

## BD and IA Renewals for 2010

### Broker-Dealer, Investment Adviser Firm, Agent and Investment Adviser Representative, and Branch Renewals for 2010

**Payment Deadline: December 11, 2009**

#### Executive Summary

The 2010 renewal process begins on November 16, 2009, when online Preliminary Renewal Statements are made available to all firms on Web CRD/IARD.

Firms should note the following key dates in the 2010 renewal process:

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|--------------------------|---|
| <b>November 4, 2009</b>  | Firms may start submitting post-dated Form U5, BDW, ADV-W and BR Closing/Withdrawal filings via Web CRD/IARD.<br><b>Please Note:</b> Post-dated filings submitted by 11 p.m. Eastern Time (ET) November 13, 2009, will not appear on the firm's Preliminary Renewal Statement. The only date that can be used for a post-dated termination filing is December 31, 2009. |
| <b>November 16, 2009</b> | Preliminary Renewal Statements are available on Web CRD/IARD.   |
| <b>December 11, 2009</b> | Full payment of Preliminary Renewal Statements is due.  |
| <b>January 4, 2010</b>   | Final Renewal Statements are available on Web CRD/IARD.   |
| <b>February 5, 2010</b>  | Full payment of Final Renewal Statements is due.  |

### November 2009

#### Notice Type

- Renewals

#### Suggested Routing

- Compliance
- Legal
- Operations
- Registered Representatives
- Registration
- Senior Management

#### Key Topic(s)

- CRD®
- IARD™
- Registration
- Renewals

#### Referenced Rules & Notices

- NTM 02-48

Member firms are advised that failure to remit full payment of their Preliminary Renewal Statements to FINRA by December 11, 2009, could cause the firm to become ineligible to do business in the jurisdictions where it is registered, effective January 1, 2010.

In addition to this *Notice*, firms should review the instructions posted at [www.finra.org/renewals](http://www.finra.org/renewals), especially the *2010 Renewal Program Bulletin*, the *2010 IARD Renewal Program Bulletin* (if applicable) on the Investment Adviser Web site at [www.iard.com/renewals.asp](http://www.iard.com/renewals.asp), and any information mailed to ensure continued eligibility to do business as of January 1, 2010.

Questions concerning this *Notice* should be directed to the FINRA Gateway Call Center at (301) 869-6699.

## Background & Discussion

### Preliminary Renewal Statements

Beginning **November 16, 2009**, Preliminary Renewal Statements are available for viewing and printing on Web CRD/IARD. The statements will include the following fees:

- ▶ Web CRD system processing fees;
- ▶ FINRA branch office fees;
- ▶ FINRA branch renewal processing fees;
- ▶ American Stock Exchange (AMEX), BATS Exchange, Inc. (BATS), Boston Stock Exchange (BX), Chicago Board Options Exchange (CBOE), Chicago Stock Exchange (CHX), International Securities Exchange (ISE), NASDAQ Stock Exchange (NQX), New York Stock Exchange (NYSE), NYSE Arca, Inc. (ARCA) and Philadelphia Stock Exchange (PHLX) maintenance fees;
- ▶ state agent renewal fees;
- ▶ state BD renewal fees;
- ▶ state BD branch fees;
- ▶ investment adviser firm and representative renewal fees, if applicable; and
- ▶ broker-dealer and/or investment adviser branch renewal fees.

## **FINRA must receive full payment of the Preliminary Renewal Statement fees no later than December 11, 2009.**

If payment is not received by December 11, 2009, FINRA-registered firms will be assessed a Renewal Payment Late Fee. This late fee will be included as part of the Final Renewal Statement and will be calculated as follows: 10 percent of a member firm's cumulative final renewal assessment or \$100, whichever is greater, with a cap of \$5,000. Please see *NTM 02-48* for details. In addition, if payment is not received by the deadline, firms also risk becoming ineligible to do business in the jurisdictions where their registrations are not renewed.

## **New "CRD Renewals" Contact**

New for the 2010 Renewal Program is a "CRD Renewals" contact that has been added to the FINRA Contact System (FCS). FINRA-registered firms now have the option to designate who should receive important hardcopy and electronic notifications regarding the FINRA Renewal Program, such as the person responsible for paying the registration renewal fees assessed by FINRA, states/jurisdictions and other self-regulatory organizations. As this is the first renewal cycle in which a CRD Renewals contact can be designated, FINRA also will continue to send renewal communications to other known firm contacts (*e.g.*, CRD Account Administrators, Executive Representatives or CRD Contacts) for the 2010 Renewal Program.

## **Fees**

A fee of \$30 will be assessed for each person who renews his/her registration with any regulator through Web CRD. Firms can access a listing of agents for whom the firms will be assessed by requesting the Renewals—Firm Renewal Roster.

In addition, any investment adviser fees assessed by the North American Securities Administrators Association (NASAA) for state-registered investment adviser firms and investment adviser representatives (RA) who renew through IARD will also be included on the Preliminary Renewal Statement.

A FINRA branch office assessment fee of \$75 per branch will be assessed based on the number of active FINRA branches as of December 31, 2009. One branch office assessment fee will be waived per firm.

A FINRA branch renewal processing fee of \$20 per branch will be assessed based on the number of active FINRA branches as of December 31, 2009. One branch renewal processing fee will be waived per firm.

Please note that the FINRA personnel assessment fees are not assessed through the annual Renewal Program. FINRA will mail all FINRA-registered firms a separate invoice for these fees. Firms can obtain a listing of agents for whom the firms will be assessed the personnel assessment fee by requesting the Renewals – Firm Renewal Roster.

Renewal fees for AMEX, ARCA, BATS, BX, CBOE, CHX, ISE, NOX, NYSE, PHLX and state registrations are also assessed on the Preliminary Renewal Statement. These fees are based on the number of registered individuals registered in each SRO and jurisdiction.

Branch office renewal fees will also be collected for those regulators that choose to renew branches registered with them in Web CRD/IARD.

Some participating jurisdictions may require steps beyond the payment of renewal fees to FINRA to complete the broker-dealer or investment adviser renewal process. Firms should contact each jurisdiction directly for further information on state renewal requirements. A Regulator Directory can be found at [www.nasaa.org/QuickLinks/ContactYourRegulator.cfm](http://www.nasaa.org/QuickLinks/ContactYourRegulator.cfm).

For detailed information regarding 2010 investment adviser renewals, you may also visit the Investment Adviser Web site, [www.iard.com](http://www.iard.com). A matrix of investment adviser renewal fees for states that participate in the 2010 IARD Renewal Program is posted at [www.iard.com/fees.asp](http://www.iard.com/fees.asp).

## Renewal Payment

Firms have four payment methods available to pay 2010 renewal fees:

1. Automatic Daily-to-Renewal Account Transfer
2. Web CRD/IARD E-Pay
3. Check
4. Wire Transfer

## Automatic Daily-to-Renewal Account Transfer

To facilitate payment of renewal fees, FINRA will automatically transfer funds from a firm's Daily Account to its Renewal Account on December 11, 2009, the Preliminary Renewal Statement payment deadline. FINRA will transfer funds only if a firm has sufficient funds available in its Daily Account on December 11 to cover the amount due. **Please Note:** If a firm does not want funds automatically transferred, the firm should ensure that its payment is received in its Renewal Account by the December 11 deadline. Separately, if a firm wishes to transfer funds between affiliated firms, the firm should contact the FINRA Gateway Call Center at (301) 869-6699 for further instructions prior to the renewal deadline.

### Web CRD/IARD E-Pay

The Web CRD/IARD E-Pay application is accessible from both the Preliminary and Final Renewal Statements and the FINRA ([www.finra.org/crd](http://www.finra.org/crd)) or IARD ([www.iard.com](http://www.iard.com)) Web sites and allows a firm to make an electronic payment from a designated bank account to the firm's Renewal Account with FINRA. Please note that in order for funds to be posted to your firm's Renewal Account by December 11, 2009, payment must be submitted electronically, no later than **8 p.m. ET on December 9, 2009**.

### Check

The check must be drawn on the member firm's account, with the firm's CRD number included on the front of the check, along with "Renewal" in the memo line. Firms should mail their renewal payments, along with a print-out of the first page of their Preliminary Renewal Statements, directly to:

#### U.S. Mail

FINRA  
P.O. Box 7777-8705  
Philadelphia, PA 19175-8705

(Note: This box will not accept courier or overnight deliveries.)

#### Overnight or Express Delivery

FINRA  
8705  
Mellon Bank Room 3490  
701 Market Street  
Philadelphia, PA 19106

Telephone: (301) 869-6699

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Firms paying by check should account for U.S. mail processing time when sending payment via the U.S. Postal Service (USPS).

Member firms should use the blue, pre-addressed renewal payment envelope that is mailed to firms in early November, or should use the full address, provided in this Notice, to ensure prompt processing.

**Please Note:** The addresses for renewal payments are different than the addresses for funding firms' Web CRD/IARD Daily Accounts.

To ensure prompt processing of your renewal payment check:

- Include a print-out of the first page of your Preliminary Renewal Statement with payment.
- **Do not** include any other forms or fee submissions.
- Write your firm's CRD number and "Renewal" on the check memo line.
- Send your payment either in the blue, pre-addressed renewal payment envelope that is mailed to your firm or write the address on an envelope exactly as noted in this *Notice*.

## Wire Payment

Firms may wire full payment of their Preliminary Renewal Statements by requesting their banks to initiate wire transfers to: “**Mellon Financial, Philadelphia, PA.**” Firms should provide their bank with the following information:

Transfer funds to:	<b>Mellon Financial, Philadelphia, PA</b>
ABA Number:	<b>031 000 037</b>
Beneficiary:	<b>FINRA</b>
FINRA Account Number:	<b>8-234-353</b>
Reference Number:	<b>Firm CRD number and “Renewal”</b>

To ensure prompt processing of a renewal payment by wire transfer, remember to:

- Inform the bank that the funds are to be credited to the **FINRA bank account**.
- Provide the firm’s CRD number and “Renewal” as reference only.
- Record the confirmation number of the wire transfer provided by the bank.

## Renewal Reports

Beginning November 16, 2009, member firms can request, print and/or download renewal reports via Web CRD/IARD. Three reports are available for reconciliation with the Preliminary Renewal Statement:

- **Firm Renewal Report**—This report lists individuals included in the 2010 Renewal Program and includes billing codes (if they have been supplied by the firm).
- **Branches Renewal Report**—This report lists each branch registered with FINRA and/or with any other regulator that renews branches registered with the regulator through Web CRD/IARD and for which the firm is being assessed a fee. Firms should use this report to reconcile their records for renewal purposes.
- **Approved AG Reg Without FINRA Approval Report**—This report contains all individuals who are not registered with FINRA, but are registered with one or more jurisdictions. The report should be used throughout the year, including during the annual Renewal Program, as an aid for firms to reconcile individual registrations. Firms should request this report as soon as possible to determine if any FINRA registrations need to be requested or jurisdictions terminated.

### Post-Dated Form Filings

This functionality allows firms to file termination forms with a termination date of December 31, 2009. If a Form U5, BDW, BR Closing/Withdrawal or ADV-W filing indicates a termination date of December 31, 2009, an agent (AG), investment adviser representative (RA), broker-dealer and/or investment adviser (firm) and the branch may continue doing business in that jurisdiction until the end of the calendar year without being assessed 2010 renewal fees. **December 31, 2009, is the only date that can be used for a post-dated form filing.**

Firms can begin electronically filing post-dated Form U5, BDW, ADV-W and BR Closing/Withdrawal filings via Web CRD/IARD on November 4, 2009. Firms that submit post-dated termination filings by 11 p.m. ET on November 13, 2009, **will not** be assessed renewal fees for the terminated registrations on their Preliminary Renewal Statements. Firms that submit post-dated termination filings on, or after, November 16, 2009, will not be assessed renewal fees for the terminated jurisdictions on their Final Renewal Statements in January 2010. Those firms should see a credit balance on their Final Renewal Statements if the firm has not requested additional registrations during that time period to offset the credit balance.

Firms should query individual, branch and/or firm registrations after a termination filing has been submitted to ensure that electronic Forms U5, BDW, BR Closing/Withdrawal and ADV-W are processed by the renewal filing deadline date of 1 p.m. ET on December 24, 2009.

Firms should exercise care when submitting post-dated Form U5, BDW, BR Closing/Withdrawal and ADV-W filings. Web CRD/IARD will process these forms as they are submitted and FINRA cannot withdraw a post-dated termination filing once submitted. A firm that submits a post-dated termination filing in error will have to file a new Form U4, BD Amendment, Form BR or Form ADV when Web CRD/IARD resumes normal processing on January 4, 2010. New registration fees will be assessed as a result.

### Filing Form BDW

The CRD Phase II Program allows firms requesting broker-dealer termination (either full or partial) to electronically file their Forms BDW via Web CRD. Firms that file either a full or partial Form BDW by 11 p.m. ET November 13, 2009, will avoid the assessment of the applicable renewal fees on their Preliminary Renewal Statements, provided that the regulator is a CRD Phase II participant. Currently, there are only five regulators that participate in Web CRD renewals for agent fees, but **do not** participate in CRD Phase II:

- American Stock Exchange
- Chicago Stock Exchange
- National Stock Exchange
- NYSE Arca, Inc.
- Philadelphia Stock Exchange

Firms requesting termination with any of those five regulators must submit a paper Form BDW directly to that regulator, as well as submit one electronically via Web CRD.

The deadline for electronic filing of a Form BDW for any firm that wants to terminate a registration before year-end 2009 is 1 p.m. ET December 24, 2009. This same date applies to the filing of any Form BDW with regulators that are not Phase II participants.

### Filing Forms ADV to Cancel Notice Filings or Forms ADV-W to Terminate Registrations

Firms that file either a Form ADV Amendment, unmarking a state (generating the status of “Removal Requested at End of Year”) or a full or partial Form ADV-W by 11 p.m. ET November 13, 2009, will avoid the assessment of the applicable renewal fees on their Preliminary Renewal Statements.

The deadline for electronic filing of Form ADV Amendments or Form ADV-W for firms that want to cancel a notice filing or terminate a state registration before year-end is 1 p.m. ET December 24, 2009.

### Removing Open Registrations

Throughout the year, firms have access to the “Approved AG Reg Without FINRA Approval Report” via Web CRD. This report identifies agents whose FINRA registrations are either terminated or have been changed to a “purged” status due to the existence of a deficient condition (*i.e.*, exams or fingerprints), but still maintain an approved registration with a jurisdiction. Member firms should use this report to terminate obsolete jurisdiction registrations through the submission of a Form U5 or reinstate the FINRA positions through the filing of a Form U4 Amendment. This report should



aid firms in the reconciliation of individual registrations prior to year's end. Firms should request this report as soon as possible so they can identify individuals who can be terminated by November 13, 2009, to avoid being charged for those individuals on their Preliminary Renewal Statements. The Approved AG Reg Without FINRA Approval Report will also advise a firm if there are no agents at the firm within this category.

### Final Renewal Statements

Beginning January 4, 2010, FINRA will make available all Final Renewal Statements on Web CRD/IARD. These statements will reflect the final status of broker-dealer, registered representative (AG), investment adviser firm and investment adviser representative (RA) registrations and/or notice filings as of December 31, 2009. Any adjustments in fees owed as a result of registration terminations, approvals, notice filings or transitions subsequent to the Preliminary Renewal Statement will be reflected on the Final Renewal Statement in Web CRD/IARD.

- If a firm has more individuals, branch offices or jurisdictions registered and/or notice filed on Web CRD/IARD at year-end than it did when the Preliminary Renewal Statement was generated, additional renewal fees will be assessed.
- If a firm has fewer individuals, branch offices or jurisdictions registered and/or notice filed at year-end than it did when the Preliminary Renewal Statement was generated, a credit/refund will be issued. Please note that overpayments will be systematically transferred and reflected on firms' Daily Accounts on January 4, 2010. Firms that have a credit (sufficient) balance in their Daily Accounts may submit a written refund request signed by an appropriate signatory by mail to the Finance Department, 9509 Key West Avenue, Rockville, MD 20850, or by fax to: (240) 386-5344. The request should include a print-out of the firm's credit balance as reflected on Web CRD/IARD.

On or after January 4, 2010, FINRA member firms and joint BD/IA firms should access the Web CRD reports functionality for the **Firm Renewal Report**, which will list all individuals renewed with FINRA, AMEX, ARCA, BATS, BX, CBOE, CHX, ISE, NOX, NYSE, PHLX, and each jurisdiction. Agents and RAs whose registrations are "approved" in any of these jurisdictions during November and December will be included in this roster. Registrations that are "pending approval" or are "deficient" at year's end will not be included in the 2010 Renewal Program. Firms will also be able to request the **Branches Renewal Report** that lists all branches for which they have been assessed renewal fees. Versions of these reports will also be available for download.

Firms have until **February 5, 2010**, to report any discrepancies on the renewal reports. This is also the **deadline for receipt of final payment**. Specific information and instructions concerning the Final Renewal Statement and renewal reports will be available in a January 2010 *Regulatory Notice*.