

Technology Integration

Technology Changes for Reporting Certain Complaint and Disclosure Information

Effective Date: October 20, 2008

Executive Summary

Beginning October 20, 2008, member firms currently using the NYSE Electronic Filing Platform must begin reporting certain complaint and disclosure information (per NYSE Rule 351 and NASD Rule 3070) through the FINRA Firm Gateway (<https://firms.finra.org>), a tool that provides consolidated access to FINRA applications. These changes are part of FINRA's ongoing effort to integrate NYSE and NASD technology systems. Firms should expect further changes next year to the reporting process as a result of the impending consolidation of Rules 351 and 3070.

This *Notice* also addresses minor changes to NASD 3070 filings on the Firm Gateway.

Questions concerning this *Notice* should be directed to:

- ▶ Dave Troutner, Deputy Director, Central Review Group, Member Regulation, at (240) 386-6404;
- ▶ Charles Shanley, Director of Preliminary Investigations, Central Review Group, Member Regulation, at (646) 315-7405; or
- ▶ Debrah Reed, Technical Reporting, at (240) 386-4612.

Technical questions regarding testing for the technology changes discussed in this *Notice* should be directed to the FINRA Help Desk at (800) 321-6273 (please say that your question is about a **test system issue**, not an actual filing). Firms also should direct all technical questions to the FINRA Help Desk on or after October 20, 2008.

August 2008

Notice Type

- ▶ Guidance

Suggested Routing

- ▶ Compliance
- ▶ Legal
- ▶ Operations
- ▶ Senior Management
- ▶ Systems

Key Topics

- ▶ Complaint and Disclosure Filings
- ▶ Firm Gateway
- ▶ NYSE Electronic Filing Platform
- ▶ NYSE Form RE-3

Referenced Rules & Notices

- ▶ NASD Rule 3070
- ▶ NYSE Rule 351

Background & Discussion

NYSE Rule 351 and NASD Rule 3070 Reporting Requirements

NYSE Rule 351(a) and NASD Rule 3070(a) require member firms to promptly file specific disclosure events, and NYSE Rule 351(d) and NASD Rule 3070(c) require member firms to report on a quarterly basis certain statistical information regarding customer complaints. The information reported by firms assists FINRA with the timely identification of potential sales practice and operational issues.

Description of Changes

Effective October 20, 2008, the NYSE Form RE-3 and NYSE Rule 351(d) quarterly filings will migrate from the NYSE Electronic Filing Platform (EFP) to a single filing platform, the Firm Gateway (<https://firms.finra.org>). These changes are part of the continued integration of NASD and NYSE technology applications and will impact the way firms currently using the EFP receive information and document requests regarding preliminary investigations.

Firms should expect further reporting and technical changes next year as a result of the impending consolidation of NYSE Rule 351 and NASD Rule 3070. FINRA will provide firms with adequate notice for any necessary technical enhancements.

Disclosure Event Filings

Beginning October 20, 2008, firms currently filing Form RE-3 via the EFP will submit their disclosure event filings via the Firm Gateway. All disclosure reporting features and functionalities in the current EFP application, as well as the firms' historical filings for the last 12 quarters, will be available on the new platform.

Firms that currently file NYSE Rule 351(a) Disclosure Events per Form RE-3 will see the following differences when submitting through the Firm Gateway:

- ▶ A single "Details for Disclosure Event" field on the Firm Gateway disclosure page will replace multiple "Details for Reason" fields from the Form RE-3. The same information currently provided in "Details for Reasons 1" through "Details for Reason 10" on Form RE-3 must be provided in text form in the "Details for Disclosure Event" field.
- ▶ A field to enter the "Subject Name" will appear when the "Related to Affiliate" or "Related to Other" option is selected.

Firms that file NASD Rule 3070(a) Disclosure Events via the Firm Gateway will experience the following differences:

- ▶ The “Comment” field will be renamed “Details for Disclosure Event.”
- ▶ A field to enter the “Subject Name” will appear when the “Related to Affiliate” or “Related to Other” option is selected.

Complaint Filings

Beginning with the fourth-quarter complaint filings due January 15, 2009, firms currently using the EFP to file their NYSE Rule 351(d) quarterly complaint reports and subsequent amendments will submit via the Firm Gateway. All complaint reporting features and functionalities in the current EFP application, as well as the firms’ historical filings for the last 12 quarters, will be available on the new platform.

Firms that file NYSE Rule 351(d) or NASD Rule 3070(c) quarterly complaint data in batch format will not experience any differences.

Firms that file NYSE Rule 351(d) quarterly complaint data one record at a time will experience the following differences:

- ▶ New mandatory fields: “CRD Branch ID,” “Customer Account Number” and “Supervisor Name.”

Firms that file NASD Rule 3070(c) quarterly complaint data one record at a time via the Firm Gateway will experience the following differences:

- ▶ Users will have the ability to view a count of filings on the top of the submitted filings page based on various criteria selected by the user.
- ▶ Fields “Branch Zip,” “Representative Work City,” “Representative Work State,” “Representative Work Zip” and “Is Rep Still Employed” no longer will be on the data entry forms, as they will be automatically generated by the system based on the “CRD Branch ID” and “Representative CRD ID.”

Preliminary Investigations

As a result of FINRA’s migration to the Firm Gateway, requests for documents and information via the EFP regarding preliminary investigations with NYSE member firms will temporarily be handled by email or U.S. mail with the designated firm contact on the filing. All other aspects of the preliminary investigation process will remain the same. An electronic interface for information requests and document transmission through the Firm Gateway is under development.

Access to the FINRA Firm Gateway and Testing Relating to the Consolidation of Complaint and Disclosure Filings

FINRA recognizes that the consolidation of the collection of complaint and disclosure filings will require firms to make modifications to the manner in which they file. Firms will have an opportunity to test filing complaints and disclosures using our customer test site at <https://regfilingtest.finra.org> beginning **September 19, 2008**.

The Firm Gateway is accessible from any Internet-enabled workstation and with a FINRA user ID and password; it does not require the installation of a digital certificate. FINRA currently is notifying firms that do not already have a FINRA user ID and password on how to secure one.

Firms that encounter technical problems, or otherwise require assistance, should contact the FINRA Help Desk at (800) 321-6273. Please tell the Help Desk that your question is about **test system issue**, not an actual filing. Likewise, on or after October 20, 2008, all technical questions should be directed to the FINRA Help Desk at (800) 321-6273.