

BD and IA Renewals for 2016

Broker-Dealer, Investment Adviser Firm, Agent and Investment Adviser Representative, and Branch Renewals for 2016

Payment Deadline: December 18, 2015

Executive Summary

The 2016 Renewal Program begins on November 16, 2015, when FINRA makes the online Preliminary Statements available to all firms on Web CRD/IARD.

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

October 26, 2015 Firms may begin submitting post-dated Form U5 and BR Closing/Withdrawal filings via Web CRD/IARD.

November 2, 2015 Firms may begin submitting post-dated Form BDW and ADV-W filings via Web CRD/IARD.

Please Note: Post-dated filings submitted by 11 p.m., Eastern Time (ET), November 13, 2015, do not appear on the firm's Preliminary Statement. The only allowed date for post-dated filings is December 31, 2015.

November 16, 2015 Preliminary Statements are available on Web CRD/IARD.

December 18, 2015 Full payment of Preliminary Statements is due.

January 4, 2016 Final Statements are available on Web CRD/IARD.

January 15, 2016 Full payment of Final Statements is due.

October 2015

Notice Type

- ▶ Renewals

Suggested Routing

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

Key Topics

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

Referenced Rules & Notices

- ▶ NTM 02-48

FINRA advises FINRA-registered firms that failure to remit full payment of their Preliminary Statements to FINRA by December 18, 2015, may cause the firm to become ineligible to do business in the jurisdictions where it is registered, effective January 1, 2016. FINRA-registered firms will also be subject to a late fee if payment is not received by December 18, 2015.

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 2016.

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

Background & Discussion

Preliminary Statements

Beginning **November 16, 2015**, Preliminary Statements are available for viewing and printing on Web CRD/IARD. 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 Roster. FINRA also assesses the annual statutory disqualification fees for registered individuals.

In addition, any IARD system fees as determined by the SEC and/or the North American Securities Administrators Association (NASAA) for investment adviser (IA) firms and investment adviser 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. FINRA waives one branch office annual registration renewal fee per firm. Additionally, FINRA assesses each firm a FINRA branch system processing renewal fee of \$20 per branch. FINRA waives one branch 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 and self-regulatory organizations (SROs)/exchanges including: BATS Y-Exchange, Inc. (BATS-YX), BATS Z-Exchange, Inc. (BATS-ZX), BOX Options Exchange, LLC (BOX), NASDAQ OMX BX, Inc. (BX), C2 Options Exchange, Incorporated (C2), Chicago Board Options Exchange (CBOE), Chicago Stock Exchange (CHX), EDGA Exchange, Inc. (EDGA), EDGX Exchange, Inc.(EDGX), International Securities Exchange (ISE), ISE GEMINI (ISE GEMINI), Miami International Stock Exchange, LLC (MIAX), NASDAQ Stock Exchange (NQX), National Stock Exchange (NSX), New York Stock Exchange (NYSE), NYSE Arca, Inc. (ARCA), NYSE MKT LLC (NYSE-MKT), and NASDAQ OMX PHLX, Inc. (PHLX) maintenance fees, if applicable. The system displays any applicable renewal fees for broker-dealer/investment adviser firm, branch, agent and RA registered 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 18, 2015.

If payment is not received by December 18, 2015, 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 also risk becoming ineligible to do business in the jurisdictions where their registrations are not renewed.

Renewal Payment

Firms may pay electronically through FINRA's E-Bill system, 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 Renewal Statement balance is paid in full.

Electronic Payment via E-Bill

Firms may submit electronic payments to fund their renewal accounts through FINRA's [E-Bill](#) system. FINRA does not charge for using E-Bill; however, firms should verify if their banks charge additional fees. Firms must enroll to use E-Bill. For your convenience, a hyperlink to E-Bill is on your firm's renewal statement.

Please Note: Firm users with the proper entitlement may transfer funds from their Flex-Funding Account to their Renewal Account or transfer funds between affiliated firms at any time by using E-Bill.

ACH/Wire Transfer

Wire transfer and check payments are initially deposited into a firm's Flex-Funding Account. Beginning December 11, 2015, if sufficient funds are available, FINRA will systematically transfer funds from Flex-Funding Accounts to Renewal Accounts. Firms do not have to wait for FINRA to systematically transfer funds on December 11 as firms have the ability to transfer funds to their Renewal Accounts using E-Bill. Funds will only be systematically transferred if the entire renewal amount owed is available in the firm's Flex-Funding Account. This automatic Flex-Funding Account-to-Renewal Account transfer process will also be applied daily beginning January 11, 2016, for firms that still owe fees on their Final Statements.

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

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, print and/or download renewal reports via Web CRD/IARD. The three renewal reports available for reconciliation with the Preliminary Statement:

- ▶ **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 as soon as possible to determine if it needs to request any FINRA registrations or terminate jurisdiction registrations.

Post-Dated Form Filings

Firms can begin filing post-dated Form U5 and BR Closing/Withdrawal termination filings on October 26, 2015, and Form BDW and ADV-W filings on November 2, 2015. Post-dated filings are filings that have a termination date of December 31, 2015. If a post-dated Form U5, BDW, BR Closing/Withdrawal or ADV-W filing is submitted, the affected individual, firm, and/or branch may continue doing business in that jurisdiction until the end of the calendar year without being assessed renewal fees. **December 31, 2015, is the only date allowed for a post-dated form filing.**

Firms that submit post-dated termination filings by 11 p.m., ET, on November 13, 2015, **will not** be assessed renewal fees for the select registrations on their Preliminary Statements. Firms that submit post-dated termination filings on, or after, November 13, 2015, will not be assessed renewal fees for the select registrations on their Final Statements. Those firms should see a credit balance on their Final Statements if the firm has not requested additional registrations during that time period to offset the credit balance.

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 28, 2015.

Firms should exercise care when submitting all post-dated filings. Web CRD/IARD processes these forms when they are submitted and 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 4, 2016, 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 28, 2015.

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

Firms that file either a Form ADV Amendment, unmarking a state (generating the status of "Removal Requested at End of Year") or a Form ADV-W by 11 p.m., ET, November 13, 2015, avoid the assessment of applicable renewal fees on their Preliminary Statements. The deadline to file Form ADV Amendments or Form ADV-W for firms that want to cancel a notice filing or terminate a state registration before year-end is 6 p.m., ET, December 28, 2015.

Removing Open Registrations

The "Approved AG Reg Without FINRA Approval Report" report identifies AGs with an approved jurisdiction registration but who do not have an approved FINRA registration. Firms should use this report to terminate obsolete jurisdiction registrations through the submission of a Form U5 or reinstate the FINRA positions through the filing of a Form U4 Amendment.

Renewals Mass Transfer Moratorium

A mass transfer is used to programmatically transfer individuals and branch offices from one firm to another firm as a result of a merger, acquisition, succession or consolidation. December 2, 2015, is the last day firms will be able to request that a mass transfer occur in 2015. There will be a moratorium on mass transfers from December 23, 2015, through January 15, 2016.

Final Statements

On January 4, 2016, FINRA makes available all Final Statements on Web CRD/IARD. These statements reflect the status of broker-dealer, AG, investment adviser firm and RA registrations, exempt reporting, or notice filings as of December 31, 2015. Any adjustments in fees owed resulting from registration terminations, approvals, notice filings or transitions after the Preliminary Statement appear on the Final Statement.

- ▶ Web CRD/IARD 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.
- ▶ A refund is issued 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 overpayments to firms' Flex-Funding Accounts on January 4, 2016. Firms that have a credit balance in their Flex-Funding Account may submit a [refund request](#).

When Final Statements are made available, firms should access the Web CRD reports functionality for the **Firm Renewal Report**, 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 15, 2016**, 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 2016 *Regulatory Notice*.