

Regulatory Notice

12-32

Revised Fees

Changes to Advertising, Corporate Financing, New Membership and Continuing Membership Application, Central Registration Depository and Branch Office Annual Registration Fees

Effective Dates:

July 2, 2012: Advertising and Corporate Financing fees

July 23, 2012: New Membership and Continuing Membership Application fees

January 2, 2013: Central Registration Depository fees and Branch Office Annual Registration fees and related waiver process

Executive Summary

Effective July 2, 2012, FINRA is increasing fees for (1) reviewing advertising material filed with FINRA and (2) filing offering documents pursuant to FINRA Rule 5110. Effective July 23, 2012, FINRA is increasing its new member application filing fee and imposing a new continuing membership application filing fee. Effective January 2, 2013, FINRA is changing fees relating to (1) the Central Registration Depository (CRD® or CRD system), including fees for initial/transfer registration, disclosure filing, system processing, fingerprint processing, mass transfer registration and late disclosure; and (2) branch office annual registration and related waiver process.

The text of the rule amendments effecting these fee changes is set forth in the following Attachments:

- Attachment A — Rule amendments regarding advertising fees
- Attachment B — Rule amendments regarding corporate financing fees
- Attachment C — Rule amendments regarding fees related to CRD
- Attachment D — Rule amendments regarding membership application process and branch office registration fees



Financial Industry Regulatory Authority

June 2012

Notice Type

- ▶ Rule Amendment

Suggested Routing

- ▶ Advertising
- ▶ Compliance
- ▶ Corporate Finance
- ▶ Legal
- ▶ Operations
- ▶ Registered Representatives
- ▶ Registration
- ▶ Senior Management
- ▶ Systems

Key Topics

- ▶ Advertising Fees
- ▶ Branch Office Annual Registration Fees
- ▶ Central Registration Depository
- ▶ Continuing Membership Application Fees
- ▶ Corporate Financing Fees
- ▶ Disclosure Filing Fees
- ▶ Fingerprint Processing Fees
- ▶ Initial/Transfer Registration Fees
- ▶ Late Disclosure Fees
- ▶ Mass Transfer Registration Fees
- ▶ New Member Application Fees
- ▶ System Processing Fees

Referenced Rules & Notices

- ▶ FINRA Rules 2210, 2310, 5110 and 5121
- ▶ NASD Rules 1012, 1013, 1017 and 2210
- ▶ Sections 4, 6, 7 and 13 of Schedule A to the FINRA By-Laws
- ▶ Forms U4, U5 and BD
- ▶ Regulatory Notices 12-22 and 12-29

Questions concerning this *Notice* should be directed to:

- ▶ Amy C. Sochard, Director, Advertising Regulation, at (240) 386-4508 (regarding advertising fees);
- ▶ Paul Mathews, Director, Corporate Financing Department, or Joani Ward, Assistant Director, Corporate Financing Department, at (240) 386-4623 (regarding corporate financing fees);
- ▶ Mario DiTrapani, Vice President, Registration and Disclosure, at (240) 386-4796 (regarding fees related to CRD and branch office registration);
- ▶ Joseph J. Sheirer, Director and Counsel, Membership Application Program, at (212) 858-5132 (regarding membership application process fees);
- ▶ Office of Finance – Billing Department at (240) 386-5397; or
- ▶ Office of General Counsel at (202) 728-8071.

Background & Discussion

Advertising Fees

FINRA's Advertising Regulation Department evaluates member firms' advertisements, sales literature and other communications for compliance with applicable rules of FINRA, the SEC, the Municipal Securities Rulemaking Board and the Securities Investor Protection Corporation. Pursuant to NASD Rule 2210 and Interpretations issued thereunder, the Advertising Regulation Department helps to ensure that all FINRA member firms' communications are based on principles of fair dealing and good faith, are fair and balanced, and provide a sound basis for evaluating the facts in regard to any particular security or type of security, industry or service.¹ Among other things, FINRA rules prohibit member firm communications from including false, exaggerated, unwarranted or misleading statements or claims.

The rule change amends Section 13 of Schedule A to the FINRA By-Laws (Schedule A) by increasing the fee that the Advertising Regulation Department charges for reviewing advertisements, sales literature and other such material, whether in printed, video or other form, filed with or submitted to FINRA (except for items that are filed or submitted in response to a written request from the Advertising Regulation Department issued pursuant to the spot check procedures set forth in FINRA rules).² The fee for the review of printed material and video or audio media will be \$125 for the first ten pages or the first ten minutes, respectively, while the surcharge for lengthier materials will remain unchanged. The fee for expedited review will be \$600 per item for the first ten pages, and the fee for pages in excess of ten will be \$50 per page.

Despite rising costs to administer the filings program, this represents FINRA's first fee increase since 2005 in connection with the review of advertisements, sales literature and other such material. The volume of filings has increased substantially over that period, and FINRA has also upgraded its technology and hired additional staff to maintain the program's effectiveness and ensure reasonable turnaround times. Moreover, FINRA anticipates a continued increase in the volume of filings in future years.

The implementation date for the revised advertising review fees is July 2, 2012.

Corporate Financing Fees

FINRA's Corporate Financing Department reviews the proposed underwriting terms and arrangements of proposed public offerings of securities for compliance with the requirements of FINRA Rule 5110 (Corporate Financing Rule—Underwriting Terms and Arrangements). The public offerings reviewed by the Corporate Financing Department include initial and secondary offerings of unseasoned issuers, best efforts offerings of direct participation programs (DPPs) and real estate investment trusts (REITs), but generally exclude public offerings of seasoned issuers that are not broker-dealers or their affiliates and offerings of investment grade securities.

The Corporate Financing Department's review is complementary to the SEC's registration process, which defers to FINRA to establish reasonable levels of underwriting compensation and adequate disclosure of the underwriting terms and conflicts. Pursuant to FINRA Rule 5110, no member firm or person associated with a member firm may participate in a public offering subject to the rule, or to FINRA Rules 5121 (Public Offerings of Securities With Conflicts of Interest) and 2310 (Direct Participation Programs), unless the documents and information specified in the rule have been filed with and reviewed by the Corporate Financing Department. Typically, the book-running manager for the offering files the documents on behalf of the participating member firms. The fee charged to member firms for this review is set forth in Section 7 of Schedule A.

In support of its reviews under FINRA Rule 5110 and other regulatory responsibilities, the rule change amends Section 7 of Schedule A to increase the rate and the fee cap for filings pursuant to FINRA Rule 5110.³ FINRA is increasing the rate of the filing fee from .01 percent to .015 percent of the proposed maximum aggregate offering price or other applicable value of the securities, and increasing the maximum fee from \$75,500 to \$225,500. The fee changes will apply to initial filings and to the net increase in the maximum aggregate offering price of any amendment filings.

The filing fee rate has remained static since it was adopted in 1970, while the cap has been adjusted periodically, most recently in 2004.⁴ However, the nature and complexity of offerings filed with the Corporate Financing Department have changed substantially since

the most recent adjustment. Many filings seek expedited review or “same day clearance” and FINRA has deployed (and continues to deploy) significant technology resources and process enhancements to accommodate those needs.⁵ The Corporate Financing Department also has seen growth in filings of unlisted REITs, business development companies and other DPPs, which raise complex issues.

The implementation date for the revised Rule 5110 filing fee is July 2, 2012. Thus, the adjusted fees and fee cap will be effective for filings and amendments made on or after July 2, 2012.

Fees Related to CRD

FINRA is amending Sections 4 and 6 of Schedule A to implement changes to certain fees relating to the CRD system.⁶

Initial/Transfer Registration Fee

FINRA is increasing from \$85 to \$100 the fee for each initial or transfer Form U4 (Uniform Application for Securities Industry Registration or Transfer) filed by a member firm in the CRD system to register an individual. In those cases where a member firm is transferring the registrations of individuals in connection with the acquisition of all or part of another member firm’s business, FINRA provides a discount to the fee, ranging from 10 to 50 percent, based on the number of registered personnel being transferred. FINRA is not changing the current discount schedule. This fee has been static since 1995.⁷ Since 1995, FINRA has regularly enhanced the CRD system by adding features and functionality (*e.g.*, work queues, standard reports, email notifications) designed to make form filing more efficient for firms, and to otherwise help firms meet their reporting and related regulatory obligations. FINRA also has consistently made usability and navigational enhancements since deploying the Web-based CRD system in 1999. Finally, FINRA has increased the number of registration categories available to individuals, as well as the number of SROs and jurisdictions with which individuals and firms may register.

Disclosure Filing Fees

As part of the securities industry’s licensing and registration process, individuals and member firms are required to report certain disclosure events or proceedings to the CRD system. These disclosure matters include, for example, certain criminal charges and convictions, regulatory actions, investment-related civil judgments and injunctions and financial events such as bankruptcies and unsatisfied liens. Individuals report these disclosure events or proceedings through Form U4 or Form U5 (Uniform Termination Notice for Securities Industry Registration), while member firms report disclosure matters in which they or a control affiliate have been involved via Form BD (Uniform Application for Broker-Dealer Registration).

When a disclosure filing is made for either an individual or member firm, FINRA must, among other things, confirm that the matter is properly reported; review any documentation submitted and determine whether additional documentation is required; conduct any necessary independent research; and, depending on the matter reported, analyze whether the event or proceeding subjects the individual or member firm to a statutory disqualification pursuant to Section 3(a)(39) of the Securities Exchange Act of 1934 (Securities Exchange Act or SEA).⁸

FINRA is increasing from \$95 to \$110 the fee to process an initial or amended Form U4 or Form U5 that includes the initial reporting, amendment or certification of one or more disclosure events or proceedings. FINRA is also imposing a new fee of \$110 to process a Form BD that contains a disclosure event or proceeding. Reviewing disclosure information has become more complex, in part because Forms U4 and U5 have added further disclosure questions⁹ and FINRA's By-Laws have been revised to expand the categories under which an individual or member firm can be subject to a statutory disqualification.¹⁰ As a result, while costs to administer the CRD program have increased, those costs have not been offset by a commensurate increase in the current disclosure filing fee, which has remained static since 1995,¹¹ or the establishment of a fee to cover the costs associated with review of disclosure matters submitted on Form BD.

System Processing Fee

FINRA is increasing from \$30 to \$45 the annual system processing charge for each member firm's registered individuals. This fee has not been increased since January 2000.¹² Since 2000, FINRA's costs to operate, develop and maintain the CRD system (*e.g.*, investments in system infrastructure and data security) have increased.

Fingerprint Fees

FINRA processes fingerprints submitted by member firms on behalf of their associated persons who are required to be fingerprinted pursuant to Section 17(f)(2) of the Securities Exchange Act¹³ and SEA Rule 17f-2.¹⁴ Firms submit fingerprints to FINRA either electronically or via a hard copy fingerprint card. FINRA is increasing the processing fee for fingerprints submitted electronically from \$13 to \$15 and the fee for fingerprints submitted by a hard copy fingerprint card from \$13 to \$30.¹⁵

The fingerprint processing fee has not increased since 2003.¹⁶ FINRA is adopting a two-tiered fingerprint processing fee structure in part to reflect that the costs associated with processing fingerprints submitted via a hard copy fingerprint card are much higher than those that are submitted electronically. Specifically, fingerprints submitted by a hard copy card require additional processing by FINRA, including adding a barcode, if necessary, to the card for tracking purposes; scanning the fingerprints and converting them to a digital image for submission to the FBI; and, for first-time registrants, entering the individual's personal and demographic information into the CRD system.

FINRA is also increasing from \$13 to \$30 the fee for processing and posting fingerprint results and identifying information submitted by a member firm that have been processed through another SRO. This fee has been static since 2003.¹⁷ There are higher costs associated with the processing and posting of fingerprint results and identifying information from other SROs. In this regard, upon receipt of the fingerprint results and identifying information, FINRA images and stores the documents received, verifies and matches the fingerprint processing results to an existing record in the CRD system, if available, and manually posts the results to the CRD system.

Mass Transfer Registration Fees

FINRA's Mass Transfer Program allows for the bulk transfer of registration and fingerprint information within the CRD system when a member firm is involved in a business combination such as a merger, consolidation or reorganization with another member firm. A member firm that FINRA determines to be a successor organization to a predecessor member firm is not required to pay the fees for the re-registration of branch offices and personnel of the predecessor as part of the mass transfer. A non-successor member firm, however, is required to pay these re-registration fees.

FINRA is eliminating the exception to the payment of re-registration fees for successor member firms involved in a mass transfer. FINRA notes that a mass transfer, which is an optional service that FINRA makes available to member firms that engage in a business combination, involves significant work on FINRA's part, including reviewing transaction details; entering the mass transfer into the CRD system; addressing questions from firm personnel or, in certain circumstances, providing them with training; and post-mass transfer troubleshooting. The elimination of the exception will result in all member firms that participate in FINRA's Mass Transfer Program being assessed fees for the re-registration of branch offices and personnel of the predecessor member firm.

Late Disclosure Fee

FINRA charges a fee for each day that a new disclosure event or a change in the status of a previously reported disclosure event is not timely filed on an initial or amended Form U5 or an amended Form U4. This fee is assessed starting on the day following the last date on which the event or change in status was required to be reported. FINRA is increasing the late disclosure fee from \$10 per day to \$100 for the first day that an applicable disclosure event is not timely filed and \$25 for each subsequent day, up to a maximum of 60 days. The maximum amount of the late disclosure fee will increase from \$300 to \$1,575. The current late disclosure filing fee has been in effect and remained static since 2004.¹⁸ Notwithstanding this fact, some firms and individuals still fail to timely report initial or updated disclosure events. While FINRA continues to address the issue of late disclosure filings through other avenues, including disciplinary actions, FINRA believes that it is appropriate to increase the late disclosure filing fee in part to help ensure that disclosure events are reported and updated in a timely manner.

The implementation date for the fees relating to the CRD system is January 2, 2013. Thus, the initial/transfer registration fee, disclosure filing, fingerprint and late disclosure fees will become effective for filings or fingerprints submitted on or after January 2, 2013; the changes to the mass transfer registration fees will become effective for mass transfers executed on or after January 2, 2013; and the system processing fee will become effective for the 2013 renewal program.¹⁹

Membership Application Process and Branch Office Registration Fees

As discussed in further detail below, FINRA is amending Section 4 of Schedule A to (1) increase the branch office annual registration fee; (2) increase the new member application fee; and (3) assess a new fee for continuing membership applications. In connection with these amendments, FINRA is making corresponding amendments to NASD Rules 1012 (General Provisions), 1013 (New Member Application and Interview) and 1017 (Application for Approval of Change in Ownership, Control, or Business Operations) regarding the revised new member application fee and new continuing membership application fee, as well as increasing from \$350 to \$500 the processing fee for new member applications that are deemed not to be substantially complete and imposing a \$500 processing fee for continuing membership applications that are deemed not to be substantially complete.²⁰

Branch Office Fees

Despite rising costs to administer the branch office registration and examination program, FINRA has not adjusted the \$75 branch office annual registration fee in Section 4(a) of Schedule A since 1994.²¹ In support of its branch office registration and examination program and other regulatory responsibilities, FINRA has revised the branch office annual registration fee structure to implement a tiered regressive rate structure that assesses a per branch office annual registration fee ranging from \$75 to \$175 depending on the number of branch offices of the firm.²²

FINRA will continue to waive, for one branch office per member firm per year, payment of the annual registration fee (and the \$20 annual branch office system processing fee), but increase the amount of the waiver from \$75 to \$175. Also, the amendments to Section 4(a) of Schedule A codify FINRA's current practice of waiving payment of the \$75 initial registration fee (and \$20 branch office system processing fee) for the first branch office registered by a member firm.

The implementation date for the branch office registration fee changes is January 2, 2013.²³

New Member Application Fee

Notwithstanding the increase in complexity of new member applications and the related resource demands, FINRA has not changed the new member application fee required by Section 4(e) of Schedule A since 1994.²⁴ To more closely reflect the resource demands associated with processing and reviewing new member applications, FINRA has revised the new member application fee structure to implement a fee structure that assesses fees ranging from \$7,500 to \$55,000 depending on the size of the new member applicant, as outlined in the table below.

Number of Registered Persons Associated with Applicant	Small	Medium	Large
Tier 1	1–10	151–300	501–1,000
Tier 2	11–100	301–500	1,001–5,000
Tier 3	101–150	N/A	>5,000

Application Fee per Tier	Small	Medium	Large
Tier 1	\$7,500	\$25,000	\$35,000
Tier 2	\$12,500	\$30,000	\$45,000
Tier 3	\$20,000	N/A	\$55,000

The revised fee structure also assesses an additional \$5,000 surcharge for a new member firm applicant that intends to engage in any clearing and carrying activities.

Additionally, FINRA has made conforming changes to NASD Rules 1012 and 1013 regarding the revised new member application fee, as well as increasing from \$350 to \$500 the processing fee for new member applications that are deemed not to be substantially complete.

The implementation date for the revised new member application fee and conforming amendments to NASD Rules 1012 and 1013 is July 23, 2012.

Continuing Membership Application Fee

NASD Rule 1017 provides parameters for certain changes in a member firm's ownership, control, or business operations that would require a continuing membership application. Among other things, those changes include a merger of a member firm with another member firm, a direct or indirect acquisition by a member firm of another member firm, a change in equity ownership or partnership capital of a member firm that results in one person or entity directly or indirectly owning or controlling 25 percent or more of the equity or partnership capital, or a material change in business operations as defined in NASD Rule 1011(k) (Material Change in Business Operations).²⁵

The membership program incurs substantial costs in reviewing continuing membership application materials and assessing whether the application meets the required standards. As a result, FINRA has amended Schedule A to require that an applicant submitting a continuing membership application pay an application fee based on the number of registered persons associated with the applicant and the type of change in ownership, control or business operations being contemplated. Since the effort required to review a continuing membership application generally depends on the facts and circumstances, with more complex changes and larger applicants requiring additional resources, FINRA believes that the new fee structure, as outlined in the table below, will be an effective means of assessing related fees.

Number of Registered Persons Associated with Applicant	Small	Medium	Large
Tier 1	1–10	151–300	501–1,000
Tier 2	11–100	301–500	1,001–5,000
Tier 3	101–150	N/A	>5,000

Application Fee per Tier and Application Type	Small	Medium	Large
Merger			
Tier 1	\$7,500	\$25,000	\$50,000
Tier 2	\$12,500	\$30,000	\$75,000
Tier 3	\$20,000	N/A	\$100,000
Material Change			
Tier 1	\$5,000	\$20,000	\$35,000
Tier 2	\$10,000	\$25,000	\$50,000
Tier 3	\$15,000	N/A	\$75,000
Ownership Change	\$5,000	\$10,000	\$15,000
Transfer of Assets	\$5,000	\$10,000	\$15,000
Acquisition	\$5,000	\$10,000	\$15,000

For instance, the fee structure will assess a member firm with only one to ten registered persons a fee ranging between \$5,000 and \$7,500, depending on the type of continuing membership application, whereas a member firm with 301 to 500 registered persons will be assessed a fee ranging between \$10,000 and \$30,000 depending on the type of continuing membership application. Further, if an applicant's request for approval of a change in ownership, control or business operations involves more than one type of change requiring a continuing membership application, the fee owed will be the highest of the applicable fees charged for those types of changes.

In addition, FINRA has made conforming changes to NASD Rules 1012 and 1017 regarding the new continuing membership application fee, as well as imposing a new \$500 processing fee for continuing membership applications that are deemed not to be substantially complete.

The implementation date for the new continuing membership application fee and conforming amendments to NASD Rules 1012 and 1017 is July 23, 2012.

Endnotes

1. The SEC recently approved new consolidated FINRA communications with the public rules, including new FINRA Rule 2210, which maintains these principles. The new rules will become effective on February 4, 2013. See [Regulatory Notice 12-29](#) (June 2012).
2. See Securities Exchange Act Release No. 67239 (June 22, 2012), 77 FR 38692 (June 28, 2012) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2012-028).
3. See Securities Exchange Act Release No. 67241 (June 22, 2012), 77 FR 38698 (June 28, 2012) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2012-029).
4. See Securities Exchange Act Release No. 50984 (January 6, 2005), 70 FR 2440 (January 13, 2005) (Notice of Filing and Immediate Effectiveness of File No. SR-NASD-2004-177) (setting the maximum fee at \$75,500). The fees for automatically effective Form S-3 or F-3 offerings were added in 2007 without adjusting the existing rates. See Securities Exchange Act Release No. 55360 (February 27, 2007), 72 FR 9813 (March 5, 2007) (Notice of Filing and Immediate Effectiveness of File No. SR-NASD-2007-006).
5. See, e.g., [Regulatory Notice 12-22](#) (April 2012).
6. See Securities Exchange Act Release No. 67247 (June 25, 2012), 77 FR 38866 (June 29, 2012) (Notice of Filing and Immediate Effectiveness of SR-FINRA-2012-030). The CRD system is the central licensing and registration system for the U.S. securities industry. The CRD system enables individuals and firms seeking registration with multiple states and self-regulatory organizations (SROs) to do so by submitting a single form, fingerprint card and a combined payment of fees to FINRA. Through the CRD system, FINRA maintains the qualification, employment and disciplinary histories of registered associated persons of broker-dealers. Certain information reported to the CRD system is displayed in BrokerCheck®, an electronic system that provides the public with information on the professional background, business practices and conduct of FINRA member firms and their associated persons. Investors use BrokerCheck to help make informed choices about the individuals and firms with which they currently conduct or are considering conducting business.
7. See Securities Exchange Act Release No. 36025 (July 26, 1995), 60 FR 39200 (August 1, 1995) (Notice of Filing and Immediate Effectiveness of File No. SR-NASD-95-32).
8. 15 U.S.C. 78c(a)(39).
9. See Securities Exchange Act Release No. 59916 (May 13, 2009), 74 FR 23750 (May 20, 2009) (Order Approving File No. SR-FINRA-2009-008).
10. See Securities Exchange Act Release No. 56145 (July 26, 2007), File No. 72 FR 42169 (August 1, 2007) (Order Approving File No. SR-NASD-2007-023).
11. See *supra* note 7.
12. See Securities Exchange Act Release No. 41937 (September 28, 1999), 64 FR 53762 (October 4, 1999) (Notice of Filing and Immediate Effectiveness of File No. SR-NASD-99-43).
13. 15 U.S.C. 78q(f)(2).
14. 17 CFR 240.17f-2.
15. This fee is in addition to a fee that FINRA collects on behalf of the Federal Bureau of Investigation (FBI), consistent with FBI guidelines. The current FBI fee is \$14.50. See Revised User Fee Schedule, 76 FR 78950 (December 20, 2011).

© 2012 FINRA. All rights reserved. FINRA and other trademarks of the Financial Industry Regulatory Authority, Inc. may not be used without permission. *Regulatory Notices* 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.

16. See Securities Exchange Act Release No. 48379 (August 20, 2003), 68 FR 51622 (August 27, 2003) (Notice of Filing and Immediate Effectiveness of File No. SR-NASD-2003-109).
17. *Id.*
18. See Securities Exchange Act Release No. 49224 (February 11, 2004), 69 FR 7833 (February 19, 2004) (Notice of Filing and Immediate Effectiveness of File No. SR-NASD-2003-192).
19. FINRA will begin invoicing for the 2013 system processing fees in November 2012.
20. See Securities Exchange Act Release No. 67240 (June 22, 2012), 77 FR 38694 (June 28, 2012) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2012-031).
21. See Securities Exchange Act Release No. 35074 (December 9, 1994), 59 FR 64827 (December 15, 1994) (Notice of Filing and Immediate Effectiveness of File No. SR-NASD-94-58) (increasing the branch office registration and annual fees from \$50 to \$75 to reflect increased costs for registration and regulatory oversight of branch offices). In 2006, Schedule A, Section 4(a) was amended to establish an annual branch office system processing fee to reflect the costs of developing and implementing the Form BR, as well as costs associated with the ongoing branch office system maintenance and enhancements. See Securities Exchange Act Release No. 53955 (June 7, 2006), 71 FR 34658 (June 15, 2006) (Notice of Filing and Immediate Effectiveness of File No. SR-NASD-2006-065).
22. Specifically, the amended annual registration fee requirement in Section 4(a) of Schedule A provides that each member shall be assessed an annual registration fee of: (1) \$175, for the first 250 branch offices registered by the member; (2) \$150, for branch offices 251 to 500 registered by the member; (3) \$125, for branch offices 501 to 1,000 registered by the member; (4) \$100, for branch offices 1,001 to 2,000 registered by the member; and (5) \$75, for every branch office greater than 2,000 registered by the member. Section 4(a) retains the \$20 annual branch office system processing fee per registered branch. Consistent with current practice, FINRA will assess each member firm's annual registration fee based on the firm's total number of branch offices registered at the end of each calendar year.
23. FINRA will begin invoicing for these fees in November 2012.
24. See Securities Exchange Act Release No. 33533 (January 27, 1994), 59 FR 5218 (February 3, 1994) (Notice of Filing and Immediate Effectiveness of File No. SR-NASD-94-05).
25. NASD Rule 1011(k) defines a "material change in business operations" as including, but not limited to: (1) removing or modifying a membership agreement restriction; (2) market making, underwriting, or acting as a dealer for the first time; and (3) adding business activities that require a higher minimum net capital under SEA Rule 15c3-1.

Attachment A

Below is the text of the rule amendments regarding advertising fees pursuant to filing SR-FINRA-2012-028. New language is underlined; deletions are in brackets.

* * * * *

SCHEDULE A TO THE BY-LAWS OF THE CORPORATION

* * * * *

Section 13 — Review Charge for Advertisement, Sales Literature, and Other Such Material Filed or Submitted

There shall be a review charge for each and every item of advertisement, sales literature, and other such material, whether in printed, video or other form, filed with or submitted to FINRA, except for items that are filed or submitted in response to a written request from FINRA's Advertising Regulation Department ("the Department") issued pursuant to the spot check procedures set forth in FINRA[~~'s R~~]rules as follows: (1) for printed material reviewed, \$125[00].00, plus \$10.00 for each page reviewed in excess of 10 pages; and (2) for video or audio media, \$125[00].00, plus \$10.00 per minute for each minute of tape reviewed in excess of 10 minutes.

Where a member requests expedited review of material submitted to the [Advertising Regulation] Department there shall be a review charge of \$[5]~~600~~.00 per item plus \$50.00[25] for each page reviewed in excess of 10 pages. Expedited review shall be completed within three business days, not including the date the item is received by the [Advertising Regulation] Department, unless a shorter or longer period is agreed to by the [Advertising Regulation] Department. The [Advertising Regulation] Department may, in its sole discretion, refuse requests for expedited review.

* * * * *

Attachment B

Below is the text of the rule amendments regarding corporate financing fees pursuant to filing SR-FINRA-2012-029. New language is underlined; deletions are in brackets.

* * * * *

SCHEDULE A TO THE BY-LAWS OF THE CORPORATION

* * * * *

Section 7 – Fees for Filing Documents Pursuant to the Corporate Financing Rule

(a) There shall be a fee imposed for the filing of initial documents relating to any offering filed with FINRA pursuant to the Corporate Financing Rule equal to: (1) \$500 plus .015%[.01%] of the proposed maximum aggregate offering price or other applicable value of all securities registered on an SEC registration statement or included on any other type of offering document (where not filed with the SEC), but shall not exceed \$225,500[\$75,500]; or (2) \$225,500[\$75,500] for an offering of securities on an automatically effective Form S-3 or F-3 registration statement filed with the SEC and offered pursuant to Securities Act[EC] Rule 415 by a Well-Known Seasoned Issuer as defined in Securities Act[EC] Rule 405. The amount of the filing fee may be rounded to the nearest dollar.

(b) There shall be an additional fee imposed for the filing of any amendment or other change to the documents initially filed with FINRA pursuant to the Corporate Financing Rule equal to .015%[.01%] of the net increase in the maximum aggregate offering price or other applicable value of all securities registered on an SEC registration statement, or any related Securities Act Rule 462(b) registration statement, or reflected on any Securities Act Rule 430A prospectus, or included on any other type of offering document. However, the aggregate of all filing fees paid in connection with an SEC registration statement or other type of offering document shall not exceed \$225,500[\$75,500].

* * * * *

Attachment C

Below is the text of the rule amendments regarding fees related to the Central Registration Depository pursuant to filing SR-FINRA-2012-030. New language is underlined; deletions are in brackets.

* * * * *

SCHEDULE A TO THE BY-LAWS OF THE CORPORATION

* * * * *

Section 4 – Fees

(a) No Change.

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

(1) [~~\$85.00~~] \$100.00 for each initial Form U[-]4 filed by the member with FINRA for the registration of a representative or principal, except that the following discounts shall apply to the filing of Forms U[-]4 to transfer the registration of representatives or principals in connection with acquisition of all or a part of a member's business by another member:

Number of Registered Personnel Transferred	Discount
1,000–1,999	10%
2,000–2,999	20%
3,000–3,999	30%
4,000–4,999	40%
5,000 and over	50%

(2) \$40.00 for each initial Form U[-]5 filed by the member with FINRA for the termination of a registered representative or registered principal, plus a late filing fee of \$80.00 if the member fails to file the initial Form U[-]5 within 30 days after the date of termination;

(3) [~~\$95.00~~] \$110.00 for the additional processing of each initial or amended Form U[-]4, [or] Form U[-]5 or Form BD that includes the initial reporting, amendment, or certification of one or more disclosure events or proceedings;

(4) [~~\$13.00~~] \$15.00 for processing and posting to the CRD system each set of fingerprints submitted electronically by the member to FINRA, plus any other charge that may be imposed by the United States Department of Justice for processing each set of fingerprints;

(5) \$30.00 for processing and posting to the CRD system each set of fingerprint cards submitted in non-electronic format by the member to FINRA, plus any other

charge that may be imposed by the United States Department of Justice for processing each set of fingerprints;

([5]6) [~~\$13.00~~] \$30.00 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 FINRA;

([6]7) [~~\$30.00~~] \$45.00 annually for each of the member's registered representatives and principals for system processing; and

([7]8) No Change.

(c) through (g) No Change.

(h) FINRA shall assess each member a fee of \$100.00 on the first day and [~~\$10~~] \$25.00 for each subsequent [per] day, up to a maximum of [~~\$300~~] \$1,575, [for each day] that a new disclosure event or a change in the status of a previously reported disclosure event is not timely filed as required by FINRA on an initial Form U5, an amendment to a Form U5, or an amendment to a Form U4, with such fee to be assessed starting on the day following the last date on which the event was required to be reported.

* * * * *

Section 6 – Assessments and Fees for New Members, Resigning Members and Successor Organizations

(a) No Change.

(b) A member that is a successor organization to a previous member or members shall assume the unpaid balance of the assessments of its predecessor or predecessors and its next assessment shall be determined, if applicable, upon the assessment data of its predecessors. Such successor member shall not be required to re-register branch offices and personnel of predecessor members, but shall be required to [or] pay registration fees therefor. Whether a member is the successor organization to a previous member or members shall be determined by FINRA upon a consideration of the terms and conditions of the particular merger, consolidation, reorganization, or succession. A member that has simply acquired the personnel and offices of another member under circumstances that do not constitute the member a successor organization shall not be required to assume the unpaid assessments of the other member. Such non-successor member shall be required to re-register the branch offices and personnel acquired from the other member and pay applicable registration fees.

* * * * *

Attachment D

Below is the text of the rule amendments regarding membership application process and branch office registration fees pursuant to filing SR-FINRA-2012-031. New language is underlined; deletions are in brackets.

* * * * *

SCHEDULE A TO THE BY-LAWS OF THE CORPORATION

* * * * *

Section 4 – Fees

(a)(1) Each member shall be assessed a registration fee of \$75.00 and a branch office system processing fee of \$20.00 upon the registration of each branch office, as defined in the By-Laws.

(2) FINRA shall waive, for the first branch office registered by a member, payment of the \$75.00 registration fee and the \$20.00 branch office system processing fee (where such fees have been assessed pursuant to paragraph (a)(1)).

(3) Each member also shall be assessed:

[(1)](A) an annual registration fee of:

- (i) \$175, for each of the first 250 branch offices registered by the member;
- (ii) \$150, for each of branch offices 251 to 500 registered by the member;
- (iii) \$125, for each of branch offices 501 to 1,000 registered by the member;
- (iv) \$100, for each of branch offices 1,001 to 2,000 registered by the member;
- (v) \$75, for every branch office greater than 2,000 registered by the member;

and

[in an amount equal to the lesser of (i) \$75.00 per registered branch, or (ii) the product of \$75.00 and the number of registered representatives and registered principals associated with the member at the end of FINRA's fiscal year; and (2)]

(B) an annual branch office system processing fee of \$20.00 per registered branch.

(4) [As of July 3, 2006,] FINRA shall waive, for one branch office per member per year, payment of the \$175[\$75.00] annual registration fee (where such fee has been assessed pursuant to paragraph (a)(3)(A)(i)[(a)(1)(i)]) and the \$20.00 annual branch office system processing fee assessed pursuant to paragraph (a)[(2)](3)(B).

(b) through (d) No Change.

(e)(1) In addition to any dues or fees otherwise payable, each applicant for membership shall be assessed an application fee, [as follows] based on the number of registered persons proposed to be associated with the applicant at the time the application is filed, as outlined in the tables below:

<u>Number of Registered Persons Associated with Applicant</u>	<u>Small</u>	<u>Medium</u>	<u>Large</u>
<u>Tier 1</u>	<u>1–10</u>	<u>151–300</u>	<u>501–1,000</u>
<u>Tier 2</u>	<u>11–100</u>	<u>301–500</u>	<u>1,001–5,000</u>
<u>Tier 3</u>	<u>101–150</u>	<u>N/A</u>	<u>>5,000</u>

<u>Application Fee per Tier</u>	<u>Small</u>	<u>Medium</u>	<u>Large</u>
<u>Tier 1</u>	<u>\$7,500</u>	<u>\$25,000</u>	<u>\$35,000</u>
<u>Tier 2</u>	<u>\$12,500</u>	<u>\$30,000</u>	<u>\$45,000</u>
<u>Tier 3</u>	<u>\$20,000</u>	<u>N/A</u>	<u>\$55,000</u>

(2) Each applicant for membership also shall be assessed an additional \$5,000 if the applicant will be engaging in any clearing and carrying activity.

[(1) \$5,000, if the type of business in which the applicant proposes to engage will require it to calculate its net capital pursuant to section (a)(1), (a)(7), (a)(8) or (f) (1) of SEC Rule 15c3-1, or pursuant to sections 402.1(e) or 402.2(b) of the Treasury Regulations (“Treasury Regulations”) promulgated under Section 15C of the Act;]

[(2) \$3,000, if the type of business in which the applicant proposes to engage will require it to calculate its net capital pursuant to section (a)(2) of SEC Rule 15c3-1, or pursuant to section 402.2(c) of the Treasury Regulations; and]

[(3) for all other applicants, \$3,000.]

(f) through (h) No Change.

(i)(1) In addition to any dues or fees otherwise payable, each applicant submitting an application for approval of a change in ownership, control, or business operations shall be assessed an application fee, based on the number of registered persons associated with the applicant (including registered persons proposed to be associated with the applicant upon approval of the application) at the time the application is filed and the type of change in ownership, control, or business operations, as outlined in the tables below:

<u>Number of Registered Persons Associated with Applicant</u>	<u>Small</u>	<u>Medium</u>	<u>Large</u>
<u>Tier 1</u>	<u>1–10</u>	<u>151–300</u>	<u>501–1,000</u>
<u>Tier 2</u>	<u>11–100</u>	<u>301–500</u>	<u>1,001–5,000</u>
<u>Tier 3</u>	<u>101–150</u>	<u>N/A</u>	<u>>5,000</u>

<u>Application Fee per Tier and Application Type</u>	<u>Small</u>	<u>Medium</u>	<u>Large</u>
<u>Merger</u>			
<u>Tier 1</u>	<u>\$7,500</u>	<u>\$25,000</u>	<u>\$50,000</u>
<u>Tier 2</u>	<u>\$12,500</u>	<u>\$30,000</u>	<u>\$75,000</u>
<u>Tier 3</u>	<u>\$20,000</u>	<u>N/A</u>	<u>\$100,000</u>
<u>Material Change</u>			
<u>Tier 1</u>	<u>\$5,000</u>	<u>\$20,000</u>	<u>\$35,000</u>
<u>Tier 2</u>	<u>\$10,000</u>	<u>\$25,000</u>	<u>\$50,000</u>
<u>Tier 3</u>	<u>\$15,000</u>	<u>N/A</u>	<u>\$75,000</u>
<u>Ownership Change</u>	<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>
<u>Transfer of Assets</u>	<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>
<u>Acquisition</u>	<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>

(2) If an applicant’s application for approval of a change in ownership, control, or business operations involves more than one type of application identified in the “application fee per tier and application type” table in paragraph (i)(1) of this section, the application fee shall be the highest amount of the applicable fees (e.g., the application fee for an applicant associated with 1-10 registered persons filing an application involving a merger and material change would be \$7,500).

* * * * *

1000. MEMBERSHIP, REGISTRATION AND QUALIFICATION REQUIREMENTS

* * * * *

1010. Membership Proceedings

* * * * *

1012. General Provisions

(a) Filing by Applicant or Service by FINRA

(1) An Applicant for membership shall file an application in the manner prescribed in Rule 1013, including the timely submission of an application fee pursuant to Schedule A to the FINRA By-Laws.

(2) An Applicant seeking approval of a change of ownership, control, or business operations shall file an application in the manner prescribed in Rule 1017, including the timely submission of an application fee pursuant to Schedule A to the FINRA By-Laws.

(3) through (5) No Change.

(b) Lapse of Application

(1) No Change.

(2) If an Applicant wishes to continue to seek membership or approval of a change in ownership, control, or business operations, then the Applicant shall be required to submit a new application in the manner prescribed in [and fee under] Rule 1013 or 1017, respectively, including the timely submission of an application fee pursuant to Schedule A to the FINRA By-Laws. FINRA shall not refund any fee for a lapsed application.

(c) through (e) No Change.

1013. New Member Application and Interview

(a) Filing of Application

(1) How to File

An Applicant for FINRA membership shall file its application in the manner prescribed by FINRA with the Department of Member Regulation (“the Department”). An Applicant shall submit an application that includes:

(A) through (D) No Change;

[(E) payment of the appropriate fee;]

(F) through (S) renumbered as (E) through (R).

(2) No Change.

(3) Rejection of Application That Is Not Substantially Complete

If the Department determines within 30 days after the filing of an application that the application is not substantially complete, the Department may reject the application and deem it not to have been filed. In such case, within the 30 day period, the Department shall serve a written notice on the Applicant of the Department’s determination and the reasons therefor. FINRA shall refund the application fee, less \$500[350], which shall be retained by FINRA as a processing fee. If the Applicant determines to continue to seek membership, the Applicant shall submit a new application [and fee] under this Rule and fee pursuant to Schedule A to the FINRA By-Laws.

(4) No Change.

(b) No Change.

* * * * *

1017. Application for Approval of Change in Ownership, Control, or Business Operations

(a) through (c) No Change.

(d) Rejection Of Application That Is Not Substantially Complete

If the Department determines within 30 days after the filing of an application that the application is not substantially complete, the Department shall reject the application and deem it not to have been filed. In such case, within the 30 day period, the Department shall serve a written notice on the Applicant of the Department's determination and the reasons therefor. FINRA shall refund the application fee, less \$500, which shall be retained by FINRA as a processing fee. If the Applicant determines to continue to apply for approval of a change in ownership, control, or business operations, the Applicant shall submit a new application under this Rule and fee pursuant to Schedule A to the FINRA By-Laws.

(e) through (j) No Change.

(k) Lapse or Denial of Application for Approval of Change in Ownership

If an application for approval of a change in ownership lapses, or is denied and all appeals are exhausted or waived, the member shall, no more than 60 days after the lapse or exhaustion or waiver of appeal:

(1) submit a new application under this Rule and fee pursuant to Schedule A to the FINRA By-Laws;

(2) through (3) No Change.

For the protection of investors, the Department may shorten the 60-day period. For good cause shown by the member, the Department may lengthen the 60-day period. The Department shall serve written notice on the Applicant of any change in the 60-day period and the reasons therefor. During the 60-day or other imposed period, the Department may continue to place interim restrictions on the member for the protection of investors.

* * * * *