

## How Will Relicensing Methods Be Set?

At the start-up of Web CRD, all individuals will be defaulted to the **automatic** review method. At any point in time, for any reason, a regulator may reset the review method at an individual level, or firm level, as it sees fit. The Web CRD system will automatically reset the review method to **temporary** for jurisdictions when new or updated disclosure information is submitted.

Initially, Web CRD will populate the Page 3 questions with all “no” answers *if there is no existing reportable disclosure in the legacy CRD system*. If there is existing disclosure, the system will leave the Page 3 questions blank.

If an individual wishes to relicense and there is existing disclosure, before he/she can relicense, he/she must complete a new Page 3. For individuals falling into this category (*i.e.*, relicensing with existing disclosure), the CRD/Public Disclosure Department will grant approval within one business day of receipt of the filing, if there are no other deficiencies and the filing is correct, unless he/she is subject to a statutory disqualification.

“New” or “updated” disclosure is defined as follows:

- ❖ A change in the answer to a question on the Page 3: Either a “yes” to a “no”, or a “no” to a “yes”. [Note: This does not include initial completion of Page 3 for individuals with existing disclosure.]
- OR
- ❖ A new or updated DRP submission.
- OR
- ❖ Both of the above: A Page 3 with a change in answer **and** a DRP.

## Other Relicensing Guidelines

- ❖ An individual may only relicense in a jurisdiction if he/she maintained a license in that jurisdiction within the preceding 30 days.
- ❖ Temporary Registration Section of Page 5 of the Form U-4 must be completed, signed, and dated.
- ❖ Each member firm must check its queues daily to monitor the registration status of its registered representatives.

## Fees Assessed For Page 3 Certification Questions

Please be aware that the registration fee (\$20) and the disclosure review fee (\$95) will be assessed when the certification box on Page 3 is checked. These fees will be assessed even if the certification box was checked in error. This applies to the certification questions on both Forms U-4 and U-5.

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# CRD/PD Bulletin



A PUBLICATION OF THE NASD REGULATION CRD/PUBLIC DISCLOSURE DEPARTMENT

VOLUME 6/NO. 5

## From The Desk Of . . .

As the rollout of the new Central Registration Depository (CRD<sup>SM</sup>) system approaches, we are also transitioning the name from CRD Modernization to Web CRD, a name that more accurately conveys what the new system means to all CRD users. To assist you with the transition to Web CRD, we are committed to providing you, our member firms, with the most complete and up-to-date information on how Web CRD will affect your day-to-day operations. You may recall that last summer we initiated a new publication, *CRD Modernization Update*, to provide this type of focused information on a regular basis.

As the rollout nears, it is even more important that you receive more frequent and timely information on Web CRD. With that goal in mind we are, with this issue of the *CRD/PD Bulletin*, combining the two publications into one. Now, each issue of the *Bulletin* will include a special section devoted exclusively to modernized issues. We will refer to this section of the *Bulletin* as the *Web CRD Update* so that it will be easily identifiable for quick reference.

Of course, each issue of the *CRD/PD Bulletin* will continue to be posted on the NASD Regulation, Inc., Web Site ([www.nasdr.com](http://www.nasdr.com)) for your convenience.

I urge you to read this issue of the *Bulletin*, with the special section of *Web CRD Update*, beginning on page 9, carefully, as it contains a wealth of information on what you need to do now to be prepared for the deployment of Web CRD later this year.

Sincerely,

Barbara Z. Sweeney  
Director  
CRD/Public Disclosure Department

MARCH 1999



### IN THIS ISSUE:

- ✦ The "System Transition Period": What it will mean to your firm.
- ✦ "Countdown to Web CRD", the 1999 CRD Conference on the new CRD system. Register now to reserve your seat!
- ✦ Meet the CRD/Public Disclosure Department Front-Line Managers: Interviews with the people who can answer your questions about Regulatory Services, Research, Training, and Web CRD.
- ✦ Web CRD Update, Volume 2, Number 1: Up-to-date information on the new applications of Web CRD.



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## Upcoming System Transition Period

### *What Your Firm Needs To Know To Be Prepared*

The rollout of Web CRD will occur in the third quarter of 1999. We are currently developing a transition plan for the implementation of the new forms and transition from the legacy CRD system to Web CRD. As we switch from the legacy CRD system to Web CRD, there will be a period during which neither system will process registration-related activities. This period, which will occur immediately prior to the rollout of Web CRD, is the System Transition Period.

**We currently anticipate that the System Transition Period will run from July 31, 1999 until Web CRD is deployed on August 16, 1999.**

#### *During the System Transition Period:*

∅ **No new filings (e.g., requests for exams, requests to add new states, BD amendments, etc.) will be accepted.** Thus, member firms will want to submit all new registrations and transfers prior to July 31 or else hold them for filing electronically after August 16. Note that filings made on or after August 16 must be submitted electronically on the new forms. Any filings submitted on Interim Forms after July 31 will be returned.

Exams scheduled prior to the System Transition Period can be taken during that period of time. The exam results will be posted to Web CRD before the completion of the System Transition Period (*i.e.*, on or before August 16).

Each member firm will be required to refile the Form BD data prior to filing its first Form BD amendment on Web CRD.

**No financial transactions will be processed.**

∅ This means that each member firm will need to anticipate the account balance it will need on August 16th when Web CRD is deployed and ensure at least that amount of money is in its account on July 31.


**No mass transfers will be processed.**

∅ During the System Transition Period, there are two types of filings that **will** be processed:

- ✓ **All full Forms U-5 will be processed.** The CRD/Public Disclosure Department will perform a manual review of any Form U-5 to segregate those containing disclosure.
- ✓ **A transition Temporary Agent Transfer (TAT) will be allowed during the System Transition Period if it meets the guidelines for the current TAT program:**
  - ✦ the individual being transferred has left his/her previous employer within the past seven days and has no disclosure;
  - ✦ the firm certifies in writing that no disclosure exists;
  - ✦ the firm electronically files a new non-deficient Form U-4 within 21 days of the transition TAT request, or the transition TAT will expire.

We are continuing to work with the entire registration community to identify and address specific issues and concerns relating to the System Transition Period. This information will be posted on the NASD Regulation Web Site, [www.nasdr.com](http://www.nasdr.com). Check that Site often for additional information on the exact timing of the System Transition Period, as well as special procedures which will be in place for its duration.

Additionally, the System Transition Period and what it will mean to your firm will be a focus of discussion at the upcoming "Countdown to Web CRD" conferences to be held later this spring. [Refer to related article on page 3.]



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## System Transition Period Schedule - August 1 through August 16, 1999

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Last forms sent to NASD Regulation	Day -1 (assumes overnight delivery)
Final forms received by NASD Regulation	Day 0
Data entry of last forms/last EFT received	Day 1
Final disclosure review/state & SRO acceptance	Days 2 & 3
Final state & SRO acceptance	Day 4
Data conversion manual/automated	Days 5 - 16
Start processing new forms on Web CRD	Day 17

## Countdown To Web CRD—Five Conferences Set For Spring 1999

Web CRD is coming! Due to be deployed in the third quarter of 1999, this Windows-based system will revolutionize the way in which your firm submits form filings to NASD Regulation. In anticipation of the new system's rollout, NASD Regulation will hold five conferences later this spring to provide you an opportunity to learn about the key applications of Web CRD.

This one and one-half day program, conveniently offered in five locations across the country, is jam-packed with up-to-date information all registration and licensing personnel need to know and understand about Web CRD. Program highlights will include:

- ❖ Overview of Web CRD and how it will make your job easier.
- ❖ Detailed discussion of the System Transition Period: What it is, how it will affect your firm, and what steps you can take now to minimize its impact upon your day-to-day operations.
- ❖ Detailed workshops on Web CRD applications which you will be using later this year: Form Filing, Registration Management, CRD Accounting, and Entitlement/Account Administration.
- ❖ Extensive Question & Answer period following the workshops to answer your specific questions on how Web CRD will affect your business.

Mark your calendar now to attend one of the "Countdown to Web CRD" conferences:

<b>Los Angeles, CA</b>	<b>April 7-8</b>
<b>Atlanta, GA</b>	<b>April 14-15</b>
<b>Washington, DC</b>	<b>April 20-21</b>
<b>New York, NY</b>	<b>April 29-30</b>
<b>Chicago, IL</b>	<b>May 4-5</b>

Early-bird registration is \$395 and is \$450 after the assigned cut-off dates (see brochure for specifics). Fees include continental breakfast, lunch, a reception, refreshments, and all conference materials.

Registration materials were mailed to all CRD contacts and NASD executive representatives in late February. If you prefer, you may also obtain a copy of the registration form via the NASD Regulation Web Site at [www.nasdr.com](http://www.nasdr.com) under the "Conferences and Events" area.

Don't delay! Conference space is limited and is available on a first-come, first-served basis. Questions concerning "Countdown to Web CRD" conferences may be directed to NASD Conference Services at (202) 728-8383 or to the CRD/PD Gateway Call Center at (301) 590-6500.

**Note: Space for the New York conference is full and registration has been closed**





# Meet The CRD/Public Disclosure Front-Line Managers

In the August 1998 issue of *CRD/PD Bulletin*, we began “introducing” readers to those persons in front-line management positions within the CRD/Public Disclosure Department. These are the people who have day-to-day responsibility for assuring that your questions are addressed, your form filings are efficiently processed, and that any form deficiencies are quickly resolved. In this and future issues of the *CRD/PD Bulletin*, we will feature interviews with these managers with the goal of increasing your knowledge and understanding of who we are and what we do.

This issue of the *Bulletin* features interviews with Konrad Afande, Information and Research; Rhonda James, Regulatory Services; Elena Shuvalov, Web CRD; and, Karen Weinstein, Training.

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**Konrad Afande** Supervisor, Information and Research  
**301.590.6182**

Mr. Afande is Supervisor of the CRD/Public Disclosure Department’s Information and Research Group, which has responsibility for conducting research on and, when appropriate, making corrections to individual CRD records. The Information and Research Group includes MediaSource<sup>SM</sup>, which provides NASD and subsidiary publications upon request, and provides information to the public on NASD, NASD Regulation, and Nasdaq-Amex as appropriate.

“The Information and Research Group evolved through the Department’s recent restructuring efforts. Once a part of each former Quality & Service Team, the research function has been centralized to provide more specialized and consistent service to member firms. The Group is a part of the Gateway Call Center and is comprised of three service areas: CRD records research, Internet inquiries research, and MediaSource.

“Member firms are perhaps most familiar with the CRD records research function of the Group. In this role, the Information and Research Unit supports the Call Center

by handling those TRAC cases pertaining to form filing questions. We customarily receive 100 TRAC cases per day in the Information and Research Group. Of that number, we are consistently able to ‘close’ or resolve 90 percent within two business days. For the remaining 10 percent of the cases we are unable to close within the two business day time frame, we call the affected member firms to advise them of the status of their respective cases.

“Most of the TRAC cases we see in Information and Research involve either errors contained within the form filings themselves or late filing of time-sensitive filings, e.g., TATs or purges that have termed. Firms can avoid the opening of TRAC cases by paying careful attention when completing and submitting form filings and by filing time-sensitive filings well in advance to allow time for processing.

“We are experiencing an increased number of research inquiries via the Internet. Our staff responds to questions concerning NASD Regulation, as well as its parent company, the NASD, and its sister subsidiaries, including Nasdaq-Amex. Inquiries received by e-mail are usually answered the day in which they are received.

“Our MediaSource staff responds to requests for NASD publications, usually 65 per day, from member firms as well as the general public. Please allow seven to ten business days to receive orders placed through MediaSource and up to six to eight weeks to receive subscription publications. There is, however, an alternative to receiving NASD publications through the mail. You may obtain publications directly from the NASD ([www.nasd.com](http://www.nasd.com)) and NASD Regulation ([www.nasdr.com](http://www.nasdr.com)) Web Sites on the Internet.

“Many of our most sought after publications, including *Notices to Members*, *Regulatory & Compliance Alert*, and the *CRD/PD Bulletin*, may be downloaded or printed directly from these Web Sites. Forms U-4, U-5, and BD are also available at your convenience and without charge from these Internet locations.”

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**Rhonda D. James** Manager, Regulatory Services  
301.590.6840

Ms. James is Manager of Regulatory Review in the CRD/Public Disclosure Department. She has responsibility for review of all registration filings involving regulatory compliance-related activities including statutory disqualifications, NASD formal actions, arbitrations, SRO regulatory actions, and Department of Justice criminal records. Her Unit is also responsible for the final review and approval for all agent applications with disclosure information.

“The Regulatory Review Unit of the CRD/Public Disclosure Department functions in a “watchdog” role to assure that actions taken by the relevant regulatory bodies that affect NASD membership status or the disclosure obligation of a member of associated person are addressed.

“This Unit, previously know as Client and Regulatory Services, has day-to-day responsibilities for five key areas: acceptance, arbitration, criminal records, regulatory actions, and statutory disqualification. The 15 persons comprising the Regulatory Review Unit are highly trained specialists, each assigned to one of the five areas of responsibility.

“Acceptance is the final review and approval of individuals with disclosure. This is a manual review of an individual’s record by a Statutory Disqualification (SD) Coordinator, the purpose of which is to identify any person that may be subject to a statutory disqualification.


“It is the responsibility of the regulatory actions area to review all information submitted from the 50 states, the NASD, and the SROs (*e.g.*, the New York Stock Exchange, Chicago Board Options Exchange, etc.) concerning sanctions taken against individuals and firms. The regulatory actions staff reviews the information submitted and enters it to CRD. This Unit is also responsible for referring information to the SD area to take the appropriate action, based on the sanction, whether through NASD formal actions or state and SEC formal actions.

“The final area within the Regulatory Review Unit deals with statutory disqualification. Statutory disqualification is defined in Sections 3(a) 39 and 15(b) 4 of the Securities Exchange Act of 1934, as well as in the NASD By-Laws under Article III, Section 4. An SD review will be triggered by any felony conviction, including guilty or *nolo contendere* pleas within the past 10 years, as well as any misdemeanor convictions involving fraud, false statements, theft of funds or any negotiable instrument, extortion, robbery, perjury, bribery, counterfeiting, burglary, or conspiracy to commit any of these offenses.

“An SD review may also be triggered by regulatory or judicial actions, including orders of permanent injunction or bars and revocations by the SEC, Commodity Futures Trading Commission (CFTC), or an SRO. Note, however, the bars and revocations imposed by state regulatory authorities do not on their own trigger a statutory disqualification review.

“A person subject to SD is prohibited from becoming associated with a member of the NASD, or any other SRO, without appropriate regulatory approval. An NASD member firm may apply for such approval on behalf of an SD by completing and submitting Form MC-400. That form is used to provide the NASD with information that it needs in determining whether to approve the proposed or continued association of a person subject to SD. It also elicits information the NASD needs to make an appropriate filing with the SEC, depending on the outcome of its determination. Firms that complete the Form MC-400 will want to pay particular attention to Questions 10 and 14, which address the proposed supervision of the individual and whether the firm employs any other individuals who are subject to an SD, respectively. Please note, however, the MC-400 Form will only be sent to the firm along with the notification letter regarding an individual’s disqualification status. It is not a form that can be requested.

“Watching the dynamics of these five independent areas working together on a daily basis is truly rewarding. We work as a team; yet, each and every member of the team is extremely knowledgeable in his/her specialized



areas of expertise. Every individual is committed to providing quality customer service to our members, while taking our ‘watch dog’ responsibility seriously. We believe that we contribute to the investor protection goals of the NASD.”

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**Elena Shuvalov** Manager, Web CRD Requirements  
**301.212.8191**

Ms. Shuvalov is the Web CRD Requirements Manager for CRD/Public Disclosure Business Requirements and Integration. Her main responsibility is product management in the development and implementation of Web CRD.

“The Web CRD Team works closely with NASD Regulation’s technology staff to identify and implement the requirements for the new CRD system. We also have responsibility for the prototyping system, and managing the various pilots scheduled for rollout prior to the deployment of Web CRD.

“Web CRD will be Web-based and accessible through the Internet. Firms will not need to purchase additional software, and there will be no NASD on-line usage fee. Using the modernized system, all NASD member firms, not just subscribers to the Firm Access Query System (FAQS), will be able to submit form filings electronically. Additionally, the modernized system will identify form and data deficiencies before the form is filed, informing member firms that necessary information is missing. These are just a few of the enhancements that should greatly improve the speed and efficiency of form filing.

“Throughout the past several months, we have had the opportunity to meet with a number of current CRD constituents (*i.e.*, member firms, SROs, states, the SEC) to preview various prototypes of the new system. Their feedback has been consistent: Web CRD is user-friendly.

“For example, in October, we released the Form U-4 Page 2 Pilot, a ‘sliver’ of the Form Filing functionality. Ten

member firms participated in this pilot by submitting Page 2 of the Form U-4 electronically. The response to the pilot was good, and we received constructive feedback from the participants.

“The success of the Form U-4 Page 2 Pilot is encouraging to us as we look forward into 1999 and the planned ‘community test’, as well as the implementation of the new CRD system. The ‘community test’ is one of the main tools we will use to prepare the user community for the new CRD system. The ‘community test’ will involve representatives from member firms, SROs, states, and the SEC to test the functionality of Web CRD end-to-end: from form filing to acceptance by the regulator to the registration of an individual. The ‘community test’ will be conducted in two phases. Phase One will be conducted with a small number of participants testing the system according to a script. Phase Two will be opened up to all current CRD constituents. It is important to note that the ‘community test’ will utilize the functionalities of the modernized system, but will use ‘test’ data.

“All member firms will be able to participate in Phase Two of the ‘community test’, scheduled for the second quarter of 1999. We strongly encourage member firms to take advantage of this opportunity to train those persons who will use the system on a daily basis and to assure that those persons are comfortable working in a Windows and Web environment.

“In anticipation of the ‘community test’ and the ultimate release of Web CRD, firms that have not already done so should establish an Internet account. NASD Regulation is in the process of establishing user IDs and log-ins for all persons who will be using the modernized system.

“One final tip as we prepare to move into the Web CRD environment in the third quarter of 1999: be sure to review the New Forms U-4, U-5, BD, and BDW. Web CRD is based upon these forms which contain changes from the Interim Forms. We expect that revised Forms U-4 and U-5 will be approved soon by the SEC, and the



Forms BD and BDW will be adopted shortly thereafter. NASDR plans to make the new forms available on the NASDR Web Site ([www.nasdr.com](http://www.nasdr.com)) as soon as possible.

“We are excited about Web CRD and the efficiencies it will introduce into the day-to-day operations of the entire registration and licensing community. We hope your firm will be involved in the upcoming pilots and tests so that you will be ready to move into the electronic filing age with us next year.”

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**Karen Weinstein**    *Manager, Training*  
**301.590.6921**

Ms. Weinstein is the CRD/Public Disclosure Department’s Training Manager. She is responsible for identifying the Department’s staff development needs and for designing and implementing a range of tools to support individual and Departmental growth. Ms. Weinstein is also charged with leading the Department’s transition to Web CRD, as well as assisting member firms, NASD Districts, states, and other SROs to adapt to Web CRD.

“CRD/Public Disclosure’s Training Unit is responsible for providing the Department’s staff with the tools they need to perform their jobs at the highest possible level of competence. Because the Department is so large, our biggest challenge is to customize each training session to meet the requirements of its various units.

“All new employees receive overview training, including a ‘big picture’ review of the Department, its goals, and objectives, as well as systems training on TRAC, CRD, and PDP/I [Public Disclosure Program on the Internet]. The new employees receive their specific functional training. Current staff is offered refresher training as well as update training for any new CRD/PD developments. An example of update training occurred between

February and May of 1998, when the Training Unit conducted 12 training sessions on the Interim Forms to assure that all staff would be prepared to answer member firms’ inquiries relating to the Interim Forms U-4, U-5, and BD.

“Our primary training challenge for 1999 is to prepare all CRD/Public Disclosure Department staff for the deployment of Web CRD. Training on the new imaging function, which will replace microfilming, has already begun, as has the documentation of new work processes. Our goal is to make transition to Web CRD seamless to the member firms with respect to a continued high level of customer service satisfaction.

“The Training Unit is also working with Technology Services to provide the appropriate job aids and navigation guides to those member firms, states, SROs, and NASD District Offices that are participating in our Static Prototype. Our goal here is to assist the various CRD constituents to become comfortable with the new applications before the actual rollout of Web CRD later this year.

“To summarize, the CRD/Public Disclosure Department’s Training Unit is dedicated to providing the Department’s staff with the tools and expertise required to continue to provide the member firms with consistent first-class customer service on all registration and licensing issues.”



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## 1999 NASD Regulation Spring Securities Conference

May 19 - May 21  
*New Orleans, LA*

## 1999 NASD Regulation Fall Securities Conference

October 20 - October 22  
*Seattle, WA*



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# WEB CRD Update



VOLUME 2 • NUMBER 1

MARCH 1999

## IN THIS ISSUE:

This third issue of *Web CRD Update* contains information on several of the specific components of Web CRD, including procedures for account administration setup, how to forward a file to a registered representative, form filing completeness checks, and much more. Additionally, the Relicensing application, highlighted in the last issue of *CRD Modernization Update*, is explained in greater detail in this issue.

It is important to note that the design of Web CRD has been the joint effort of many users of the current CRD, including the firms, states, SROs, SEC, and NASD Regulation. Regular meetings with both internal and external users provided opportunities to gather and validate the critical system requirements which were finalized and incorporated into the design of Web CRD. Prototypes were created and presented to CRD users to allow for constructive feedback. Comments from CRD constituents have been and will continue to be evaluated and implemented into Web CRD, based on priority, in successive releases.





## Static Prototype

In December 1998, NASD Regulation rolled out the Static Prototype which allows current CRD constituents an opportunity to review and provide feedback on the Web CRD system prior to its release in August 1999. Beginning in December 1998, CRD constituents (*i.e.*, member firms, states, District Offices, SROs, and the SEC) began taking advantage of the opportunity to become familiar with the functionality, as well as the look and feel, of Web CRD.


The Static Prototype is presented in two phases. The first phase allows participants to access the prototype Web pages for the Form Filing (Forms U-4, U-5, BD, BDW, and U-6), Individual Processing (Individual Query), and Organization Processing (Organization Query) functionalities. The second phase of the Prototype, which was recently released in March 1999, provides participants with access to additional functionalities, including additional screens in Individual Query and Organization Query. In addition, it contains the Firm, SRO, and Jurisdiction Queues that display individual events, as well as the Firm, SEC, Jurisdiction, and SRO Queues that display firm information.

The name "Static Prototype" is used because there is no live data within the application; instead, data was created to simulate actual data (one individual and one organization) that will populate the Web CRD system.

## Account Administration

With the deployment of Web CRD in August 1999, registration filings will be made electronically through the Internet. In preparation for this major upgrade, NASD Regulation must establish user accounts for those persons who will be using Web CRD for registration purposes. NASD Regulation estimates that some 30,000 user accounts will need to be established by no later than June 1999 to prepare for the August deployment of Web CRD. The CRD/Public Disclosure Account Administrator, as well as each Organization Account Administrator, will play important roles in this process.

With the deployment of Web CRD in August 1999, registration filings will be made electronically through the Internet.



The CRD/Public Disclosure Department Account Administrator will be responsible for:

- ❖ creating all user accounts;
- ❖ creating all initial passwords;
- ❖ resetting locked-out accounts for organizations' Account Administrators;
- ❖ setting privileges (entitlements) for all designated Account Administrators; and,
- ❖ disabling or deleting an account.

Before an organization can use Web CRD for electronic filing, it must designate an Organization Account Administrator. The Organization Account Administrator is responsible for:

- ❖ requesting user accounts for individuals in his/her organization;
- ❖ resetting passwords for his/her organization's users;
- ❖ resetting locked-out accounts for his/her organization's users;
- ❖ setting or changing user privileges (entitlements) for his/her organization's users;
- ❖ disabling accounts, when necessary; and,
- ❖ providing his/her organization's users with user names and initial passwords.

To facilitate the user entitlement process, NASD Regulation has mailed to each of the CRD constituent organizations a Web CRD entitlement package. Each organization must complete, and have an appropriate person execute, the CRD Modernization User Accounts Acknowledgment Form (UAAF) included in the packet.

The CRD/Public Disclosure Department will create the user accounts for each organization and then send a letter of confirmation containing the Account Administrator's user name and initial password. Upon receipt of the confirmation letter from the CRD/Public Disclosure Department Account Administrator, the Organization Account Administrator should set the privileges for the users and provide the users with their user names and initial passwords. The confirmation package will also include instructions for how to use the system and change passwords.

Questions regarding Account Administration may be directed to the Gateway Call Center at (301) 212-8181.

**Before an organization can use Web CRD for electronic filing, it must designate an Organization Account Administrator.**



## Forwarding The Filing To The Registered Representative

Web CRD will allow a firm to forward a Form U-4 filing to either a registered representative or to a branch office. After initiating the Form U-4 filing for the registered representative, the registration office forwards the filing, along with an identifying reference number, to the registered representative via e-mail. The firm may elect to send the entire filing or everything except the Page 1 to the registered representative. The registered representative then logs onto the Registered Representative Web Site, enters the reference number to access the filing, updates the filing, and then routes the filing back to the registration office. The registration office in turn electronically submits the Form U-4 filing to the CRD.

The Form Filing function of Web CRD will contain “completeness checks” to aid firms in successfully completing forms.

## Form Filing Completeness Checks

The Form Filing function of Web CRD will contain “completeness checks” to aid firms in successfully completing forms for electronic transmission to NASD Regulation. The goal of the completeness check functionality is to facilitate complete, non-deficient filings resulting in more efficient and timely registration approvals.

The following tables specify the information that must be provided on Form U-4 and Form U-5 filings, as well as on DRPs (Disclosure Reporting Pages), to meet the completeness check of Web CRD. You will want to retain these tables for reference purposes.

## Form U-4

### General Information:

Last name	Required
First name	Required
Fingerprint Bar code	Required
Form U-4 employment date	Required. Must be less than or equal to the current date.
Office of Employment Address	Required

### Personal Information:

Height	Required
Weight	Required
Date of Birth	Required
Sex	Required
Hair color	Required
Eye color	Required

### SRO/Registration and Jurisdiction:

SRO	At least one SRO/Registration shall be requested
Jurisdiction	If a jurisdiction registration is selected, then at least one NASD registration must be requested

### Residential History:

	A Form U-4 must contain at a minimum five years of residential history. A gap of no greater than three months will be allowed between residential addresses.
From Date	Required
Address (street, city, state/country)	Required

### Employment History:

A Form U-4 shall contain at a minimum 10 years of employment history. A gap of no greater than three months shall be allowed between employment entries.

Employment	Required
From	Required
To	To is not required for current employment
Business name	Required
Address (city, state/country)	Required
Position held	Required

### Other Business:

Question answered "Yes"	Other Business description must be given
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### Disclosure Questions:

	Disclosure questions must be explicitly answered "Yes" or "No"
Disclosure Questions 23A or 23B answered "Yes"	Must include a Criminal Disclosure Reporting Page*
Disclosure Questions 23C, 23D, 23E, 23F, or 23G1, answered "Yes"	Must include a Regulatory Action Disclosure Reporting Page*
Disclosure Questions 23G2 answered "Yes"	Must include an Investigation Disclosure Reporting Page*

\* If the certification question is selected, a DRP is not required provided details have been previously reported on a DRP.

Disclosure Questions 23H answered "Yes"

Must include a Civil Judicial Disclosure Reporting Page\*

Disclosure Questions 23I answered "Yes"

Must include a Customer Complaint Disclosure Reporting Page\*

Disclosure Questions 23J answered "Yes"

Must include a Termination Disclosure Reporting Page\*

Disclosure Questions 23K answered "Yes"

Must include a Bankruptcy/SIPC/Compromise with Creditors Disclosure Reporting Page\*

Disclosure Questions 23L answered "Yes"

Must include a Bond Disclosure Reporting Page\*

Disclosure Questions 23M answered "Yes"

Must include a Judgment/Lien Disclosure Reporting Page\*

\* If the certification question is selected, a DRP is not required provided details have been previously reported on a DRP.

## Address Change

***Effective April 1, 1999, all mail addressed to the CRD/Public Disclosure Department should be directed to our new Post Office Box. Please use this new address to expedite the processing of your mail:***

**NASAA/NASD Central Registration Depository**

**P. O. Box 9495**

**Gaithersburg, MD 20898-9495**

## Form U-5

### Residential History:

A Form U-5 must contain at a minimum five years of residential history. A gap of no greater than three months will be allowed between residential addresses

From Date	Required
Address (street, city, state/country)	Required

### Termination Section (Full Form U-5):

Date of termination	Required
Reason for termination	Required, an explanation must be provided when the reason for termination is Permitted to Resign, Discharged, or Other

### Termination Section (Partial Form U-5):

Date of termination	Required
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### SRO/Registration:

There must be one registration remaining in any category for a partial Form U-5

### Disclosure Questions:

Disclosure questions must be explicitly answered "Yes" or "No"

Disclosure Question 14 answered "Yes"	Must include an Investigation Disclosure Reporting Page
Disclosure Question 15 answered "Yes"	Must include an Internal Review Disclosure Reporting Page*
Disclosure Question 16 answered "Yes"	Must include a Criminal Disclosure Reporting Page*
Disclosure Question 17 answered "Yes"	Must include a Regulatory Action Disclosure Reporting Page*
Disclosure Question 18 answered "Yes"	Must include a Customer Complaint Disclosure Reporting Page*

### Contact Information:

Person to contact for further information	Required
Telephone number of person to contact	Required

\* If the certification question is selected, a DRP is not required provided details have been previously reported on a DRP.



## Disclosure Reporting Pages

### Criminal DRP:

Question	At least one question must be answered
Formal Charge	Required
Event Disclosure Detail-Date First Charged	Required
Event Disclosure Detail-Explanation field	Explanation field is a Required Field if Explanation Button chosen
Event Disclosure Detail Description	Required
“Event involve a Felony?”	Required
Current status of the Event	Required
Event Status Date	Required
Event Status Date-Explanation field	Explanation field is a Required Field if Explanation Button chosen
Disposition Disclosure Detail	Required

### Regulatory Action:

Question	At least one question must be answered
“Regulatory Action initiated by” - Radio Buttons	Required
“Regulatory Action initiated by” - text	Required
Date Initiated	Required
Date Initiated - Explanation field	Explanation field is a Required Field if Explanation Button chosen
“Principal Product Type”	Required

“Describe the allegations related”	Required
Current Status	Required
Regulatory action appealed to	Required Field if status is On Appeal
“How was matter resolved”	Required Field if status is not pending
Resolution Date	Required
Resolution Date - Explanation field	Explanation field is a Required Field if Explanation Button chosen

### Civil Judicial:

Question	At least one question must be answered
“Court Action initiated by”	Required
Filing Date of Court Action	Required
Filing Date of Court Action - Explanation field	Explanation field is a Required Field if Explanation Button chosen
“Principal Product Type”	Required
“Formal Action was brought in”	Required
“Describe the allegations”	Required
Current Status	Required
If on appeal, action appealed to	Required Field if status is On Appeal
“How was matter resolved”	Required Field if status is not pending
Resolution Date	Required
Resolution Date - Explanation field	Explanation field is a Required Field if Explanation Button chosen

**Customer Complaint:**

Question	At least one question must be answered
Customer Name(s)	Required
Customer(s) State of Residence	Required
“Date complaint was received”	Required
“Date complaint was received”- Explanation field	Explanation field is a Required Field if Explanation Button chosen
“Allegation(s) and a brief summary”	Required
“Principal Product Type”	Required
“Is complaint pending?”	Required
“Describe the allegations”	Required
If the complaint is not pending, provide status	Required
Status Date	Required
Status Date - Explanation field	Explanation field is a Required Field if Explanation Button chosen
Settlement Amount	Required Field if status is settlement
Arbitration/Reparation claim Docket/Case Number	Required Field if status is arbitration or reparation
“Date notice/process was served”	Required Field if status is arbitration or reparation
“Date notice/process was served”- Explanation field	Explanation field is a Required Field if Explanation Button chosen
“Is arbitration/ reparation pending?”	Required Field if status is arbitration or reparation

“If the arbitration is not pending, what was the disposition?”	Required Field if status is arbitration or reparation and arbitration or reparation is not pending
Disposition Date	Required Field if status is arbitration or reparation and arbitration or reparation is not pending
“Court that case was filed in”	Required Field if status is litigation
“Date notice/process was served”	Required Field if status is litigation
“Date notice/process was served”- Explanation field	Explanation field is a Required Field if Explanation Button chosen
“Is civil litigation pending?”	Required Field if status is arbitration or reparation
“If the civil litigation is not pending, what was the disposition?”	Required Field if status is arbitration or reparation and arbitration or reparation is not pending
Disposition Date	Required Field if status is arbitration or reparation and arbitration or reparation is not pending

**Investigation:**

Question	At least one question must be answered
“Notice Received from” Notice Date	Required
Notice Date- Explanation field	Explanation field is a Required Field if Explanation Button chosen
“Describe briefly the nature of the investigation”	Required

**Internal Review:**

Question	At least one question must be answered
“Notice Received from”	Required
Date internal review initiated	Required
Date internal review initiated - Explanation field	Explanation field is a Required Field if Explanation Button chosen
“Describe briefly the nature of the internal review or details of the conclusion”	Required

**Termination:**

Question	At least one question must be answered
Firm Name	Required
Termination Type	Required
Termination Date	Required
Termination Date - Explanation field	Explanation field is a Required Field if Explanation Button chosen
Allegation(s)	Required
Principal Product Type	Required

**Bankruptcy/SIPC/Compromise with Creditors:**

Question	At least one question must be answered
Action Type	Required
Action Date	Required
Action Date - Explanation field	Explanation field is a Required Field if Explanation Button chosen
“Is action currently pending?”	Required
“If not pending, provide Disposition Type”	Required

Disposition Date	Required
Disposition Date - Explanation field	Explanation field is a Required Field if Explanation Button chosen
Brief summary	Required

**Bond:**

Question	At least one question must be answered
Firm Name	Required
Bonding Company Name	Required
Disposition Type	Required
Disposition Date	Required
Disposition Date - Explanation field	Explanation field is a Required Field if Explanation Button chosen
Payout Amount	Required if disposition is payout

**Judgment/Lien:**

Question	At least one question must be answered
Judgment/Lien Amount	Required
Judgment/Lien Holder	Required
Judgment/Lien Type	Required
Date Filed	Required
Date Filed - Explanation field	Explanation field is a Required Field if Explanation Button chosen
“Is Judgment/Lien outstanding?”	Required if disposition is payout
“Is Judgment/Lien outstanding?” - status date field	Required
“Is Judgment/Lien outstanding?” - Explanation field	Explanation field is a Required Field if Explanation Button chosen

## Schedule Foreign Exam In Web CRD

The scheduling and taking of foreign GS exams (e.g., S-17, S-37, S-38) will be expedited in Web CRD: An individual will no longer have to wait to schedule and take an exam pending the confirmation of good standing from the foreign SRO. While the individual will receive both a Foreign and Exam deficiency, those deficiencies will not delay the scheduling and taking of the exam.

## Relicensing Application: How It Will Work

As noted in previous pages, the Relicensing application of Web CRD was highlighted in the December 1998 issue of *CRD Modernization Update*. Since the publication of that issue, the specifics of how the application will actually function have been refined. The purpose of this expanded article on Relicensing is to provide you with more specific information on the application which will replace the Temporary Agent Transfer (TAT) in Web CRD.

### What Are The Benefits Of Relicensing?

- ❖ Relicensing replaces the TAT program.
- ❖ Relicensing will allow for the automatic registration and licensing of individuals with no disclosure and individuals with previously reported disclosure (approved SRO registration and jurisdiction license(s) on filing).
- ❖ Under Relicensing, if there is new or updated disclosure, the individual is eligible to relicense once he/she completes a new Page 3 and DRP(s), and the NASD approves the individual's registration. The individual will then receive approved SRO registration and temporary jurisdiction (states, DC, and Puerto Rico) license(s) for up to 30 days.

### Three Jurisdiction Relicensing Methods

There will be three jurisdiction Relicensing methods:

- ❖ **Temporary:** A temporary license will be granted if there are no outstanding deficiencies. This temporary license will become a regular license within 30 days if the jurisdiction does not withdraw the temporary license.
- ❖ **Automatic:** If there are no outstanding deficiencies and no new or updated disclosure, a license request will be granted automatically, provided the jurisdiction has not reset its review method.
- ❖ **Manual:** A jurisdiction must review the license request manually. The individual will not be granted a license (temporary or regular) until jurisdiction review takes place. The request will remain pending until such review takes place. [Note: The regulator (SRO or jurisdiction) must affirmatively set the review method to manual.]