



TO All Regulators

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FROM FINRA - Regulatory User Support

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SUBJECT 2013 Web CRD & IARD Renewal Procedures

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DATE September 14, 2012

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This memo details this year's registration renewal program and includes helpful information on what to expect during this busy season. For the **2013 FINRA Renewal Program**, FINRA will assess and invoice firms for the following fees:

- Regulator registered representative(RR)/agent (AG) renewal fees
- Regulator broker-dealer (BD) renewal fees
- Jurisdiction investment adviser representative (RA) renewal fees
- Jurisdiction investment adviser (IA) firm renewal fees
- Jurisdiction branch renewal fees
- FINRA branch renewal processing fees - \$20 per registered FINRA branch
- FINRA system processing fees - \$45 per RR/AG
- FINRA IARD firm system processing fee - waived for any state-registered IA firm that renews through IARD
- FINRA RA renewal processing fee - \$10 for each RA who renews through Web CRD®

All renewal statements will be available to firms online in the *Accounting* section on Web CRD and IARD™. Joint BD/IA firms will receive a combined statement that is viewable through either system.

#### **MASS TRANSFER MORATORIUM:**

**There will be a moratorium on processing mass transfers from December 8, 2012, through January 15, 2013, due to renewal processing.** The last day firms will be able to request a mass transfer to occur in 2012, is November 20, 2012. A mass transfer is used to programmatically transfer individuals and/or branches and their registrations from one firm to another firm as a result of a merger, acquisition, succession or consolidation. Notices will **not** populate in the Mass Transfer Queue from December 8, 2012 through January 1, 2013.

#### **TRANSITION NOTICE:**

Transition functionality will shut down on November 9, 2012 at 11:00 p.m., Eastern Time (ET). If an IA firm does not transition its firm or investment adviser representatives by November 9, 2012, the firm will not be able to do so until January 2, 2013.

**KEY DATES CALENDAR:**

Below is the Renewal Program Calendar (<http://www.finra.org/renewals>)

<b>October</b>	
1	FINRA suggests that firms review their registered persons to ensure that they have properly and timely reported all appropriate information to Web CRD® and that all open branch offices have individuals assigned to them and are accurately reported.
<b>November</b>	
1	Firms may begin to submit post-dated Forms BDW, ADV-W, U5 and BR Closing/Withdrawal. All post-dated forms must be dated <b>12/31/12</b> .
9	All Transition Filing functionality for investment advisers is unavailable from <b>11 p.m., Eastern Time (ET)</b> , until 1/02/13.
10	Web CRD/IARD unavailable as Preliminary Renewal Statements are generating.
12	<b>PRELIMINARY</b> Renewal Statements and reports are available for viewing and printing.
<b>December</b>	
13	<b>DEADLINE</b> for receipt of Preliminary Renewal Statement payments.
21	<b>DEADLINE to submit form filings prior to year-end is 3 p.m., ET, via Web EFT and 6 p.m., ET, via Web CRD/IARD.</b> Web CRD/IARD available from 7 a.m. until 6 p.m., ET.
22	Web CRD/IARD unavailable as Final Renewal Statements are generating.
24	Web CRD/IARD available for QUERY-only and the creation of "Pending" filings.
25	Web CRD/IARD unavailable due to the holiday schedule.
26-28	Web CRD/IARD available for QUERY-only and the creation of "Pending" filings.
29	Web CRD/IARD unavailable.
31	Web CRD/IARD available for QUERY-only and the creation of "Pending" filings.
<b>January</b>	
1	Web CRD/IARD unavailable due to the holiday schedule.
2	Web CRD/IARD available with complete functionality as of 7 a.m., ET, including submitting form filings and approving registrations. <ul style="list-style-type: none"> <li>• All renewal overpayments are automatically transferred to firms' Daily Accounts. Refund requests should be made from this account.</li> <li>• Final Renewal Statements and reports are available for viewing and printing.</li> </ul>
<b>February</b>	
1	<b>DEADLINE</b> for receipt of FINAL Renewal Statement payments and reporting any Renewal Discrepancies.

## **PUBLICATIONS AVAILABLE TO FIRMS:**

A *Renewal Program Bulletin* will be available to firms at [www.finra.org](http://www.finra.org) and [www.iard.com](http://www.iard.com) in late October. FINRA Regulatory Notices will be available in October 2012 and January 2013 at [www.finra.org](http://www.finra.org). These publications provide notification and instructions about the preliminary and final renewal process to firms. Beginning in October, renewal program information and deadline reminders will be posted to the daily Web CRD/IARD Broadcast Messages. Various communications are sent to firm contacts during the months of November through February.

## **POST-DATED FORMS:**

Web CRD/IARD will accept and process post-dated Forms BDW, ADV-W, U5 and BR Closing/Withdrawal beginning **NOVEMBER 1, 2012**. This process allows firms to file termination forms with a termination date of *December 31, 2012*. Firms will **not** be assessed renewal fees on the Preliminary Renewal Statement for any registrations included on a post-dated filing submitted prior to November 10. Additionally, firms will **not** be assessed renewal fees on the Final Renewal Statement for any registrations included on a post-dated filing.

**Please note:** After a post-dated BDW or ADV-W filing has been submitted, a notice will appear in the appropriate queue. Each notice will indicate a ceased date of 12/31/2012 and should be saved for further action to be taken on or after January 2, 2013. ***Post-dated termination requests should not be termed by regulators until 2013.*** A firm's registration will remain in an Approved status until the post-dated filings are processed during system shutdown. Once that process is complete, the firm's status will change to Termination Requested.

## **PRELIMINARY RENEWAL STATEMENTS:**

Firms are assessed individual registration renewal fees based on the number of *approved* agents and *approved* or *transitioned* (***TRANS\_RQST***) investment adviser representatives along with firm renewal fees based on firm *approved* registrations, *notice filed/transitioned* (***TRANSITIONING***), and/or *ERA* statuses as of 11 p.m., ET, November 9, 2012. The statement will be available online on **NOVEMBER 12, 2012**. Any new and/or terminated registrations requested between November 12, 2012 and the system shutdown on December 21, 2012, will reflect on the Final Renewal Statement.

## **AUTOMATIC DAILY ACCOUNT-TO-RENEWAL ACCOUNT TRANSFER:**

To facilitate payment of renewal fees, FINRA will automatically transfer funds between a firm's Web CRD/IARD Daily Account and its Renewal Account if a firm has the total amount available in its Daily Account to cover the renewal statement amount due on December 13, 2012.

This automatic Daily Account-to-Renewal Account transfer process will also be applied daily beginning January 11, 2013 through February 2, 2013 for payment of Final Renewal Statements on February 1, 2013.

#### **WEB CRD/IARD SHUTDOWN:**

Web CRD/IARD will stop processing form filings on **December 21, 2012, at 6 p.m., ET**, for year-end renewal reconciliation. Both systems will be unavailable for all functions, except query and the creation of "Pending" filings, until **January 2, 2013**. During this time, please note that:

- On December 22, 2012, Web CRD/IARD will be unavailable due to Final Renewal Statement processing.
- On December 25, 2012, Web CRD/IARD will be unavailable due to the holiday schedule.
- After system shutdown/for the remainder of 2012:
  1. Certain functionality (*i.e.*, ability to update/create registrations for individuals and firms) will not be available to any Web CRD/IARD user.
  2. Web CRD/IARD will not accept submission of any electronic filings.
  3. Deficient and Pending registration requests will be held in suspense and will not purge or be included in the 2013 renewal fee assessment.
- On January 2, 2013, complete functionality of Web CRD/IARD resumes at 7 a.m., ET.

#### **PAYMENTS:**

FINRA will send out payments to jurisdictions on or before December 31, 2012 and there will be no associated *Disbursement Detail Report* for this payment. The **Renewals – Regulator Renewal Summary Report** will outline the renewal payment.

#### **JURISDICTION RENEWAL FEES:**

Please submit renewal fee changes to RUS by **September 28, 2012**. To initiate a change, request a copy of your jurisdiction's most current *Web CRD/IARD Combined System and Fee Settings Form* by emailing [reg.support@finra.org](mailto:reg.support@finra.org).

#### **WEB CRD/IARD AUTOMATIC FAILURE TO RENEW PROGRAM:**

The "Automatic Failure to Renew" program was created to lessen the burden on jurisdictions having to manually terminate all BD and/or IA firms that fail to renew. For jurisdictions that participate in this program, Web CRD/IARD will automatically terminate a firm for failure to pay renewal fees effective December 31, 2012. Jurisdictions can participate in the "Automatic Failure to Renew" program for BD and/or IA firms.

**Please note: all agent, investment adviser representative and branch registrations will systematically terminate if a firm fails to pay its renewal fees, regardless of jurisdiction participation.**

#### **FIRMS THAT FAIL TO PAY THEIR PRELIMINARY RENEWAL STATEMENT:**

- FINRA will advise firms that fail to renew and want to be reinstated, to contact each jurisdiction directly and each jurisdiction should advise them of reinstatement procedures.
- Individual registrations with firms that have failed to renew will be terminated as of December 31, 2012, however their FINRA registration statuses will remain approved. Firms are allowed to pay their FINRA renewal fees by the Final Renewal Statement due date.

#### **IA FIRMS NOTICE FILED AND STATE-REGISTERED DURING RENEWALS:**

At the time of the Preliminary or Final Statements, some IA firms have a renewable registration and notice filing status in a single jurisdiction. The firm may be in the process of changing from notice filed to state-registered or vice versa; or be required by your jurisdiction to be both registered and notice filed, or have made an improper filing creating the overlapping statuses. IARD settings provide an option for a jurisdiction to provide a discount to firms that hold both a registration and a notice filing at the same time. IARD will assess the appropriate renewal fees for all registrations/notice filings held at the time of each statement. **To minimize any confusion caused by duplicate charges, jurisdictions should review firm statuses by COB November 9, 2012, to work with firms with erroneous dual statuses prior to the generation of the Preliminary Renewal Statement.** Approving firms that are switching allows the firms to file a Form ADV-W to avoid duplicate charges. If a registration and notice filing renewal fee is assessed and your jurisdiction wishes to authorize a refund of one of the renewal fees, send an email to [reg.support@finra.org](mailto:reg.support@finra.org) on or after January 2, 2013.

#### **REPORTS AVAILABLE FOR JURISDICTIONS:**

Regulators can request their renewal reports through Web CRD/IARD and may choose between PDF format and a download version.

At any time during the year, jurisdictions can request the **Renewals - Firms Requesting Terminations Report** but it is particularly useful during the Renewal Program. This report lists all BD and IA firms with a status of Termination Requested, Pending Withdrawal, or Notice Filed-Removal Requested at End of Year. It **does not** reflect firms that Fail to Renew (FTR). *It will not include firms that submitted post-dated termination filings.*

Jurisdictions that wish to contact IA firms to remind them to pay their renewal fees to FINRA, can request the **Renewals - No Payment – Underpaid IARD-Only Firms Report**. This report lists firms that have not sent in full payment of the fees due on their Preliminary Renewal Statement, or have only submitted a partial payment. *The report is dynamic, therefore, once full payment has been posted, the firm will no longer appear on the report as of the next business day.* The download version provides the firm's contact information including an email address. Jurisdictions should determine how many weeks before Web CRD/IARD shutdown they would like to begin using this report to contact firms. December 13, 2012, is the deadline for receipt of payment.

Two renewal reports will be available to jurisdictions after the final renewal extract has been completed. On or after December 24, 2012, jurisdictions can request:

- The **Renewals - Regulator Renewal Summary Report** - lists the Web CRD/IARD renewal fees for a regulator summarized by organization. The report is sorted by firm CRD Number and includes the firm name, number of individuals renewed, total amount of individual fees assessed, number of branches with the firm, and the total amount of branch fees assessed. If a firm failed to pay its renewal fees, the report will also note that the firm "Failed To Renew" (**FTR**). There is also a summary section showing the total number of individuals, BD and IA firms renewed/not renewed, and the total amount of fees collected and disbursed to the jurisdiction. Once the report has been requested, it is viewable online for 60 calendar days.
- The **Renewals - Regulator Renewal Report** - lists all the renewed individuals and branches for each BD and IA firm. This report can be used for reconciliation purposes as it provides a list of all registrations renewed and not renewed. The report is sorted numerically; first by firm CRD Number and then for each firm listed, by the CRD Number of all the individuals and branches associated with the firm. If a firm failed to pay its renewal fees, the report will note "Failed To Renew" (**FTR**). Once the report has been requested, it is viewable online for 60 calendar days.

**We strongly recommend that each regulator save these two reports for future reference as we are unable to retrieve renewal data for previous years.**

Standard reports are available in PDF and downloadable versions. If you download the report, you may import the data into a spreadsheet or database so that you can manipulate the data.

For assistance with importing a download report into Microsoft Excel, please (Ctrl+) click here: [How To Download A Report From Web CRD](#)

#### **FINAL RENEWAL STATEMENTS:**

The Final Renewal Statement lists the re-calculated renewal fees. Firms will be charged additional fees for approved registrations granted after the Preliminary Renewal Statement on November 12, 2012. Conversely, FINRA removes fees assessed for terminations requested before year end.

#### **SOLE PROP FEES:**

Web CRD/IARD allows jurisdictions to waive its RA registration fee for the individual listed on the Form ADV as the owner if that firm is organized as a sole proprietorship. The waiver is applied when Web CRD/IARD processes the Form U4 the firm files to register that owner/individual. Renewal processing extends this fee waiver to the RA renewal fee as part of the annual Renewal Program. This means that on the Preliminary and Final Renewal Statements, firms will not be charged the annual state RA renewal fee in jurisdictions that grant a waiver for the individual listed as the owner on Schedule A when the ADV indicates the IA is a sole proprietorship.

**DISCREPANCIES:**

Firms will be instructed to report any discrepancies found in their reports by **February 1, 2013**. They should report these, in writing, directly to the attention of the Registration and Disclosure Registration Management Unit, along with supporting documentation (such as Notices of Approval/Termination, Forms U4/U5, Schedule E, ADV Amendments, Forms BDW or ADV-W). If a discrepancy is found to be a FINRA error, RUS will request authorization to correct the record and adjust the fees. You will then see the adjustment on your Disbursement Detail Report.

Should you have further questions<sup>1</sup> regarding this year's Web CRD/IARD Renewal Program, please email us at [reg.support@finra.org](mailto:reg.support@finra.org) or contact RUS at (240) 386-4242. Please direct firms to our Gateway Call Center at (301) 869-6699 for BD firms and (240) 386-4848 for IA firms.

Thank you,

Regulatory User Support Staff

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<sup>1</sup> Members of the NASAA CRD/IARD Forms and Process Project Group and other NASAA staff have reviewed the content of this memo. If you have a specific jurisdiction-related question, please contact these individuals at the telephone numbers listed below:

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