

BD and IA Renewals for 2019

Broker-Dealer, Investment Adviser Firm, Agent and Investment Adviser Representative, and Branch Renewals for 2019

Payment Deadline: December 17, 2018

Summary

The 2019 Renewal Program begins on November 12, 2018, when FINRA makes the Preliminary Statements available to all firms in E-Bill. Preliminary Statements are not mailed to firms.

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

October 22, 2018 Firms may begin submitting post-dated Form U5 and BR Closing/Withdrawal filings via Web CRD/IARD.

November 1, 2018 Firms may begin submitting post-dated Form BDW and ADV-W filings via Web CRD/IARD.

Please Note: Registrations terminated by post-dated filings submitted by 11 p.m., Eastern Time (ET), November 9, 2018, do not appear on the firm's Preliminary Statement. The only allowed date for post-dated filings is December 31, 2018.

November 12, 2018 Preliminary Statements are available in E-Bill.

December 17, 2018 Full payment of Preliminary Statements is due.

January 2, 2019 Final Statements are available in E-Bill.

January 21, 2019 Full payment of Final Statements is due.

FINRA advises FINRA-registered firms that failure to remit full payment of their Preliminary Statements to FINRA by December 17, 2018, may cause the firm to become ineligible to do business in the jurisdictions where it is registered, effective January 1, 2019. FINRA-registered firms will also be subject to a late fee if payment is not received by December 17, 2018.

October 31, 2018

Notice Type

- ▶ Renewals

Suggested Routing

- ▶ Compliance
- ▶ Legal
- ▶ Operations
- ▶ Registration
- ▶ Senior Management

Key Topics

- ▶ IARD™
- ▶ Registration
- ▶ Renewals
- ▶ Web CRD®

Referenced Rules & Notices

- ▶ NTM 02-48

In addition to this *Notice*, firms should review the [renewal instructions](#), the *IARD Renewal Program Bulletin* (if applicable) on the [Investment Adviser Registration Depository](#) (IARD) website, and any information mailed to ensure continued eligibility to do business in 2019.

Please direct questions concerning this *Notice* to the FINRA Gateway Call Center at (301) 869-6699.

Background & Discussion

Preliminary Statements

Beginning **November 12, 2018**, Preliminary Statements are available for viewing and printing in [E-Bill](#). The statements include the following fees:

FINRA assesses a fee of \$45 for each individual who renews his/her BD registration with any regulator through Web CRD. Firms can access a list of agents (AGs) assessed this fee by requesting the Renewals—Firm Renewal report from Web CRD. FINRA also assesses the annual statutory disqualification fees for registered individuals.

In addition, any IARD system fees as determined by the North American Securities Administrators Association (NASAA) for investment adviser (IA) firms and their representatives (RAs) who renew through IARD will also be included on the Preliminary Statement.

Based on the number of active FINRA branches, FINRA assesses each firm a branch office annual registration renewal fee per branch. Additionally, FINRA assesses each firm a FINRA branch system processing renewal fee of \$20 per branch. FINRA waives one branch registration renewal and system processing renewal fee per firm.

Please Note: FINRA does not assess the personnel assessment fees through the Renewal Program. All FINRA-registered firms will receive a separate invoice for these fees. Firms can obtain a list of AGs for whom the firms will be assessed the personnel assessment fee by requesting the Renewals—Firm Renewal Roster.

Web CRD/IARD assesses renewal fees for participating state regulators, exchanges and self-regulatory organizations (SROs). Renewal statements reflect any applicable renewal fees assessed for BD and IA firms, branches, and individuals with each SRO and/or jurisdiction.

Some participating jurisdictions may require steps beyond the payment to FINRA of renewal fees to complete their renewal process. Firms should contact each jurisdiction directly for further information on state renewal requirements. A [Regulator Directory](#) is located on the NASAA website.

For detailed information regarding IA renewals, you may also visit the [IARD website](#). For information on states' participation in the IARD Renewal Program, review the [Fees and Accounting page](#) on the IARD website.

FINRA must receive full payment of the Preliminary Statement fees by December 17, 2018.

If payment is not received by December 17, 2018, FINRA-registered firms will be assessed a Renewal Late Fee. FINRA includes this late fee as part of the Final Statement and calculates the fee as follows: 10 percent of a firm's cumulative final renewal assessment or \$100, whichever is greater, with a cap of \$5,000. Please see [Notice to Members \(NTM\) 02-48](#) for details. In addition, if FINRA fails to receive payment by the deadline, firms risk becoming ineligible to do business in the jurisdictions where their registrations are not renewed.

Renewal Payment

Firms may pay electronically through E-Bill, send a wire transfer or mail a check; however, it is highly recommended that funds be remitted via E-Bill. Firms are encouraged to check their Renewal Statements to confirm FINRA has received payment and that the firm's Preliminary Statement is paid in full.

Electronic Payment via E-Bill

Firms may submit electronic payments to fund their Renewal Accounts through [E-Bill](#). FINRA does not charge for using E-Bill; however, firms should verify if their banks charge additional fees. Firms must entitle users to use E-Bill.

Fund Transfers (Flex-Funding to Renewal Account)

Wire transfer and check payments are initially deposited into a firm's Flex-Funding Account in E-Bill. E-Bill users with the proper entitlement may transfer funds from their Flex-Funding Account directly to their Renewal Account (or to an affiliated firm) at any time prior to the December 17 payment deadline to ensure their firm's renewal payment is processed. Beginning December 17, FINRA will systematically transfer funds from Flex-Funding Accounts to Renewal Accounts if the entire outstanding renewal amount is available in the firm's Flex-Funding Account. This automatic transfer process will occur daily for firms that still owe fees on their Preliminary Statements until the system shuts down for renewal processing on December 27. On or after December 17, firms should refrain from initiating a funds transfer from their Flex-Funding Accounts to their Renewal Accounts since that may interfere with the systematic daily transfer that FINRA will conduct.

ACH/Wire Transfer

To initiate a wire or ACH transfer, instruct your firm's bank to contact **Bank of America** and provide your bank with the following information:

Wire ABA Number: **026009593**
 ACH ABA Number: **054001204**
 Beneficiary: **FINRA**
 FINRA Account: **226005684771**
 Reference Number: **Firm CRD number**

(Note: If your firm is located outside of the United States, FINRA's SWIFT-BIC is BOFAUS3N.)

Inform your bank to credit funds to the FINRA bank account and to only use your firm's CRD number as a reference. Record the **confirmation number** of the wire transfer provided by your bank.

If you send your wire transfer by 2 p.m., ET, you may confirm receipt the next business day by reviewing your Flex-Funding Account.

Checks

Checks should be made **payable to FINRA** and your firm's **CRD number** should be written on the check memo line. Processing of check payments may take up to two business days. Please account for mail delivery and payment processing time when sending payment. Send payment in the blue, pre-addressed renewal payment envelope mailed to your firm in early November or write the address on an envelope exactly as noted in this *Notice*:

| U.S. Mail | Express/Overnight Delivery |
|---|--|
| FINRA P.O. Box 418911 Boston, MA 02241-8911 Note: This P.O. Box will not accept courier or overnight deliveries. | Bank of America Lockbox Services FINRA 418911 MA5-527-02-07 2 Morrissey Blvd. Dorchester, MA 02125 Provide the following phone number, if required: (800) 376-2703 |

Renewal Reports

When Preliminary Statements are made available, firms should request, download and print renewal reports via Web CRD/IARD. The three renewal reports available for reconciliation with the Preliminary Statement are:

- ▶ **Firm Renewal Report**—lists individuals included in the Renewal Program and includes billing codes (if the firm has provided them).
- ▶ **Branches Renewal Report**—lists each branch registered with FINRA and/or with any other regulator that renews branches through Web CRD/IARD and for which the firm is being assessed a fee.
- ▶ **Approved AG Reg Without FINRA Approval Report**—contains all individuals who are not registered with FINRA, but are registered with one or more jurisdictions. Firms should request this report to request any FINRA registrations or terminate jurisdiction registrations for those individuals.

Post-Dated Form Filings

Post-dated termination filings permit firms to indicate before year-end that they are terminating one or more registrations on December 31, 2018. The affected individual, firm and/or branch may continue doing business in that jurisdiction until the end of the calendar year. **December 31, 2018, is the only date allowed for a post-dated form filing.** Firms that submit termination filings before the generation of the Preliminary Statement will not be assessed renewal fees for the terminated registrations. Firms that submit termination filings after the generation of the Preliminary Statement, but before the year-end system shutdown, should see a credit balance on their Final Statements (provided the firm has not requested additional registrations that offset the credit balance). See the Summary section for key dates related to post-dated termination filings.

After submitting a termination filing, firms should query individual, branch and/or firm registrations to ensure that Form U5, BR Closing/Withdrawal, BDW and ADV-W filings process by the renewal filing deadline date of 6 p.m., ET, on December 27, 2018.

Firms should exercise care when submitting all post-dated filings. Web CRD/IARD processes these forms when they are submitted; **FINRA cannot withdraw a post-dated termination filing.** A firm that submits a post-dated termination filing in error will have to file a new Form U4, BD, Form BR or Form ADV when Web CRD/IARD resumes normal processing on January 2, 2019, and Web CRD/IARD will assess new registration fees.

Filing Form BDW

The deadline for electronic filing of a Form BDW for any firm that wants to terminate a registration before year-end is 6 p.m., ET, December 27, 2018.

Filing Form ADV to Cancel Notice Filings or Form ADV-W to Terminate Registrations

Firms that either unmark a state notice filing on a Form ADV Amendment, (generating the status of "Removal Requested at End of Year") or terminate a state registration on a Form ADV-W filed by 11 p.m., ET, November 9, 2018, will avoid the assessment of applicable renewal fees on their Preliminary Statements. The deadline to submit a form filing that will cancel a notice filing or terminate a state registration before year-end is 6 p.m., ET, December 27, 2018.

Renewals Mass Transfer Moratorium

A mass transfer is used to systematically transfer individuals and branch offices from one firm to another firm as a result of a merger, acquisition, succession or consolidation. December 5, 2018, is the last day firms will be able to request that a mass transfer occur in 2018. There will be a moratorium on mass transfer processing from December 28, 2018, through January 1, 2019.

Final Statements

On January 2, 2019, FINRA makes available all Final Statements in E-Bill. These statements reflect the status of BD, AG, IA firm and RA registrations, exempt reporting, or notice filings as of December 31, 2018. Any adjustments in fees owed resulting from registration terminations, approvals, notice filings or transitions after the Preliminary Statement appear on the Final Statement.

- ▶ The Final Statement reflects an amount owed if a firm has more individuals, branch offices or jurisdictions registered and/or notice filed at year end than it did when the Preliminary Statement was generated.
- ▶ If a firm has fewer individuals, branch offices or jurisdictions registered or notice filed at year end than it did on the Preliminary Statement, FINRA transfers any overpayments to firms' Flex-Funding Accounts on January 2, 2019. Firms that have a credit balance in their Flex-Funding Account may submit a [refund request through E-bill](#).

When Final Statements are made available, firms should request the **Firm Renewal Report** through Web CRD, which will list all individuals renewed with SROs/exchanges and each jurisdiction. AGs and RAs whose registrations are “approved” in any of these jurisdictions during November and December will be included in this roster. “Pending” and “deficient” registrations at year’s end are not included in the Renewal Program. Firms will also be able to request the **Branches Renewal Report** that lists all branches for which they have been assessed renewal fees. Versions of these reports will also be available for download.

Firms have until **January 21, 2019**, to report any discrepancies on the renewal reports. This is also the deadline for receipt of final payment. Specific information and instructions concerning the Final Statement and renewal reports will be available in a January 2019 *Regulatory Notice*.