Special NASD Notice to Members 98-89

NASD Announces Changes In CRD Filing Fees

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Executive Summary

The National Association of Securities Dealers, Inc. (NASD®) Board of Governors has approved changes to Schedule A of the NASD By-Laws affecting the Central Registration Depository (CRD℠) fee structure. The changes set registration fees at a level that will recover the costs of the CRD and Public Disclosure Programs, and more closely align the fees charged for specific transactions to the costs of the activities related to processing those transactions. For a detailed list of the fee changes and their respective effective dates, please refer to the NASD Regulation Web Site, *www.nasdr.com*.

Questions about this *Notice* may be directed to the NASD Call Center at (301) 869-6699.

Summary

On October 8, 1998, the NASD Board of Governors approved changes to Schedule A of the NASD By-Laws affecting the CRD fee structure. The changes set registration fees at a level that will recover the costs of the CRD and Public Disclosure Programs, and more closely align the fees charged for specific transactions to the costs of the activities related to processing those transactions. The changes involve:

• Implementing an annual renewal processing fee ($15.00 per registered representative or principal) and a fee for amendments ($20.00 per amendment filing). ***(Note: The renewal processing fee for 1999 will be collected as part of the overall registration renewal process that begins in November 1998.)***

• Applying the existing fee for disclosure review ($95.00) to all new or amended disclosures of reportable events; increasing the fee for processing fingerprint cards (to $10.00 plus the FBI fee); and eliminating a reduced fee for registrations with more than one member firm that are not filed simultaneously.

• Eliminating the Firm Access Query System (FAQS) charges and CRD license and maintenance fees (effective upon deployment of the modernized CRD system).

Appropriate amendments to Schedule A of the By-Laws have been filed with the Securities and Exchange Commission (SEC). Pursuant to Section 19(b)(3)(A)(ii) of the Securities Exchange Act of 1934, the fee changes became effective upon filing.

Most member firms will pay more for registration and other filing activity under the new fee structure. The benefits to the industry of the modernized CRD system, scheduled for deployment in the third quarter of 1999, will outweigh these additional costs.

The modernized CRD will significantly streamline the "one-stop" filing system for broker/dealers and their associated persons, and will deliver the following substantial financial, operational, and technological benefits to member firms:

• Expedited processing of initial registrations and transfers, which will reduce the number of days associated persons are restricted from conducting business (*e.g.*, registration filings that have no new disclosure will be processed by the NASD in 24 hours or less);

• Reduced registration processing costs by replacing paper filing with electronic form filing through the Web; and

• Improved member firm access to registration information by providing each member firm with a comprehensive, on-line registration processing and information system available directly through the Web.

As discussed above, upon deployment of the modernized CRD system, the NASD will eliminate FAQS charges (see Section 9 of Schedule A) incurred by subscribing members because the information and services provided today by FAQS will be available through the Internet without a usage charge in the modernized CRD system. The date of the elimination of FAQS charges will be announced 45 days in advance in a *Notice to Members*.

For a detailed list of the fee changes and their respective effective dates, please refer to the NASD Regulation Web Site, *www.nasdr.com*, or telephone the NASD Call Center at (301) 869-6699.

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