calculations remain the same and in effect, including the minimum assessment of \$1,200 on annual gross revenue up to \$1 million.

Below is a brief description explaining each of these assessments.

### **Gross Income Assessment**

The calculation of the 2013 GIA amount will remain the same.

#### **Number of Years**

- In certain cases the number of years for the average could be less than 3 years. Some examples are firms that did not have GIA amounts in the previous years, this does not exclude if the GIA fee was calculated as zero then it is still counted in the average. For example, if a member only began paying GIA in 2012, then the 2012 and 2013 GIA amounts should be added and then divided by two.

#### **Mergers and Acquisitions**

- In cases where two firms have been merged into one Customer ID, the GIA amounts for the two customers is combined for all years used in the calculation of the average. For example, if Firm A and Firm B merge prior to the 2013 annual billing, Firm A's GIA and Firm B's GIA must be combined for both 2011 and 2012, for purposes of calculating the three year average. The process for calculating the "2013 Current Year GIA" will not change. That is, the revenue for the two firms will be combined and entered as in previous years.

**Examples:**  
**Personnel Assessment**

Each firm pays an annual Personnel Assessment Fee based on the number of principals and representatives under a tiered rate structure. The 2013 Personnel Assessment Fee has not changed. The fee structure is listed below

<b><u># Reps</u></b>	<b><u>New Fee</u></b>
<b>1-5</b>	<b>\$150/rep</b>
<b>6-25</b>	<b>\$140/rep</b>
<b>26+</b>	<b>\$130/rep</b>

The attached invoice shows the tiers and number of billable principals and representatives. The total number of principals and representatives is derived directly from the number of billable registered representatives registered with FINRA as of December 31, 2012.

**Ebill**

- Your firm's Gross Income Assessment (GIA) bill is now available through E-Bill—FINRA's electronic billing system. You can view your GIA invoice online and submit payment by credit card or ACH. As in the past, you may also pay via wire transfer or check.

**Payment**

All firms have the option to pay the entire invoice upon receipt, or in four installments. If you select the installment option your firm will not receive additional invoices. If you wish to exercise the installment option, remit the following payments:

- 25 percent of the total invoice due upon receipt
- 25 percent of the total invoice by June 1, 2013;
- 25 percent by September 1, 2013; and
- The final 25 percent payment by December 1, 2013.

**Important: Please enclose the invoice stub and reference invoice number & customer number on the check to ensure proper credit.**

**Payment Address**

**Regular Mail**

FINRA  
P.O. Box 7777-W9850  
Philadelphia, PA 19175-9850

**Overnight/FedEx/Courier**

FINRA  
Attn: Lockbox#9850  
  
500 Ross St. 154-0455  
Pittsburgh, PA 15262-0001

**Request for Firm Information Change**

If you would like to make any changes to your firm's name, address or contact information, please send a request indicating these changes in writing to:

FINRA  
Finance Department – 2<sup>nd</sup> Floor  
9509 Key West Avenue  
Rockville, Maryland 20850  
Attn: Page Rowe

**OR**

Fax to (240) 386-5344

**Questions**

If you have any questions concerning this invoice, please contact Page Rowe ([page.rowe@finra.org](mailto:page.rowe@finra.org)) at (240) 386-5399 or Michelle Glunt ([michelle.glunt@finra.org](mailto:michelle.glunt@finra.org)) at (240) 386-5351.

## FREQUENTLY ASKED QUESTIONS – Member Regulation Fees

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### **BILLING**

- **How often are firms billed for Member Regulation Fees?**
  - *Annually*
- **How is FINRA's Gross Income Assessment determined?**
  - *The invoice amount is based on the prior year's total gross revenue less commodities revenue, as listed in the firm's quarterly Focus Reports.*
- **Where is the rebate?**
  - *The GIA rebate that reduced a firm's annual assessment by \$1,200 expired in 2012. All other calculations remain the same and in effect, including the minimum assessment of \$1,200 on annual gross revenue up to \$1 million.*
- **Will I receive a paper invoice?**
  - *FINRA has switched the primary delivery method for GIA invoices to electronic invoicing via [E-Bill](#). FINRA will no longer automatically mail GIA invoices to firms. Instead, firms that choose to receive a paper invoice must opt-in to receive it.*
- **If a firm is going to amend its Focus report or has filed an amended Focus report, do they need to inform FINRA Finance before they pay their invoice or should they wait for the adjusted invoice?**
  - *Firms should call FINRA Finance if amendments affect the revenue totals and if gross Focus revenue is >\$1,000,000.00.*
- **If a firm files a BDW subsequent to paying their Member Regulation Fees, will they be entitled to a refund?**
  - *Firms will be eligible for a prorated refund of the Gross Income Assessment, unless the BDW is filed in the fourth quarter, in which case no refund is available. Personnel Assessments are neither refunded nor prorated.*
- **How is the Personnel Assessment determined?**
  - *The Personnel Assessment is based on the firm's number of registered representatives as of December 31 of the previous year. The count is applied to the tiered rate structure reflected on the invoice. Please refer to NTM 09-56 regarding the PA rate increase.*
- **If a firm terminates any of their personnel prior to year-end, will they receive a Personnel Assessment refund?**
  - *No – Personnel Assessments are neither refunded nor prorated.*
- **Will firms be billed for additional Personnel Assessment if they hire new personnel during the year?**
  - *No – as noted above the Personnel Assessment is based solely on the number of registered representatives as of December 31 of the preceding year.*
- **Can firms view their invoices on the CRD Website?**
  - *No, however we your invoice is now available thru Ebill Firm Gateway*
- **Can firms pay their invoices thru the CRD daily Account?**
  - *No, however your firm can pay thru Ebill Firm Gateway*
- **Who should firms contact to update their billing address and/or contact person specifically in connection with GIA billing?**
  - *Page Rowe at 240-386-5399 or Michelle Glunt at 240-386-5351. Firms may also send an e-mail to [Page.rowe@finra.org](mailto:Page.rowe@finra.org) or [Michelle.glunt@finra.org](mailto:Michelle.glunt@finra.org). (Please note: If a firm's CRD address or contact name has changed, they will need to complete an amended BD.)*

## PAYMENT

- **When is payment due?**
  - *For the 2013 billing, all firms have the option to pay the entire invoice upon receipt or in four installments.*
  - *If you wish to exercise the installment option, 25% is due upon receipt; 25% is due by June 1, 2013; 25% is due by September 1, 2013; and the final 25% payment is due by December 1, 2013.*
- **What are the options for the form of payment?**
  - *Firms can mail their payments via regular mail to:*  
FINRA  
PO Box 7777-W9850  
Philadelphia, PA 19175-9850

***Important:***

*Please enclose the invoice stub and reference the **INVOICE NUMBER & CUSTOMER NUMBER** on the check to ensure proper credit.*

- *Firms may send checks via overnight mail or FedEx to:*  
FINRA  
Attn: Lockbox #9850  
500 Ross St 154-0455  
Pittsburgh, PA 15262-0001
- *Firms may wire their payment according to the following instructions:*  
Bank: Mellon Financial Corporation, Philadelphia, PA  
ABA Number: 031000037  
Account Number: 8-234-353  
Reference: **INVOICE NUMBER & CUSTOMER NUMBER**