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Informal Guidelines for Securities Industry Registration

The following information is intended to provide informal guidelines for consideration when seeking registration for securities firms and professionals under a jurisdiction's securities statute.¹ This is not an exhaustive list of items and is not meant to supplant any formal guidance that has been promulgated by regulators or any instructions included in the registration forms. Rather, the purpose of this material is to provide general guidance about the registration process and post-registration filing requirements.

I. General Points Applicable to Forms BD, ADV, U4, U5, and BR (“Uniform Registration Forms” or “Forms”)

- Regulators act on behalf of the citizens of their jurisdictions and seek to maintain the integrity of the securities industry by carefully examining applications by persons for registration and post registration amendment filings.
- The Uniform Registration Forms and their instructions have been adopted by regulators through statutory enactments or rules for use by regulators in performing their statutory responsibilities.
- The Uniform Registration Forms provide the structural basis for electronic filing in the Central Registration Depository (CRD) and Investment Adviser Registration Depository (IARD) systems.
- The Forms are amended from time to time and these amendments are drafted by the users of the Forms: the U.S. Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), the North American Securities Administrators Association (NASAA) and state securities regulators, with the input of industry advisory groups. Amendments to the Forms are adopted through a public process including a public announcement of the proposal and a public comment period.

¹Some jurisdictions use the term registration while others may use the term licensing. Registration will be used in these guidelines to encompass both registration and licensing.

- The keys to completing the Forms are truthfulness, accuracy, timeliness, completeness of disclosure, compliance with the instructions, and use of the CRD and IARD systems.
 - Responses to questions on a Form may result in one or more regulators requesting supplemental information. Requests vary by regulator and are dependent upon the jurisdiction’s laws and regulations. Some regulators may also request documentation related to disclosure events. Prompt and thorough responses will enable a timely evaluation of the application.
 - Information submitted to a jurisdiction is considered a record of the regulator and may be subject to state public records laws.
 - **When completing the forms, filers should only provide personally identifiable information (PII) in the specific text fields that request that information.** Filers should avoid offering personal information such as social security numbers and account numbers when responding to questions that elicit narrative responses.
 - Registration and the disclosure information gathered through the Uniform Registration Forms are a “first line of defense” for investors and regulators in their efforts to prevent dishonest/unethical business practices and fraud.
 - Applicants bear the responsibility of verifying that their registration has been approved prior to engaging in business. It is incumbent on the applicant to regularly check their registration status within the CRD, IARD, or the Financial Professional Gateway (FinPro) systems.
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II. Registration as Broker-Dealer

Application

The [Form BD](#) is used to register a broker-dealer with the SEC, SROs (*e.g.*, the Financial Industry Regulatory Authority) and state securities regulators. Form BD stands for the Uniform Application for Broker-Dealer Registration. In addition to the Form BD, as of June 30, 2020, the SEC began requiring broker-dealers to include the [Form CRS](#) as part of its application for registration. Firms must deliver this client relationship summary to retail investors, sharing important information about the firm. It is important to note that some state securities regulators may also require the Form CRS.

The Form BD must be filed through the CRD system. The CRD system is used by broker-dealers, and their agents for filing registration forms with regulators. This system supports electronic filing of the current forms; is a repository for fee and form processing; provides for the regulatory review of filings; facilitates the annual registration renewal process; and supports public disclosure of firm and agent information.

A broker-dealer seeking registration must first obtain entitlement to access the CRD system. Entitlement access can be achieved by completing and submitting the New Organization SAA Entitlement Form to FINRA. For additional information about FINRA's entitlement process go to finra.org or contact FINRA's Gateway Call Center at (301) 869-6699.

CRD facilitates the payment of fees through a firm's Flex-Funding Account. Applicants for registration should confirm that there are funds in the Flex-Funding Account before submitting their registration forms. Jurisdiction application fees may be viewed on FINRA's website under the heading [SRO/Jurisdiction Fee and Setting Schedule – WebCRD](#).

New firms should first obtain registration with the SEC and FINRA and then with the state in which the firm's main office is located, along with all other required jurisdictions. States generally require a firm to be registered with their home state prior to granting registration with additional states. Information about SEC and FINRA registration can be found at SEC.gov and finra.org.

In addition to submitting the forms and paying the fees, regulators may request supplemental information in support of the application. This may include documentation regarding any disclosure events reported on Form BD, a financial statement, the firm's articles of incorporation or authorization to do business in the jurisdiction, or other relevant information. Some state regulators may also require the submission of an application for at least one associated person. This person may be designated as a principal of the firm.

As noted above, the applicant firm may also be required to submit its most recent audited financial statements as submitted to FINRA and the SEC and/or its most recent quarterly FOCUS reports. If the applicant firm has not had an annual audit performed, the firm may be required to submit unaudited financials certified by an executive officer of the firm and accompanied by the Designation of Accountant form as provided to FINRA during the initial membership filing. Check the registration requirements in each applicable jurisdiction to identify any required information so that the application can be promptly processed. Contact information is available on the NASAA website by clicking "Contact your Regulator."

Amendments

If the information reported on the Form BD becomes inaccurate or incomplete for any reason, the applicant/registrant must file an amendment to promptly update the information on the form. Check with the applicable regulator(s) to determine any specific timeframes for submitting amendments.

Amendments to Form BD must be filed through the CRD System.

Other Requirements and Renewals

Most jurisdictions do not require the annual submission of an audited financial statement for broker-dealers that are FINRA member firms. Check with the applicable regulator(s) to determine jurisdiction-specific requirements.

Broker-Dealer registrations expire on December 31st of each calendar year. Renewal fees must be paid on a timely basis in order for a firm to remain registered to conduct business in each jurisdiction. Renewal fees are paid through the CRD system. The registered firm is responsible for ensuring the timely payment of these fees. Jurisdiction renewal fees are available on FINRA's website under the heading [SRO/Jurisdiction Fee and Setting Schedule – WebCRD](#).

Termination of a Registration

Termination requests are made through submission of the [Form BD-W](#). The Form BD-W (Uniform Request for Broker-Dealer Withdrawal) is used by broker-dealers to withdraw their registration with the SEC, SROs, and jurisdictions. The form may be used to make a full withdrawal to terminate the firm in all jurisdictions or a partial withdrawal to terminate registration with specific jurisdictions or SROs.

The Form BD-W, whether full or partial, must be filed through the CRD System.

III. Registration as Investment Adviser

Application

The [Form ADV](#) is used to register an investment adviser with the SEC and/or state securities regulators. Form ADV stands for the Uniform Application for Investment Adviser Registration and Report by Exempt Reporting Advisers.

Form ADV is divided into three parts. Part 1 consists of information about the investment adviser's business, the people who own or control the adviser, and whether the adviser or certain of its personnel have been sanctioned for violating securities laws or other laws. Part 2, comprised of Part 2A (Brochure) and Part 2B (Brochure Supplement), provides information about the adviser's business practices, fees, and any conflicts of interest the adviser may have with its clients. In addition to the Form ADV, Parts 1 and 2, as of June 30, 2020, the SEC began requiring SEC-registered investment advisers to include the [Form CRS](#) (Form ADV, Part 3) as part of its application for registration. Firms must deliver this client relationship summary to

retail investors to share important information about the firm. It is important to note that some state securities regulators may also require the Form CRS.

Form ADV must be filed through the IARD system. The IARD is an electronic filing system for investment advisers. The IARD is sponsored by the SEC and NASAA and is operated by FINRA. This system is used by investment advisers for filing registration forms with regulators and supports electronic filing of the current forms; is a repository for fee and form processing; provides for the regulatory review of filings; facilitates the annual registration renewal process; and supports public disclosure of investment adviser and representative information.

An investment adviser seeking registration with one or more states and/or the SEC must first obtain entitlement to access the IARD system. Entitlement access can be achieved by completing and submitting the New Organization SAA Entitlement Form. For additional information about the IARD entitlement process go to IARD.com or contact the IARD Call Center at (240) 386-4848. The IARD.com website also includes guidance to assist investment advisers with filing online, along with other resource materials.

IARD facilitates the payment of fees through the investment adviser's Flex-Funding Account. Applicants for registration should confirm that there are funds in the Flex-Funding Account before submitting the registration forms. Jurisdiction application fees may be viewed on www.iard.com under the heading Fees & Accounting, [IA Firm State Registration/Notice Filing Fee Schedule](#).

Investment advisers must register or become licensed with either state or federal securities regulators, based on the following:

- State-registered investment advisers generally have less than \$100 million in assets under management and are regulated by the states in which they are registered.
- SEC-registered investment advisers generally include those firms that have more than \$100 million in assets under management. Other types of advisers may also register with the SEC, such as advisers to registered investment companies, digital advisers and advisers that would otherwise be required to register in 15 or more states or that have their principal offices outside the U.S.

New state-registered investment advisers should first obtain registration in the state in which the investment adviser is primarily domiciled, and then with all other required jurisdictions. States generally require investment advisers to be registered in their home state prior to granting registration in additional states. New SEC investment advisers should first obtain registration with the SEC, followed by submission of notice-filings in the jurisdictions where the adviser will have clients. Information about SEC and state registration can be found at SEC.gov and NASAA.org.

In addition to submitting the forms and paying the fees, some state regulators may request supplemental information in support of the application for a state-registered investment adviser. This may include documentation regarding any disclosure events reported on the Form ADV, a financial statement, the adviser's articles of incorporation or authorization to do business in the jurisdiction, a copy of the investment adviser's standard advisory contract, a fee schedule, or other relevant information. In addition to supplemental information about the investment adviser, some states may also require the submission of an application for at least one investment adviser representative on Form U4.

As noted above, the applicant firm may also be required to submit a financial statement in connection with the application. The requisite financials may range from an unaudited statement to an audited report depending on whether the firm has custody of client funds or securities or will require prepayment of advisory fees six months or more in advance and in excess of \$500 per client. These requirements may vary depending on the jurisdiction in which the investment adviser is seeking registration. Verifying requirements with the appropriate state regulator and submitting all required information will help ensure timely processing of the application.

Amendments

Many jurisdictions require state-registered investment advisers to file an annual update of the firm's Form ADV within 90 days after the end of the firm's fiscal year. Check with the applicable regulator(s) to identify any state specific filing requirements.

Investment advisers must also file an amendment to the Form ADV when certain information reported on the Form ADV becomes inaccurate. This filing is generally referred to as "an other-than-annual amendment". Check with the applicable regulator(s) to determine any specific timeframes applicable to filing amendments.

Amendments to Form ADV are filed on Form ADV and submitted through the IARD System.

Other Requirements and Renewals

Some jurisdictions may require the annual submission of a financial statement for investment advisers. These financial statements may be audited or unaudited, depending on whether the investment adviser requires payment of advisory fees six months or more in advance and the dollar amount of fees charged or has custody of client funds or securities. Check with the applicable regulator(s) to determine any specific requirements.

Investment adviser registrations and notice-filings expire on December 31st of each calendar year. Renewal fees must be paid on a timely basis in order for the firm to remain registered to conduct business in each jurisdiction. Renewal fees are paid through the IARD system. The investment adviser is responsible for awareness of the renewal calendar and for ensuring the

timely payment of these fees. Jurisdiction renewal fees may be viewed on www.iard.com under the heading Fees & Accounting, [IA Firm State Registration/Notice Filing Fee Schedule](#).

Termination of Registration

Termination requests must be filed using the [Form ADV-W](#). The Form ADV-W (Notice of Withdrawal from Registration as an Investment Adviser) is used by investment advisers to withdraw their registrations or notice filings with the SEC and jurisdictions. The form may be used to make a full withdrawal to terminate the investment adviser with the SEC and/or in all jurisdictions or a partial withdrawal to terminate registration with specific jurisdictions.

The Form ADV-W, whether full or partial, must be filed through the IARD System.

III. Registration as Broker-Dealer Agent and Investment Adviser Representative

Application

The [Form U4](#) is used by broker-dealers and investment advisers to register their associated persons with SROs and state securities regulators. The Form U4 stands for the Uniform Application for Securities Industry Registration or Transfer.

The Form U4 must be filed through the CRD system. This system supports electronic filing of the current forms; is a repository for fee and form processing; provides for the regulatory review of filings; facilitates the annual registration renewal process; and supports public disclosure of firm and agent information.

Application and examination fees are assessed concurrently with a form filing seeking registration with an SRO or jurisdiction as well as a form filing requesting additional qualifying examinations. Jurisdiction application fees may be viewed on FINRA's website under the heading [SRO/Jurisdiction Fee and Setting Schedule – WebCRD](#).

Most jurisdictions require that an applicant for registration pass one or more competency examinations as a prerequisite for being licensed. These examinations are required by FINRA and/or the jurisdiction to demonstrate the associated person's knowledge regarding the position to be held. Most jurisdictions require individuals to pass one or more uniform state examinations, which are administered for NASAA by FINRA. For investment adviser representatives, jurisdictions may also accept certain currently held professional designations in lieu of an examination. Information regarding NASAA exams including an Exams Overview and Frequently Asked Questions can be viewed on the NASAA website under the Exams heading

within [Industry Resources](#). Information about FINRA exams can be viewed on FINRA's website under the heading [Registration, Exams & CE](#).

Some state regulators may request supplemental information in support of an application. This may include documentation regarding any disclosure events reported on the Form U4, submission of fingerprints, or other relevant information. Verifying requirements with the jurisdiction(s) in which a person is seeking registration and submitting all required information will help ensure timely processing of the application.

Amendments

If the information reported on the Form U4 becomes inaccurate or incomplete for any reason, the applicant/registrant must promptly update the information on the form. Check with the applicable regulator(s) to determine any specific timeframes.

Amendments to Form U4 must be filed through the CRD System.

Investment Adviser Representative Continuing Education (IAR CE)

In November 2020, NASAA members adopted a model rule setting parameters by which NASAA members could implement continuing education programs for investment adviser representatives in their jurisdictions. The model rule includes a products and practices component and an ethics and professional responsibility component. The NASAA website contains additional resources on IAR CE including participating jurisdictions, general information, frequently asked questions, resources for IARs, and resources for IAR CE providers. This information may be located under the IAR CE Resources heading within [Industry Resources](#).

Other Requirements and Renewals

Registrations for broker-dealer agents and investment adviser representatives expire on December 31st of each calendar year. The renewal fees must be paid on a timely basis in order for the associated person to remain registered to conduct business in each jurisdiction. Renewal fees are paid through the CRD system. Jurisdiction renewal fees may be viewed on FINRA's website under the heading [SRO/Jurisdiction Fee and Setting Schedule – WebCRD](#).

Termination of Registration

Termination requests must be filed using the [Form U5](#). The Form U5 (Uniform Termination Notice for Securities Industry Registration) is used by broker-dealers and investment advisers to withdraw or terminate the registrations of their associated persons. The form may be used to make a full withdrawal or termination of the associated person or to withdraw or terminate the associated person's registration with specific jurisdictions or SROs.

The Form U5, whether full or partial, must be filed through the CRD System.

NASAA’s Exam Validity Extension Program (EVEP)

In 2023, NASAA began offering the NASAA Exam Validity Extension Program (EVEP). This program allows eligible individuals the opportunity to extend the validity of certain examinations for a period of up to five years. All eligible individuals can enroll in the EVEP, however, exam extensions are only recognized in states that have adopted the program. The NASAA website contains additional resources on EVEP including an EVEP program overview, participating jurisdictions, frequently asked questions, and NASAA model rules. This information may be viewed on NASAA’s website under the heading [Exams](#) or by visiting www.nasaa.org/evep.

IV. Registration or Notice Filing as Branch Office

Application

The [Form BR](#) (Uniform Branch Office Registration Form) is used by broker-dealers and state-registered investment advisers to register or notice file their branch office locations with SROs and state securities regulators. This form is also used to notify regulators when a branch office location is withdrawn or closed.

Applications for registration or notice filing for a branch office location may be filed through the CRD system. The CRD system is used by firms to register, or notice file a branch office location with SROs and state regulators. If the regulator requires branch office registration, then the location may not operate until approval is granted. For jurisdictions that require a notice filing, approval is not required prior to operation although additional information may be requested if the filing is incomplete.

Branch office fees are assessed concurrently with a form filing seeking registration or notice filing with an SRO or jurisdiction. Jurisdiction application fees may be viewed on FINRA’s website under the heading [SRO/Jurisdiction Fee and Setting Schedule – WebCRD](#).

In addition to submitting the forms and paying the fees, some state regulators may request supplemental information in support of the application. Check with your state regulator to identify any required information so that the application can be promptly processed.

Amendments

If the information reported on the Form BR becomes inaccurate or incomplete for any reason, the applicant/registrant must promptly update the information on the form. Check with your regulator to determine any specific timeframes.

Amendments to Form BR are generally filed through the CRD System.

Other Requirements and Renewals

Branch office registrations and notice filings expire on December 31st of each calendar year. The renewal fees must be paid on a timely basis in order for the branch office location to remain registered or notice filed to conduct business within the jurisdiction. Renewal fees may be paid through the CRD system or directly to the jurisdiction, depending on the jurisdiction's requirements. Jurisdiction renewal fees may be viewed on FINRA's website under the heading [SRO/Jurisdiction Fee and Setting Schedule – WebCRD](#).

Termination of a Registration

The Form BR is used to notify regulators when a branch office location is withdrawn or closed.