

2014 IARD Renewal Program Bulletin

November 2013

This issue of the *Bulletin* is devoted to the Renewal Program. It provides you with the information you need to renew your investment adviser (IA) firm and representatives' (denoted in Web CRD[®] as "RAs") registrations with participating regulators by answering the following questions:

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- II. Will my IA firm and representatives renew electronically through IARD™?
- III. What is a post-dated form filing and why are these filings accepted during renewals?
- IV. How do I renew my IA firm and representatives electronically through IARD/Web CRD?
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I. What is the Renewal Program?

In order for an IA firm to maintain active registrations and/or notice filing statuses with jurisdictions/states and for investment adviser representatives to maintain active registration statuses, firms must pay applicable renewal fees annually. The Renewal Program facilitates the renewal of registrations/notice filings with participating jurisdictions. As the operator of IARD, FINRA collects the renewal fees of electronic IA filers and then disburses those fees to the appropriate jurisdictions. Additionally, the Renewal Program includes the collection of annual system processing fees for all representatives and state-registered IA firms.

Update about Annual System Processing Fees

For the 2014 Renewal Program, NASAA is waiving the annual \$100 system processing fee for IA firms and reducing from \$45 to \$10 the annual system processing fee for representatives.

***Important Note to SEC-Registered IA Firms:** *The Renewal Program facilitates the annual renewal of IA firms and their representatives' registrations/notice filings with jurisdictions/states. The program is not relevant to, and does not involve fees associated with a firm's SEC registration.*

II. Will my IA firm and representatives renew electronically through the IARD Renewal Program?

IA firms and representatives that meet one of the following conditions will be included in the Renewal Program:

- A. "Approved" status as of Nov. 8, 2013:** IA firms and representatives with active "Approved" registration statuses in IARD/Web CRD by 11 p.m., Eastern Time (ET), Nov. 8, will renew electronically and have a Preliminary Renewal Statement available on Nov. 11, 2013.
- B. "Pending Approval" status as of Nov. 8, and becomes "Approved" by Dec. 26, 2013:**
- An IA firm with an "Approved" registration status in IARD but its representatives are "Pending Approval" in IARD/Web CRD as of 11 p.m., ET, Nov. 8, will have a Preliminary Renewal Statement with only the IA firm's renewal fees assessed. If the firm's representatives are approved prior to 6 p.m., ET, Dec. 26, the representatives will also renew and their renewal fees will be assessed on the firm's Final Renewal Statement, which becomes available on Jan. 2, 2014.
 - An IA firm and its representatives that are "Pending Approval" in IARD/Web CRD as of 11 p.m., ET, Nov. 8, and are approved prior to 6 p.m., ET, Dec. 26, will renew electronically. A Preliminary Renewal Statement will not have been generated since the statement is based on registration statuses as of 11 p.m., ET, Nov. 8; however, the renewal fees for the IA firm and its representatives will be assessed on the firm's Final Renewal Statement, available Jan. 2, 2014.
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III. What is a post-dated form filing and why are these filings accepted during Renewals?

A post-dated full or partial Form U5, ADV-W or BR Closing/Withdrawal filing that is submitted with a termination date of Dec. 31, 2013, enables representatives, firms or branches to maintain some or all existing registrations until the end of the calendar year. The only termination date allowed for a post-dated form filing is Dec. 31, 2013.

A. Types of Post-Dated Termination Filings:

- **Post-Dated Form ADV-W, U5 or BR Closing/Withdrawal Filing:** Beginning Nov. 1, 2013, firms may submit a full or partial post-dated Form ADV-W, U5 or BR Closing/Withdrawal. A post-dated Form ADV-W will allow an IA firm to maintain its registration(s) and continue doing business as an adviser until the end of the calendar year. The post-dated Form U5 will allow an IA firm representative to maintain his/her registration(s) and continue doing business until the end of the calendar year. A post-dated Form BR Closing/Withdrawal will allow an IA firm to maintain its branch registration(s) until the end of the calendar year.

B. Period In Which Post-Dated Termination Filings Will Be Accepted:

- **Nov. 1 – 8, 2013:** Post-dated Form ADV-W, U5 or BR Closing/Withdrawal termination filings submitted during this period will ensure the IA firm is not assessed renewal fees on the firm's Preliminary Renewal Statement for registrations that will be terminated at year-end.
- **Nov. 11 – Dec. 26, 2013:** Post-dated Form ADV-W, U5 or BR Closing/Withdrawal filings submitted during this period will ensure that the IA firm is refunded any renewal fees assessed for those registrations that will be terminated at year-end. On Jan. 2, 2014, any overpayment amounts for Preliminary Renewal Statements will be credited to firms' FINRA Flex-Funding Accounts and refund requests can then be made from those accounts.

C. Post-Dated Termination Filings Cannot Be Withdrawn

Firms should exercise care when filing post-dated Forms U5, ADV-W or BR Closing/Withdrawal since IARD/Web CRD will process these filings as they are submitted and the filings cannot be withdrawn.

- If a post-dated **full** Form U5, ADV-W or BR Closing/Withdrawal filing has been submitted but the firm decides it does not want to terminate registration, then new Forms U4, ADV or BR must be submitted on or after Jan. 2, 2014, to re-register the IA representative, firm or branch. All applicable registration fees will be assessed.
- If a post-dated **partial** Form U5, ADV-W, BR Closing/Withdrawal filing has been submitted but the firm decides it does not want to terminate those registrations, then a Form U4 Amendment, ADV Amendment, ADV or BR as appropriate, must be submitted on or after Jan. 2, 2014, to re-request registration. All applicable registration fees will be assessed.

IV. How do I renew my IA firm and representatives electronically through IARD?

A. Log onto IARD/Web CRD

Users of IARD/Web CRD must have a valid system user account with a user ID and password in order to access the systems. Contact your firm's super account administrator if you would like to establish a user account. If you have a user ID but have forgotten your password, select the *Forgot Password?* link on the IARD/Web CRD login page to have a new temporary password emailed to you.

B. Retrieve your firm's online Preliminary Renewal Statement in IARD

Preliminary Renewal Statements will be available online for retrieval and printing via IARD/Web CRD beginning Nov. 11, 2013, for IA firms and their representatives with approved registration statuses in the system as of 11 p.m., ET, Nov. 8, 2013. Preliminary Renewal Statements may also be obtained through E-Bill, an online application that enables a firm to authorize electronic payment directly from its designated bank account to the firm's Flex-Funding Account. FINRA must receive full payment of your firm's Preliminary Renewal Statement by **Friday, Dec. 13, 2013**. Sending only a partial payment may cause your firm and representatives to fail to renew.

To retrieve your firm's Preliminary Renewal Statement:

1. Log onto [IARD](#).
2. Enter your user ID and password.
3. Select the *Renewal Statement* link under the *Accounting* section.
4. Print the statement. A copy of the statement's first page should be included with any check payment.

Firms are encouraged to submit their electronic (*i.e.*, E-Bill, wire transfer) renewal payment no later than Dec. 10 in order for payment to post to their Renewal Account by the deadline. Firms paying by check should account for U.S. mail delivery and payment processing time.

The statement will reflect the total amount due for the following approved registration statuses in IARD/Web CRD as of Nov. 8, 2013:

- The IA firm's approved registrations and/or notice filings and the renewal fees due in order to maintain registrations/notice filings with those jurisdictions.
- The IA firm's branch office registrations and/or notice filings and the renewal fees due in order to maintain branch office registrations/notice filings with those jurisdictions.
- The IA representatives of the firm and their approved registrations and the renewal fees due in order to maintain registrations with those jurisdictions.
- For the 2014 Renewal Program, NASAA is waiving the annual \$100 system processing fee for IA firms and reducing the \$45 system processing fee for IA representatives to \$10.

C. Pay your firm's Preliminary Renewal Statement by the Dec. 13, 2013 deadline

Keep in mind that there is an increased volume in accounting transactions during the renewal season, particularly to fund firm renewal accounts. Please be sure to allow sufficient time for deposited funds to be processed and reflected in your firm's Renewal Account by the deadline.

Firms have several options for payment of their renewal statements, including:

- Electronic payment via E-Bill (*E-Bill has replaced Web CRD/IARD E-Pay*)
- Wire transfer
- Automatic Flex-Funding Account-to-Renewal Account Transfer
- Check

E-Bill

New for the 2014 Renewal Program, firms may choose to submit electronic payments to fund their renewal accounts through FINRA's [E-Bill](#) system. The [E-Bill User's Guide](#) provides detailed instructions on how to enroll and use this payment method. E-Bill is accessible from your Preliminary and Final Renewal Statements, and allows you to make an electronic payment from a designated bank account to your Flex-Funding Account. Firm users with the proper entitlement and transfer privileges may then transfer funds from the firm's Flex-Funding Account to the firm's Renewal Account. Please note that an E-Bill entitlement is required in order to access this online application. View the [SAA Self-Entitlement Guide for E-Bill](#) for more information.

Wire Transfer

Firms may wire payment into their Renewal Accounts.

- Wire payments sent by 2 p.m., ET, should post the next business day. Wire payments sent after 2 p.m., ET, may take up to two business days to post to your Renewal Account.
- Instruct your firm's bank to contact: **BNY Mellon Financial Corporation.**
- Provide your bank with the following information to initiate a wire transfer:
 - ABA Number: **031000037**
 - Beneficiary: **FINRA**
 - FINRA Account Number: **8-234-353**
 - Reference Number: **Firm's CRD Number and "Renewal"**

- Inform your bank to credit funds to the FINRA bank account and to use your firm's CRD Number and the word "Renewal" as a reference.
- Please record the **Confirmation Number** of the wire transfer given to you by your bank.
- Confirm receipt of the wire payment by checking your firm's Renewal Account in IARD/Web CRD or calling the IARD Call Center at (240) 386-4848. Please have the confirmation number of the wire transfer provided to you by your bank.

Automatic Flex-Funding Account-to-Renewal Account Transfer

Beginning on Dec. 11, 2013, and through Dec. 26, 2013, if a firm has sufficient funds available in its Flex-Funding Account to cover the total renewal fees due, then FINRA will automatically transfer funds from a firm's Flex-Funding Account to its Renewal Account. **Please Note:** If your firm does not want funds automatically transferred, then ensure FINRA receives payment in your firm's Renewal Account using E-Bill or wire transfer. Separately, if your firm needs to transfer funds between affiliated firms, you should submit a [Web CRD/IARD Funds Transfer Request](#) form.

The automatic Flex-Funding Account-to-Renewal Account transfer process will also be applied daily beginning Jan. 13, 2014, until any outstanding renewal assessment is satisfied, for payment of Final Renewal Statements which are due on Jan. 10, 2014.

Check

All Web CRD/IARD check payments sent to FINRA are deposited into firm's Flex-Funding Accounts. If you mail a check to pay your firm's renewal fees, it will not be applied to your Renewal Account until Dec. 11, 2013, when FINRA begins the automatic Flex-Funding Account-to-Renewal Account transfer noted above. For inclusion in the automatic transfer, please ensure that you have sufficient funds in your Flex-Funding Account to cover the total renewal fees due. If you would like your renewal payment to be applied before Dec. 11, then you must pay using E-Bill or with a wire transfer directly to your Renewal Account. If you are submitting payment for more than one firm, do not combine check payments. Be sure to allow for U.S. mail delivery and payment processing time.

- Print and enclose a copy of the first page of your Renewal Statement.
- Make check payable to FINRA and write your firm's **CRD Number** on the face of the check.
- Make sure you **copy the appropriate address exactly as it appears below**. If you exclude any of the information, it may delay the receipt of your payment.

U.S. Mail	Express/Overnight Delivery
FINRA/CRD P.O. Box 7777 - W9995 Philadelphia, PA 19175-9995 (Note: This P.O. Box address will not accept courier or overnight deliveries.)	FINRA Attention: 9995 500 Ross Street 154-0455 Pittsburgh, PA 15262 Provide the following phone number if one is required for the recipient: (240) 386-4848

Misapplied Renewal Payments

We recommend that you check your firm's Renewal Account online to confirm your payment has posted. The following are possible scenarios for misapplication of renewal payments:

- The payment may have had an incorrect firm CRD number or unrecognizable name if a clearing firm sent the payment and, therefore, was held by FINRA's Finance Department for research.
- The payment may have had an incorrect lockbox number used in the address and may have been posted to another FINRA billing system.

If your firm believes there has been a misapplication of payment, please contact the IARD Call Center at (240) 386-4848. Please supply as much information as possible relating to the payment so that we can research it and make a prompt correction.

D. Retrieve your firm's online Final Renewal Statement in IARD on or after Jan. 2, 2014

Beginning Jan. 2, 2014, Final Renewal Statements for IA firms will be available in IARD/Web CRD. For guidance in retrieving your firm's Final Renewal Statement, refer to the process outlined above for retrieving Preliminary Renewal Statements. The Final Renewal Statement will reflect the final registration statuses of your IA firm and representatives as of Dec. 31, 2013. Any adjustments as a result of registration approvals or terminations subsequent to the Preliminary Renewal Statement will be made in this final reconciled statement. If your statement reflects an amount due, then FINRA must receive full payment by **Jan. 10, 2014**.

The total adjusted amount on your firm's Final Renewal Statement will display either 'Paid In Full' or an 'Amount Due.'

- If your statement shows an 'Amount Due' (*i.e.*, positive amount or debit balance), then your firm needs to pay the balance to FINRA by **Jan. 10, 2014**.
 - Print the statement and include the first page of the statement if you are paying with a check.
 - [Acceptable Renewal Payment Methods](#) listed previously for Preliminary Renewal Statement payment are also accepted for payment of your Final Renewal Statement.
- If the 'Paid In Full' amount on your firm's Final Renewal Statement is less than the amount your firm paid for its Preliminary Renewal Statement then your overpayment has been systematically transferred to your firm's Flex-Funding Account. Any refunds should be requested from that account.

The statement will reflect the total adjusted amount for approved or terminated registration statuses in IARD/Web CRD as of Dec. 31, 2013:

- The jurisdictions with which the firm is registered and the amount paid to jurisdictions to renew those registrations/notice filings.
- The jurisdictions with which the firm's branch office(s) are registered and the amount paid to jurisdictions to renew those branch office registrations/notice filings.
- The number of representatives with approved registrations with jurisdictions and the amount paid to renew those registrations.
- Renewal fees owed by your IA firm for any firm or representative registrations that were approved after the Preliminary Renewal Statement was generated but prior to system shutdown on Dec. 26, 2013.
- For the 2014 Renewal Program, NASAA is waiving the annual \$100 system processing fee for IA firms and reducing the \$45 system processing fee for representatives to \$10.

E. Pay your firm's Final Renewal Statement by the Jan. 10, 2014 receipt deadline if your statement shows an amount due.

[Acceptable Renewal Payment Methods](#) listed previously for Preliminary Renewal Statement payment also apply for payment of your Final Renewal Statement.

- **Automatic Flex-Funding Account-to-Renewal Account Transfer**

As noted above, all Web CRD/IARD check payments sent to FINRA are now only deposited into firms' Flex-Funding Accounts. If you mail a check to pay your firm's Final Renewal Statement, it will not be applied to your Renewal Account until Jan. 13, 2014, when FINRA automatically transfers funds from a firm's Flex-Funding Account to its Renewal Account. FINRA will transfer funds only when a firm has sufficient funds available in its Flex-Funding Account to cover the full amount due. If you would like your renewal payment to be applied before Jan. 13, then you must pay using E-Bill or with a wire transfer directly to your Renewal

Account. Separately, if your firm wishes to transfer funds between affiliated firms, you should submit a [Web CRD/IARD Transfer Request](#) form.

- **Request a refund for an overpayment of renewal fees:**

In conjunction with renewal processing, all renewal overpayments by firms made to FINRA will be systematically transferred to the firms' Flex-Funding Accounts. Firms may leave the funds in their Flex-Funding Accounts to use for future registration fees or submit a [refund request](#) to FINRA.

Report any discrepancies on your firm's Final Renewal Statement by Jan. 10, 2014.

If your firm believes there are discrepancies on your Final Renewal Statement, report them in writing directly to FINRA by Jan. 10, 2014. Along with your letter describing the discrepancy, please include a copy of your Final Renewal Statement and any supporting documentation such as Forms U4, U5, ADV, ADV-W, BR Closing/Withdrawal or Amendment Filings. Send Final Renewal Statement discrepancy letters to:

FINRA
Registration & Disclosure – Registration Management
9509 Key West Avenue
Rockville, MD 20850
(240) 386-4848

V. What are renewal reports and what are they used for?

A firm renewal report is sorted by regulator and lists all of your firm's representatives with approved registration statuses in IARD/Web CRD. Firms should use this report to verify the number of representatives and their approved registration statuses for which the firm is being assessed 2014 renewal fees. A branches renewal report lists each branch included in the Renewal Program processing for which the firm is being assessed a fee. Both of these reports include billing codes if the firm has supplied them. Firms should keep a copy of applicable renewal reports for their records.

- **Preliminary Firm Renewal Reports:**

Beginning Nov. 11, 2013, firms can request, print, or download their preliminary renewal reports.

- **Final Firm Renewal Reports:**

Beginning Jan. 2, 2014, the preliminary information will be updated and populated with the final renewal reports and firms can request, print, or download these reports.

- **To request either a preliminary or final renewal report via IARD, follow these steps:**

1. Log onto [IARD](#).
2. Enter your user ID and password.
3. From the site map, select *Request Reports* under the *Reports* section. If you do not have entitlement to access Reports, please contact your firm's Account Administrator.
4. Select the report that you would like to receive by clicking on the title of the report. A form will open up and you will need to submit all required information for fields with an asterisk (*) next to them.
5. Select the *Submit* button and record the Report ID Number provided as a reference. Most reports will be available to view shortly after you submit your request.

- **To view the report once it is available:**

1. From the site map, select *View Report* under the *Reports* section. A new browser window will appear that will list all of the reports that you have requested.
2. Select the Report ID Number you wish to view. The link will either open the report in the browser window or prompt you to save the document to your computer depending on the type of report that you requested.

- **Firm Renewal Report Download:**

The *firm renewal download* is a downloadable report of all individuals who are eligible for renewal or were renewed for the firm. Download reports are usually requested by large firms that plan to import the downloadable data into a spreadsheet or database in order to format or sort the data differently. Your firm will be able to download this report from *View Reports* (Reports Tab). After downloading the report, firms may need an application to unzip the file. There are no fees associated with this report request. Detailed instructions are available on [how to download this report](#).

- **Please note the following regarding reports:**

- The 'RA Discount Fee' is only applicable to an individual that is both an IA representative and a broker-dealer agent (denoted in Web CRD as "AG").
- All reports expire after a defined period of time, which displays in either the *Days to View* column on the *Request Report* screen prior to selecting a report or from the *Expires On* column of the *View Report* screen after a report has been requested.

VI. What will happen if my firm fails to renew?

An IA firm that has an online Preliminary Renewal Statement and does not pay it in full will have all of its representatives' registrations with jurisdictions terminated effective Dec. 31, 2013. Additionally, your IA firm's registration/notice filings with jurisdictions will be terminated effective Dec. 31, 2013, if your firm was registered/noticed filed in a jurisdiction that participates in the IARD Automatic Failure To Renew Program. This program provides jurisdictions the ability to authorize FINRA to systematically terminate the firm's registration, on behalf of the jurisdiction, with a termination date of Dec. 31, 2013, if the firm fails to pay the full amount of its online Preliminary Renewal Statement. **If this should occur, firms are advised to contact each jurisdiction directly to determine the appropriate reinstatement procedures.**

NOTE: An IA firm and its representatives that are approved between Nov. 11 and Dec. 26, 2013, will have their applicable renewal fees assessed and collected in the firm's online Final Renewal Statement, which will be available on IARD beginning Jan. 2, 2014. These firms will neither have an online Preliminary Renewal Statement nor will they automatically fail to renew on Dec. 31, 2013.

Please be advised that many jurisdictions levy fines for failure to renew properly. A complete list of each state office's contact information is provided on the NASAA website [IA State Directory](#).

The following jurisdictions are participating in the Automatic Fail To Renew Program for 2014 (current as of Sept. 28, 2013):

Jurisdictions Participating In Auto Fail To Renew		
Alabama	Maine	Oklahoma
Alaska	Maryland	Oregon
Arkansas	Massachusetts	Puerto Rico
California	Michigan	Rhode Island
Connecticut	Minnesota	South Carolina
Delaware	Mississippi	South Dakota
District Of Columbia	Missouri	Texas
Florida	Montana	Utah
Georgia	Nebraska	Vermont
Hawaii	Nevada	Virgin Islands
Indiana	New Jersey	Virginia
Iowa	New Mexico	Washington
Kansas	North Carolina	West Virginia
Kentucky	North Dakota	Wisconsin
Louisiana	Ohio	

VII. What will be the IARD and Web CRD System Availability during the holidays and year-end renewal processing?

Please check the [IARD System Availability Schedule](#) and the IARD Broadcast Message regularly for updates or changes to when IARD/Web CRD will be available during the holidays and year-end renewal processing. **PLEASE NOTE:** Availability dates are subject to change.

IARD/Web CRD will not be available Dec. 25, 27 and 28, 2013, and Jan. 1, 2014. Please note that no IARD/Web CRD system processing will occur Dec. 27 – 31, 2013. During this period, the system may be available for your firm to query and create pending form filings but you will not be able to submit them until Jan. 2, 2014, when full system functionality becomes available again. Please refer to the [2014 IARD Renewal Program Calendar](#) for important renewal dates and deadlines.

VIII. Are there additional resources available that provide renewal information?

- A. [IARD Renewal Program Checklist](#)
- B. [IARD Renewal Program Calendar](#)
- C. [IA Firm State Registration/Notice Filing Fee Schedule](#)
- D. [IA Representative State Registration Filing Fee Schedule](#)
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