

INFORMATIONAL

Continuing Education

NASD Regulation Reminds Firms Of CRD Continuing Education Notification Method And Informs Firms To Review Written Supervisory Procedures**SUGGESTED ROUTING**

The Suggested Routing function is meant to aid the reader of this document. Each NASD member firm should consider the appropriate distribution in the context of its own organizational structure.

- Continuing Education/Testing/Qualifications
- Legal & Compliance
- Registration
- Senior Management

KEY TOPICS

- Continuing Education Regulatory Element Notification
- Written Supervisory Procedures

Executive Summary

National Association of Securities Dealers, Inc. (NASD[®]) firms are reminded that the Web Central Registration Depository (CRDSM) system no longer sends hard-copy Continuing Education (CE) Advisory Messages, or “yellow sheets,” to advise firms of their registered representatives’ Regulatory Element requirements. Instead, firms must access and view the continuing education information in their **Firm Queues** on Web CRD.¹ Web CRD also makes available supplemental CE reports to assist firms in identifying and tracking their registered representatives. As a result of these changes, firms should review their written supervisory procedures

as they relate to the manner in which firm staff identifies, notifies, and tracks their registered representatives who are required to satisfy the Regulatory Element and to revise the procedures if necessary.

Questions/Further Information

Questions concerning this *Notice* may be directed to John Linnehan, Director, Continuing Education, NASD Regulation, Inc., (NASD RegulationSM) at (301) 208-2932. Questions about **Firm Queues** should be directed to the Gateway Call Center at (301) 869-6699; or Heather Bevans, Continuing Education, NASD Regulation, at (301) 590-6011.

NASD Notice to Members 00-35

Types Of CE Firm Queues

Here is a list of CE Firm Queues that firms should view and the hard-copy “yellow sheets” replaced by the queues.

Web CRD Continuing Education Firm Queue	Hard-Copy Continuing Education “Yellow Sheets” Replaced By Firm Queues
<p><i>Approaching CE Requirement Queue</i> Lists individuals with CE Windows starting within 28 days.</p>	Initial Notices and Notices for Significant Disciplinary Actions
<p><i>Currently CE Required Queue</i> Lists all individuals currently in their 120-day CE Window.</p>	Monthly Requirement Summary Report
<p><i>Recently CE Satisfied Queue</i> Lists individuals who have completed the Regulatory Element within a time period specified by the user.</p>	Individual and Summary Completion Reports
<p><i>CE Inactive Queue</i> Lists <i>approved</i> individuals at the firm who are currently CE Inactive.</p>	Individual and Summary Inactive Reports
<p><i>Current Individual Deficiencies Queue²-CE Inactive</i> Lists <i>new hires</i> of the firm who are CE Inactive and whose registrations are not approved. (Note: Web CRD does not approve the registrations of new hires who are inactive unless and until those persons satisfy the Regulatory Element. Persons in this situation have CRD registrations with a status of DEFICIENT-CE.)</p>	Individual and Summary Inactive Reports
<p><i>Currently Two-Year CE Termed Queue</i> Lists all individuals who have had their registrations administratively terminated because they had been CE Inactive for two years.</p>	CE Two Year Termination Notice and CE Two Year Termination Warning Notice

Supplemental CE Reports Available From Web CRD

Web CRD will also provide firms with various reports to complement the CE Queues. Reports marked with an asterisk (*) may be imported into a spreadsheet or database where the data may then be sorted by the user. To request any of these reports, please send an e-mail request to crdreports@nasd.com or call the Gateway Call Center at (301) 869-6699.

CE Download*

This report defines the CE base date for actively registered individuals with the firm who are subject to the Regulatory Element.

Approaching CE Queue Download*

This report allows firms to download the list of individuals in the firm's Approaching CE Requirement Queue.

Approaching CE Queue Report

This report will provide the firm with a "printable" list of individuals in the firm's Approaching CE Requirement Firm Queue.

Current Inactive CE Individuals Within A Firm

This report lists all individuals currently employed with the

requesting firm who have a status of CE Inactive at the time the report is requested.

Previously Inactive CE Individuals Within A Firm

This report lists all individuals who were employed by the requesting firm *and* who had a status of CE Inactive during the timeframe specified.

Approaching CE Two Year Termed Report

This report lists individuals who *will be* administratively terminated within the next 10 days (if they remain CE Inactive) for failure to satisfy the Regulatory Element requirement. These individuals have had a status of CE Inactive for two years from their most recent requirement window end date.

CE Two Year Termed Report

This report lists individuals who were employed by the requesting firm *and were* administratively terminated during the timeframe specified. Individuals on this report will need to requalify for registration by a qualification examination and must submit an Initial Form U-4 to reactivate their registrations.

Written Supervisory Procedures

Firms are reminded to review written supervisory procedures describing how their staff is to identify, notify, and track registered representatives who are required to satisfy the Regulatory Element. To evidence the firm's understanding of its responsibilities in this area, written procedures should refer to CE Firm Queues and supplemental CRD reports, and not to written CE Advisory Messages, which are no longer sent.

Endnotes

¹Firm Queues are listed in the Individual Processing column of the Web CRD Site Map, the first page after the log-in screen.

²CE Inactive Deficiencies are found in the Registrations Queue. To access, first click on the **Registrations Queue**, then **Current Individual Deficiencies**, and then select **CE Inactive** from the deficiencies list.

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