

TO All Regulators

FROM FINRA - Regulatory User Support

SUBJECT 2009 Web CRD[®] IARD Renewal Procedures

DATE September 17, 2008

This memo details this year's registration renewal program and includes helpful information on what to expect during this busy season. For the **2009 FINRA Renewal Program**, FINRA will assess and invoice firms for the following:

1. Regulator 2009 registered representative/agent (AG) renewal fees
2. Regulator 2009 broker-dealer (BD) renewal fees
3. Jurisdiction 2009 investment adviser representative (RA) renewal fees
4. Jurisdiction 2009 investment adviser (IA) firm renewal fees
5. Jurisdiction 2009 branch renewal fees
6. FINRA branch renewal processing fees
7. FINRA system processing fees - \$30 per registered representative/agent
8. FINRA IARD firm system processing fee - waived for any state-registered IA firm that renews through IARD
9. FINRA RA renewal processing fee - waived for each RA who renews through Web CRD

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

MASS TRANSFER MORATORIUM:

There will be a moratorium on processing mass transfers from December 13, 2008, through January 15, 2009, due to the 2009 Renewal Program processing. The last day firms will be able to request a mass transfer to occur in 2008, is November 19, 2008. A mass transfer is used to programmatically transfer individuals/branches and their registrations from one firm to another firm when firms are involved in mergers, acquisitions, successions and consolidations. Notices will **not** populate in the Mass Transfer Queue from December 13, 2008 through January 1, 2009.

TRANSITION NOTICE:

Transition functionality will be shut down on November 4, 2008 at 11:00 p.m., Eastern Time (ET). If an IA firm does not transition its firm or investment adviser representatives by November 4, 2008, the firm will not be able to do so until January 2, 2009.

KEY DATES CALENDAR:

Below is the 2009 Renewal Program Calendar (<http://www.finra.org/renewals>)

October 2008	
1	FINRA suggests that firms begin to 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.
27	Firms may begin to submit post-dated Forms U5 and BR Closing/Withdrawal via Web CRD. All post-dated forms must be dated 12/31/08 .
November 2008	
3	Firms may begin to submit post-dated BDW and ADV-W via Web CRD and/or IARD. All post-dated forms must be dated 12/31/08 .
4	All Transition Filing functionality for investment advisers will shut down at 11:00 p.m., Eastern Time (ET) and will be unavailable until 01/02/09.
8	Extract for PRELIMINARY Renewal Statement generated from Web CRD/IARD. Web CRD/IARD are unavailable.
10	PRELIMINARY Renewal Statements and reports are available for viewing and printing.
December 2008	
12	DEADLINE for receipt of PRELIMINARY Renewal Statement payments. Renewal payments will be transferred from Daily Account to Renewal Account if complete funds are available.
24	Web CRD/IARD are available from 7:00 a.m. until 6:00 p.m., (ET) .
25	Web CRD/IARD are unavailable due to holiday schedule.
26	DEADLINE to submit form filings - 2:00 p.m., (ET) , via Web EFT and 6:00 p.m., (ET) , via Web CRD/IARD.

27-28	Extract for FINAL Renewal Statement generated. Web CRD/IARD are unavailable.
29-31	Web CRD/IARD available for QUERY-only and the creation of "Pending" filings.
January 2009	
1	Web CRD/IARD are unavailable due to holiday schedule.
2	<p>Web CRD/IARD systems' complete functionality is available as of 7:00 a.m., E.T., including submitting form filings and approving registrations.</p> <ul style="list-style-type: none"> • All 2009 Renewal overpayments transferred to firm's' Daily Account. Refund requests should be made from this account. • FINAL Renewal Statements and reports are available via Web CRD/IARD for viewing and printing.
February 2009	
4	DEADLINE for receipt of FINAL Renewal Statement payments and reporting Renewal Discrepancies .

PUBLICATIONS AVAILABLE TO FIRMS:

A *Renewal Program Bulletin* will be available to firms at www.finra.org and www.iard.com in late October. FINRA Regulatory Notices will be available in October 2008 and January 2009 at www.finra.org. These publications provide notification and instructions for 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. The 2009 Renewal Program Calendar was posted on www.finra.org/renewals in August.

Automatic Daily-to-Renewal Account Transfer
 FINRA will automatically transfer funds from a firm's Daily Account to its Renewal Account on December 12, 2008, the Preliminary Renewal Statement payment deadline. FINRA will transfer funds only if a firm has sufficient funds available in its Daily Account on December 12 to cover the amount. Please Note: If a firm does not want funds automatically transferred from its Daily Account to its Renewal Account, the firm should ensure that its payment is received in its Renewal Account by the December 12 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.

POST-DATED FORMS:

Web CRD/IARD will begin accepting and processing post-dated Forms U5 and BR Closing/Withdrawal on **OCTOBER 27, 2008**, and Forms BDW and ADV-W on **NOVEMBER 3, 2008**. This process allows firms to file termination forms with a termination date of December 31, 2008. Firms will not be assessed renewal fees on the Preliminary Renewal Statement for any registrations that have been terminated by a post-dated filing submitted prior to the Preliminary Renewal Statement generation on November 8. Firms will not be assessed renewal fees on the Final Renewal Statement for any registrations that have been terminated by a post-dated filing.

Please note: When 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 12/31/2009 and should be saved for further action to be taken on or after January 2, 2009. 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.

On rare occasions, a firm may file a post-dated BDW in error. In the event that this occurs and the firm contacts FINRA for reinstatement, we will send email communication to the affected regulators and provide instructions based on the circumstance.

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 and/or *notice filed/transitioned* (**TRANSITIONING**) statuses as of the creation of the statement on **NOVEMBER 10, 2008**. Any approvals granted on or after this date will not have a renewal fee assessed to the firm until generation of the Final Renewal Statement.

WEB CRD/IARD SHUTDOWN:

Web CRD/IARD will stop processing form filings on **December 26, 2008, at 6:00 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, 2009**. During this time, **please note that:**

- On December 24, 2008, Web CRD/IARD will be available on an abbreviated schedule from 7:00 a.m. to 6:00 p.m., ET.
- On December 25, 2008, Web CRD/IARD will be unavailable due to the holiday.
- On December 26, 2008, Web CRD/IARD will shutdown at 6:00 p.m., ET.
- After system shutdown/for the remainder of 2008:
 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. These registration requests will not purge or be included in the 2009 renewal fee assessment.
- On January 2, 2009, complete functionality of Web CRD/IARD resumes at 7:00 a.m., ET.

PAYMENTS:

FINRA will send out payments to jurisdictions on or before December 31, 2008 and there will be no associated Disbursement Detail Report for this payment. The **Renewals – Regulator Renewal Summary Report** will outline the 2009 renewal payments.

JURISDICTION RENEWAL FEES:

Please submit changes to renewal fees charged by your jurisdiction to RUS by **October 1, 2008**. 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.

WEB CRD/IARD AUTOMATIC FAILURE TO RENEW PROGRAM:

The "Automatic Failure to Renew" program was created to lessen the burden on jurisdictions by manually terminating 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, 2008. Jurisdictions can participate in the "Automatic Failure to Renew" program for BD and/or IA firms.

If a jurisdiction does not participate in this program, Web CRD/IARD will not systematically change a BD or IA firm's registration status for 2009. **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.**

Listed below, is the current "Automatic Failure to Renew" Broker-Dealer and Investment Adviser Participant List. Please notify RUS by **October 1, 2008**, if your jurisdiction wishes to change its participation in the "Automatic Failure to Renew" program. To obtain a copy of your jurisdiction's most current *Combined Web CRD/IARD System and Fee Settings Form*, send your request to reg.support@finra.org.

Jurisdiction	Participates In Auto Fail To Renew BD Firms	Participates In Auto Fail To Renew IA Firms
Alabama	Yes	Yes
Alaska	No	No
Arizona	No	No
Arkansas	Yes	Yes
California	Yes	Yes
Colorado	No	No
Connecticut	No	No
Delaware	Yes	Yes
Dist Of Columbia	Yes	Yes
Florida	Yes	Yes
Georgia	Yes	Yes
Hawaii	Yes	Yes
Idaho	No	No
Illinois	No	No
Indiana	Yes	Yes
Iowa	Yes	Yes
Kansas	Yes	Yes
Kentucky	Yes	Yes
Louisiana	Yes	Yes
Maine	Yes	Yes
Maryland	Yes	Yes
Massachusetts	Yes	Yes
Michigan	Yes	Yes
Minnesota	Yes	Yes
Mississippi	No	Yes
Missouri	Yes	Yes
Montana	Yes	Yes
Nebraska	Yes	Yes
Nevada	Yes	Yes
New Hampshire	No	No
New Jersey	Yes	Yes
New Mexico	Yes	Yes
New York	No	No
North Carolina	Yes	Yes
North Dakota	No	Yes
Ohio	Yes	Yes
Oklahoma	Yes	Yes
Oregon	Yes	Yes
Pennsylvania	No	No
Puerto Rico	No	Yes

Jurisdiction	Participates In Auto Fail To Renew BD Firms	Participates In Auto Fail To Renew IA Firms
Rhode Island	Yes	Yes
South Carolina	Yes	Yes
South Dakota	Yes	Yes
Tennessee	No	No
Texas	Yes	Yes
Utah	Yes	Yes
Vermont	Yes	Yes
Virgin Islands	Yes	Yes
Virginia	Yes	Yes
Washington	Yes	Yes
West Virginia	Yes	Yes
Wisconsin	Yes	Yes
Wyoming	No	N/A

FIRMS THAT FAIL TO PAY THEIR PRELIMINARY RENEWAL STATEMENT:

- If a firm fails to pay their renewal fees, all agents and investment adviser representatives are affected. FINRA invoices firms for all renewal fees and firms are responsible to pay those fees (as opposed to the responsibility of an individual associated with a firm).
- FINRA will advise firms that fail to renew and want to be reinstated, to contact each jurisdiction directly. Please advise firms on your jurisdiction’s reinstatement procedures for both the firm and its individuals.
- Individual registrations with firms that have failed to renew will be terminated as of December 31, 2008, however their FINRA registration statuses will remain approved. Firms are allowed to pay their FINRA renewal fees with the Final Renewal Statement while maintaining their registrations.

INVESTMENT ADVISER 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 before**

November 8, 2008, 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 ADV-Ws 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. These types of refund authorizations should be sent after the Final Renewal Statements have been posted (January 2, 2009).

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 can be 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), but rather firms that have requested termination on a Form BDW, ADV-W or an ADV Amendment requesting "Removal Requested at End of Year". 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 before they fail to renew, 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. Jurisdictions should determine how many weeks before Web CRD/IARD shutdown they would like to begin using this report to contact firms. December 12, 2008, is the payment due date for "receipt of" payment.

Two renewal reports will be available to jurisdictions after the final renewal extract has been completed. On or after December 29, 2008, jurisdictions can request:

- The **Renewals - Regulator Renewal Summary Report** that 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 "Did Not 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 for sixty (60) calendar days.
- The **Renewals - Regulator Renewal Report** that 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 for 2009. 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**). This report will be available on December 29 and can be viewed for up to sixty (60) 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.

To import a download report into Microsoft Excel, follow these steps:

1. The file that you download from Web CRD/IARD will be a ZIP file. To “unzip” the file, you must have a compression program such as WinZip. If you do not have this program already installed, there are many website that offer a free download. Please see your technology department for more information if you need assistance.
2. Unzip (extract) the text file and save it to a location on your computer.
3. Open Microsoft Excel.
4. Click **File**, then **Open**. At the bottom of the dialog box, you will have the option to change the Files of Type:
 - a. Change this option to All Files.
 - b. Proceed to open the file that you just saved to your computer.
1. The Text Import Wizard will appear:
 - a. Step One: click **Delimited**, then **Next**. You may start the import at Row 1.
 - b. Step Two: check the box for the delimited other. In the textbox next to it, type in a pipe, "|" -- this key is typically found above the Enter key on your keyboard. You may then click **Next**.
 - c. Step Three: the default option should be a General Column Data Format. Click **Finish**.

The data will now be arranged into separate columns and rows. Excel allows the user to sort information quickly and easily. In order to sort the information in your report, follow these steps:

1. Click **Ctrl-A** to Select All.
2. Click **Data** from the menu, then **Sort**.
3. Select the column that you would like to sort the information by (Column A, for example), then click **OK**.
4. If the information is not sorted the way that you want, click **Ctrl-Z** to Undo the sort.

Please note: BD and IA information will be provided as separate sections in all renewal reports.

FINAL RENEWAL STATEMENTS (AVAILABLE FOR FIRMS):

The Final Renewal Statement lists the re-calculated 2009 renewal fees. Firms will be charged additional fees for approved registrations granted after the posting of the Preliminary Renewal Statement on November 10, 2008. Conversely, FINRA will subtract fees assessed for individuals or registrations that were terminated on or before December 31, 2008.

SOLE PROP FEES:

Web CRD/IARD allows jurisdictions to grant a waiver of its RA registration fee for the individual listed on the Form ADV as the owner of a firm if that firm is organized as a sole proprietorship. The waiver is applied when Web CRD/IARD processes the Form U4 that the firm files to register that owner/individual. Renewals processing extends this sole proprietor 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 4, 2009**. 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.

RENEWAL SYSTEM FEES:

Firms that renew through Web CRD/IARD are charged system processing fees. These fees are reflected on the firm's renewal statement. The system fees are:

- FINRA system processing fee - \$30 assessed for all registered representatives/agents who renew through Web CRD/IARD.
- FINRA branch renewal processing fee - \$20 assessed for all BD branch offices that renew through Web CRD/IARD.
- FINRA IARD firm system processing fee - waived for every state-registered investment adviser firm that renews through IARD.

- FINRA RA renewal processing fee - waived for every investment adviser representative who renews through Web CRD.

Should you have further questions¹ regarding the 2009 Web CRD/IARD Renewal Program, please email us at 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

¹ 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:

Larry Burton (615) 532-2963
Pam Epting (850) 410-9805
Gerry Foley (301) 717-0992