

Notice to Members

JULY 2003

SUGGESTED ROUTING

Legal & Compliance
Registered Representatives
Senior Management

KEY TOPICS

Fingerprint Processing Fees
NASD By-Laws

INFORMATIONAL

Fingerprint Processing Fees

NASD Has Amended Section 4(b) of Schedule A to the NASD By-Laws to Increase and Establish New Fingerprint Processing Fees; **Implementation Date: July 15, 2003**

Executive Summary

This *Notice* supersedes NASD *Notice to Members 03-39*. NASD is issuing this *Notice* to notify members that NASD has increased the fee charged for processing each set of fingerprints submitted by a member to NASD from \$10.00 to \$13.00; and (2) established a \$13.00 fee to be charged by NASD to members that submit to NASD for posting to Web CRD fingerprint results and identifying information that have been processed through another self-regulatory organization (SRO).

NASD has also made a technical change to Section (4)(b)(4) of Section A to the NASD By-Laws to substitute the term "set of fingerprints" for "fingerprint cards."

The rule change was filed with the Securities and Exchange Commission (SEC) on July 9, 2003.¹ Pursuant to Section 19(b)(3)(A) of the Securities Exchange Act of 1934 (Exchange Act) and SEC Rule 19b-4(f)(2) thereunder, the rule change became immediately effective upon filing. NASD will implement the rule change on July 15, 2003.

Included with this *Notice* is Attachment A, the text of amended Section 4(b)(4) of Schedule A to the NASD By-Laws.

Questions/Further Information

Questions concerning this *Notice* may be directed to NASD's Gateway Call Center at (301) 590-6500.

Fingerprint Processing Fees

First, to help cover NASD costs associated with its fingerprinting program, NASD has increased the portion of the fee it charges to process each set of fingerprints submitted by a member to NASD from \$10.00 to \$13.00. Together with the \$22.00 fee currently charged by the FBI for fingerprint processing, the \$3.00 increase will raise the total fingerprint-processing fee from \$32.00 to \$35.00.

Second, NASD will begin assessing members a \$13.00 fee to cover NASD's cost of accepting and posting to Web CRD fingerprint results that were processed through another SRO consistent with the requirements of Section 17(f)(2) of the Exchange Act and Rule 17f-2 thereunder. According to those provisions of the Exchange Act, other SROs may process fingerprint cards for persons required to have their fingerprints processed through the FBI, consistent with fingerprint plans submitted by those SROs to the Commission, and NASD currently accepts those FBI results and posts them to Web CRD.

NASD will implement the two fee-related changes on July 15, 2003.

Endnote

1 SR-NASD-2003-109

© 2003. NASD. All rights reserved. *Notices to Members* attempt to present information to readers in a format that is easily understandable. However, please be aware that, in case of any misunderstanding, the rule language prevails.

ATTACHMENT A

New language is underlined; deletions are in brackets.

Schedule A To The NASD By-Laws

Assessments and fees pursuant to the provisions of Article VI of the By-Laws of NASD shall be determined on the following basis.

Sections 1 through 3 No change.

Section 4 - Fees

(a) No change.

(b) NASD shall assess each member a fee of:

(1) through (3) No change.

(4) [~~\$10.00~~] \$13.00 for processing and posting to the CRD system each set of fingerprints [fingerprint card] submitted by the member to NASD, plus any other charge that may be imposed by the United States Department of Justice for processing [such] each set of fingerprints [card].

(5) \$13.00 for processing and posting to the CRD system each set of fingerprint results and identifying information that have been processed through another self-regulatory organization and submitted by a member to NASD.

[(5)] (6) \$30.00 annually for each of the member's registered representatives and principals for system processing.

[(6)] (7) 10% of a member's final annual renewal assessment or \$100, whichever is greater, with a maximum charge of \$5,000, if the member fails timely to pay the amount indicated on its preliminary renewal statement.

(c) through (l) No change.