

Limited Review Program Frequently Asked Questions (FAQ)

1. What is limited review?

In September 2013, FINRA introduced the new Limited Review program to streamline the review process and provide faster clearance for non-shelf public offering filings. Firms and their counsel should review the eligibility criteria in the Review Programs Guide to request a Limited Review.

The following questions and answers provide detailed information about Limited Reviews.

2. What are the Limited Review eligibility criteria?

To qualify for a Limited Review, the filing must meet **all** of the following criteria:

- o securities are or will be listed on a national securities exchange (Corporate or Investment Program);
- o firm commitment or straight best efforts distribution methods;
- o total underwriting compensation within allowable guidelines;
- o securities are not received as underwriting compensation;
- o underwriting arrangements do not include prohibited terms as defined in FINRA Rule 5110(f)(2), such as indeterminate items of value;
- o FINRA-regulated firms are identified in the offering documents and filing system;
- o offering is filed with the Securities and Exchange Commission; and
- o offering does not include a new or novel product and is not one that poses complex regulatory issues.

For complete details on the Limited Review eligibility criteria, see the [Review Programs Guide](#).

3. Are initial public offerings eligible for Limited Review?

Yes.

4. Are fund offerings, including closed-end funds, eligible for Limited Review?

Yes. FINRA understands that most closed-end funds do not initially name FINRA-regulated firms in the offering documents and contain a minimum amount of registered proceeds that may have a negative effect on the reasonableness of the proposed underwriting compensation. FINRA will make exceptions and accept closed-end funds that select a Limited Review under these two conditions.

5. How do I request Limited Review?

The Limited Review program is available from the Public Offering Filing system. For instructions on how to request access to the filing system, please see the [Public Offering System](#) page.

To request a Limited Review, follow these steps:

1. Click “Create a Deal” to submit a complete filing. This button is visible when you log into the Public Offering filing system, on the top left corner.



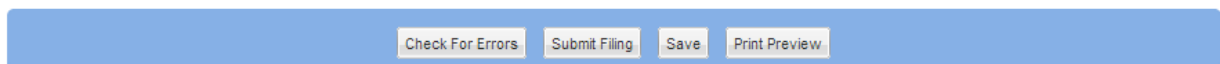
2. After navigating the system screens, the following reminder will appear in FINRA’s electronic filing system.

Upon submitting an offering, you must select the “Review Programs” button in the filing cabinet to complete a separate form to request a review program.

If a review program is not requested, the program will be a Full Review.

For detailed information about all review programs, please see the “Review Programs Guide” [here](#).

3. Click on “Submit Filing”.



4. From the filing cabinet, highlight the filing submitted and select “Review Programs”.



5. In the Review Programs screen, the review options available for your filing will appear. Please select Limited Review to submit a request.

A screenshot of the FINRA Review Programs screen. At the top, the FINRA logo is on the left and 'Welcome to FINRA' is on the right. Below this is a green bar with the text 'Issuer Name: Widgets Corp Deal ID: 1100495 Deal Type: Corporate'. Below the green bar is a blue bar with the text 'Review1 * Please select the review program:'. To the right of this text are three radio buttons: 'Full Review', 'Limited Review', and 'Expedited Review'. The 'Limited Review' radio button is selected. To the right of the radio buttons is a link: 'Review Program Eligibility Help'. At the bottom of the blue bar is a 'Submit' button.

6. What is required to receive a Limited Review No Objections Letter?

A firm must make a total of six representations to receive a Limited Review No Objections Letter. However, of the six representations, only two are **required initially** to request a Limited Review. The remaining four representations are **optional** at the time of the initial filing and can be provided at a later time. If a firm agrees to all representations initially, and the staff agrees the filing is eligible, the firm will receive a Limited Review No Objections Letter. If a firm provides the two required representations initially, and the staff agrees the filing is eligible, the firm will receive a Limited Review Defer Letter. If the firm later provides the additional four representations, then the staff may issue a Limited Review No Objections Letter.

7. What is the language of the Limited Review representations?

The actual text of the representations is as follows:

The screenshot shows the FINRA 'Welcome to FINRA' interface. At the top, it displays 'Issuer Name: Widgets Corp', 'Deal ID: 1100495', and 'Deal Type: Corporate'. Below this, there's a 'Review1' tab and a prompt: 'Please select the review program:'. Three radio buttons are shown: 'Full Review', 'Limited Review' (which is selected), and 'Expedited Review'. A link for 'Review Program Eligibility Help' is also present.

Below the selection, a blue box contains the following text: 'All of the representations below are required to be made to obtain a No Objections Letter. An initial request for a Limited Review can be submitted with deferred representations as shown below. If representations are deferred, a Limited Review Defer Letter will be issued. The Department reserves the right to not grant a Limited Review request.'

There are six representations, each with a checkbox and a text description:

- Req** ☐ We represent that all documents required to be filed pursuant to FINRA Rule 5110, have been or will be submitted no later than 5 business days prior to the member's participation. Documents required include but are not limited to underwriting or distribution related documents, any engagement letters, letters of intent or any other document entered into by any participating member(s) and the issuer during the 180 days preceding the initial filing with the SEC.
- Req** ☐ All representations made at this time are accurate to the best of our knowledge. We undertake to notify the staff, no later than 5 business days prior to the member's participation of any changes that may affect the staff's No Objections Letter. We understand that this notification may require a review prior to the member's participation. If a notification is not made, the information filed herein will be presumed to be accurate at the time of the member's participation in the offering.
- Opt** ☐ We represent that the association or affiliation between any participating member(s) and any officer, director, or beneficial owner of 5% or more of any class of the issuer's securities is indicated (if applicable) in the Association/Affiliation Summary.
☐ Agree ☐ Defer
- Opt** ☐ We represent that the terms and arrangements between participating FINRA members and the issuer do not include any prohibited arrangements as described in FINRA Rule 5110(f)(2). The term "participating members" is defined in FINRA Rule 5110(a)(4).
☐ Agree ☐ Defer
- Opt** ☐ We represent that no participating member(s) has acquired unregistered securities that would be considered underwriting compensation during the period beginning 180 days preceding the initial filing with the SEC through 90 days after the effective date of the filing.
☐ Agree ☐ Defer
- Opt** ☐ We represent that in the event the offering is subject to FINRA Rule 5121, the registration statement or offering circular will comply with the prominent disclosure provisions.
☐ Agree ☐ Defer

At the bottom of the form, there is a 'Submit' button.

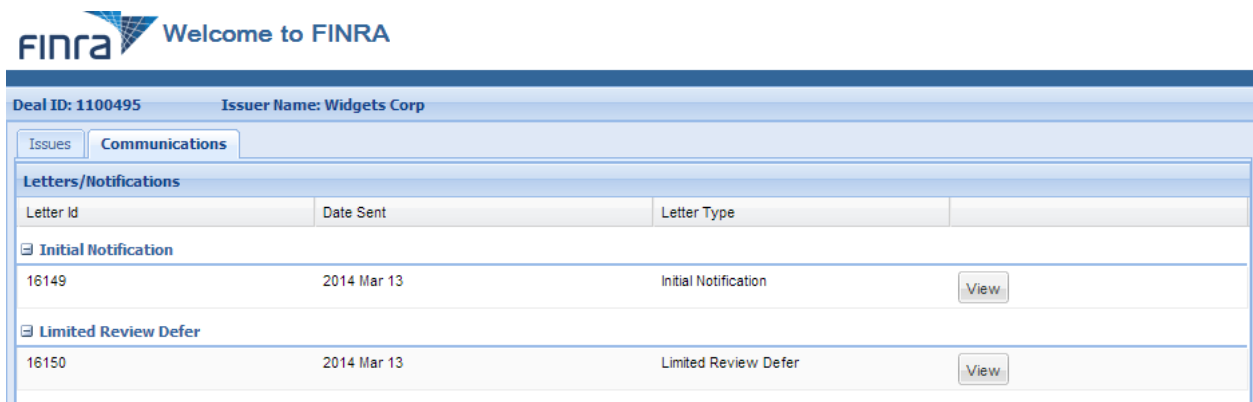
8. How do I know if a Limited Review request has been granted?

The staff will review filings for eligibility and often will grant Limited Review requests on the same business day that they are filed. Once a Limited Review request is granted, you will receive an email indicating that the filing was assigned and the Filing Cabinet will reflect that the review program for the offering has changed to Limited Review, as shown below.

DEAL ID	FILING ID	ISSUER NAME	VER #	VERSION STATUS	STATUS DATE	REVIEW PROGRAM	DEAL STATUS	DEAL TYPE	ANT. PRICING/EFF. DATE	BSS ASSIGNEE	POR ASSIGNEES	ISSUES
1100495	2014-03-12-1100495	Widgets Corp	1	In Review	03/13/2014	Limited Review	New	Corporate	03/27/2014	Sheena C. Savoy	Joseph B Son, Gabriela Agüero	0 0 0

9. If a Limited Review request is granted, what can I expect?

You can expect a Limited Review Defer or Limited Review No Objections Letter, depending on whether all six representations were provided (see FAQ #6). To retrieve a copy of the letter, go to the Communications section in the filing system.



FINRA Welcome to FINRA

Deal ID: 1100495 Issuer Name: Widgets Corp

Issues Communications

Letters/Notifications

Letter Id	Date Sent	Letter Type	
Initial Notification			
16149	2014 Mar 13	Initial Notification	View
Limited Review Defer			
16150	2014 Mar 13	Limited Review Defer	View

10. Will I receive any comments from FINRA if I select the Limited Review?

No. FINRA will not issue comments in connection with a Limited Review. Filers are welcome to contact the assigned FINRA staff at any time with questions about a filing or the Limited Review. You can also reach the Corporate Financing Department staff by calling (240) 386-4623.

11. How is a Limited Review different from a Full or an Expedited Review?

Instead of the standard comment and response process, which normally occurs in a Full or an Expedited Review, under the Limited Review a firm provides representations to satisfy the requirements of the corporate financing rules. Under Limited Review, no comments are issued and therefore a response (Limited Review Defer Letter or Limited Review No Objections Letter) can be issued much faster.

12. If I select Limited Review, will FINRA staff be available to answer my questions?

Yes. All Limited Review filings are assigned to FINRA staff. If you have any questions, please call

(240) 386-4623 and ask to speak with the reviewers assigned to the offering.

13. When must I submit all documents required to be filed pursuant to FINRA Rule 5110 if I select the Limited Review program?

All documents must be submitted no later than five business days prior to the firm's participation in the distribution of the offering.

14. Is "participation" with respect to the Limited Reviews the same as "participation" as defined in 5110(a)(5)?

No. For purposes of the Limited Review representations, "participation" is when the firm intends to distribute the shares to the public.

15. If I am unable to make all of the required Limited Review representations at the time of the initial filing, is the offering still eligible for Limited Review?

Yes. If you choose to defer your response to any of the four optional representations, and the staff agrees that the filing is eligible, you will receive a Limited Review Defer Letter. When you are able to make all of the required representations you will receive a Limited Review No Objections Letter.

16. Is there a time limit by which I have to submit the remaining Limited Review representations that were initially deferred?

No. There is no limit on the amount of time in which representations have to be provided. This program was designed to take into account offerings in which the due diligence process is not complete at the time of filing.

17. What happens if I cannot obtain the documents and information required to make the representations five days prior to the firm's participation?

FINRA understands that occasionally there are unforeseen circumstances that prevent firms or their counsel from submitting all of the required documents and information within this timeframe. Please discuss any special circumstances with the assigned reviewer as soon as possible. FINRA will then make reasonable accommodations to complete the review within the timeframe available.

18. If I deferred Limited Review representations and later learn that there are potential regulatory issues, what should I do?

You must first submit an update to the filing system to explain in writing the regulatory issues. Next, you should speak to the assigned reviewer to determine how the issue can be resolved and whether the filing should continue to be in the Limited Review program. The staff will recommend that a Limited

Review be moved to a Full Review only if there are significant comments that have to be issued to bring the filing into compliance.

19. If I select the Limited Review program and something changes that either makes the offering ineligible for Limited Review or raises new concerns about the offering, can I switch to a Full or Expedited review?

Yes. If the details of an offering change, the filer can switch review programs. Please notify the reviewer assigned to the filing immediately if you become aware of any changes that would cause the offering to be ineligible for Limited Review.

20. Can I receive a Limited Review No Objections Letter if a filing fee is due?

No. In order to receive a Limited Review No Objections Letter you must provide the Fed Wire information on the Fed Wire Form in the filing system. The Fed Wire Form requires the filer to provide the Fed Wire identification number, the amount of the wire and the date of the wire.