

# Disclosure Video Series

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# Disclosure Reporting Tips and Best Practices

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Abridged Edition

# 1

## Introductions

# Today's Hosts

**Tanya Virdy, Senior Trainer**

**John Young, Associate Principal Analyst**

**Iman Newman, Associate Principal Analyst**

# 2

## What Was Boot Camp?

# Disclosure Review Boot Camp History

- First Camp held May 26, 2016, in Rockville, MD
  - Camp expanded from one- to two-day session in 2018
- Camp sizes limited to 20 participants
- Camps included group exercises and interactive case study
- Discussions of all Disclosure types + tips and reminders
- Discussions of Disclosure Review processes & procedures

# 3

## Today's Objectives

# Today's Objectives

1. Provide an Abridged Edition
2. Generate interest in future Boot Camp sessions
3. Gather feedback for future Disclosure Review training



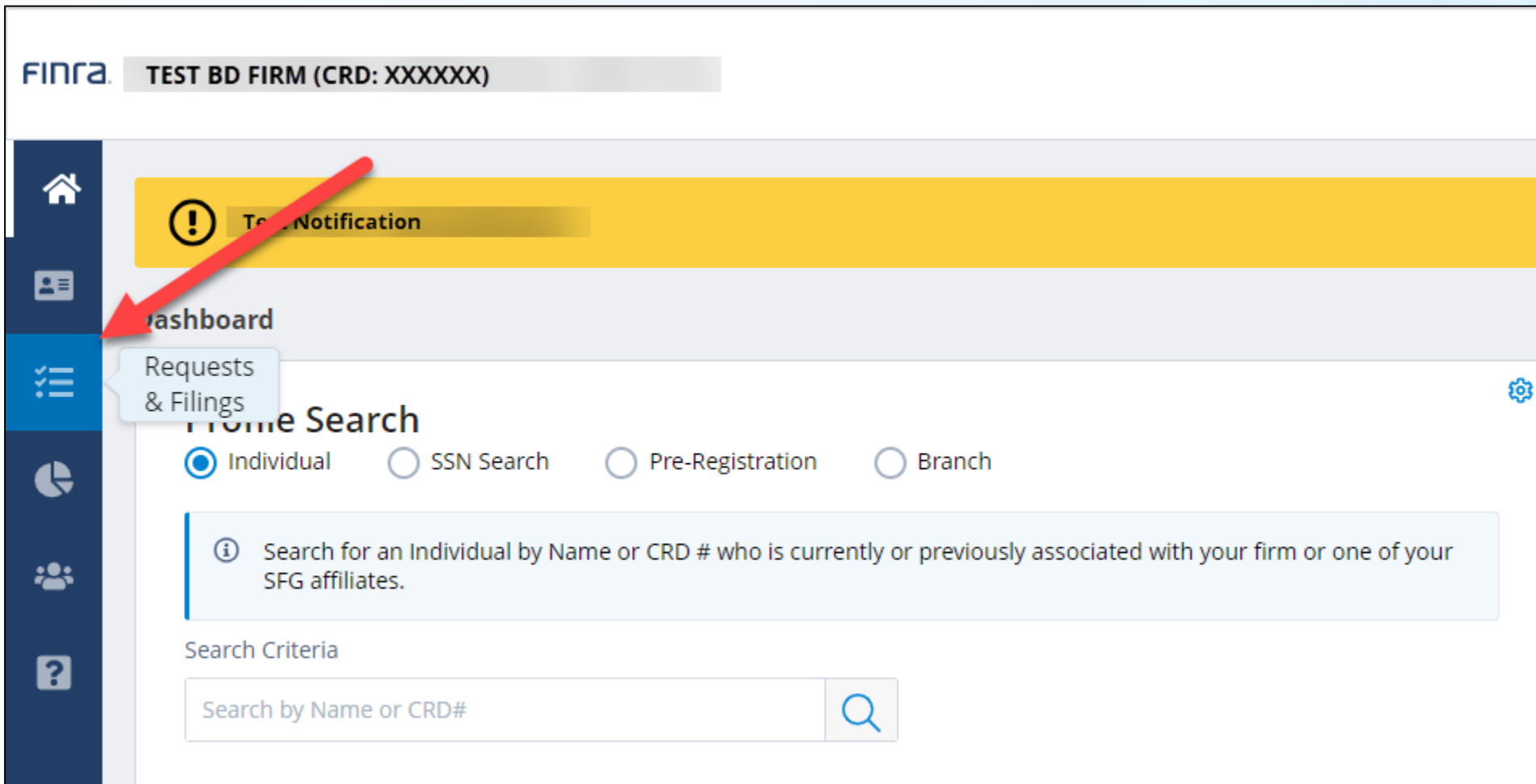
# 4

## Disclosure Reporting Tips and Best Practices

# Disclosure Review & FINRA Gateway

# Disclosure Review & FINRA Gateway

## ○ Viewing Disclosure Letters in FINRA Gateway Requests



# Disclosure Review & FINRA Gateway

## ○ Viewing Disclosure Letters in FINRA Gateway Requests

### What's in Requests and Filings?

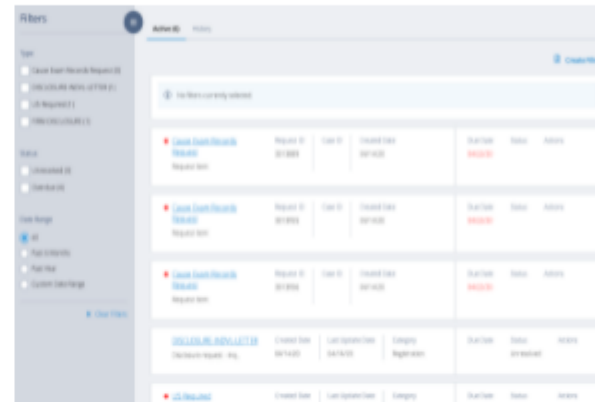
The following features are in Requests and Filings:

- **New Registration related items** (i.e. Firm Disclosure, **Individual Disclosure Letter**, Branch Deficiency, U4 Filings, and U5 Required)
- **Forms and Filings** (i.e. Annual Audit, Shorts, and others)
- **Information Requests** (i.e. OFDMI Requests, FINRA/SEC Bluesheets, and others)
- **Financial and Operational Filings** (from eFOCUS)

**NOTE:** Work items shown are based on your entitlements.

Check out some of the following tutorials to learn more...

- [Welcome to Requests and Filings](#)
- [Create a New Filing](#)
- [Create a Saved Worklist](#)



Type	Request ID	Case ID	Created Date	Last Date	Status	Actions
Individual Disclosure Letter	123456	789012	2021-01-01	2021-01-01	Pending	
Individual Disclosure Letter	123456	789012	2021-01-01	2021-01-01	Pending	
Individual Disclosure Letter	123456	789012	2021-01-01	2021-01-01	Pending	
Individual Disclosure Letter	123456	789012	2021-01-01	2021-01-01	Pending	

Category
☐ Information Request
☐ U4
☐ Registration
☐ U5
☒ Disclosure Letter

# Disclosure Review & FINRA Gateway

## ○ Viewing Disclosure Letters in FINRA Gateway Requests

NOTE: When communicating with Disclosure Review, identify letters by Date Sent and Individual CRD Number

Effective Date = Date Sent  
Individual CRD Number = Case ID

Request

: Form Action Required - Disclosure Required

Open

**Date Sent:**  
~~Effective Date:~~ 04/16/2021   Due Date: 05/16/2021   Requested: 04/16/2021   Updated: 04/16/2021  
~~Case ID:~~   Request ID   Requester: CRED Disclosure Review   Email:  
**CRD #:**

# Disclosure Letters in FINRA Gateway Requests

- ✓ Court Documents
- ✓ Correspondence (Signed & On Letterhead)
- ✓ Comments that direct attention to critical information

There is no need to submit comments that simply state:

- X "Filing Submitted"
- X "See Attached"
- X "Please Review"
- X "Why hasn't this letter been resolved?!?"

# Disclosure Letters in FINRA Gateway Requests

How would you like to submit? \*

*Please note: Due Date for this request is only satisfied when 'Complete' has been submitted.*

- ☐ **Partial:** Not final; allows you to submit additional attachments or ask a question without submitting.
- ☐ **Complete:** Final submission; cannot submit additional item(s).

SEND RESPONSE

## Marking a Disclosure Letter as “Complete” does not “Resolve” the Letter.

“Withdrawn” or “Accepted” status indicates the Disclosure Letter is resolved.

“Submitted” indicates the Letter submission was marked “Complete.”

Additional documents may not be uploaded for a letter marked “Complete.”

Inactive Disclosure Letters are visible in the “Completed” Requests.

Due Date	Status
05/27/21, 11:59 PM	Submitted
Due Date	Status
05/27/21, 11:59 PM	Withdrawn
Due Date	Status
05/27/21, 11:59 PM	Accepted

Email submissions are still accepted: [DisclosureReviewDocuments@FINRA.org](mailto:DisclosureReviewDocuments@FINRA.org)

# Disclosure Reporting using Data Collection

## ○ Data Collection Filing – Designed To Minimize Reporting Errors

**CUSTOMER COMPLAINT OR ARBITRATION/CFTC REPARATION OR CIVIL LITIGATION IN WHICH YOU ARE NOT NAMED.**

If the matter involves a customer complaint, arbitration/CFTC reparation or civil litigation in which a customer alleges that you were involved in sales practice items.

Is this an oral complaint?  
☐ Yes ☒ No

Is this a written complaint?  
☒ Yes ☐ No

Is this an arbitration/CFTC reparation or civil litigation?  
☐ Yes ☒ No

**If yes, provide:** **Certain responses "activate"/"deactivate" related fields.**  
**Responses may need to be changed in order to information input in error.**

Arbitration/reparation forum or court name and location

Docket/Case#:



# Public Records Review (PRR)

# Public Record Review (PRR) History

**May 18, 2018**  
PRR Enhancement Information Notice



**July 9, 2018**  
Enhanced PRR



**September 7, 2018**  
Real-time Monitoring

**2015 to Mid-2018**  
Annual financial public  
record reviews



# Public Records Review (PRR) Types

## Daily Review

- Review of Financial Public Records Upon Initial Registration
- Comprehensive review, indefinite look back
- Completed within days of U4 filing

## “Monitoring” Review

- Ongoing Review of Financial Public Records for All Registered Representatives
- Excluding RR’s w/ European residential addresses
- Catches bankruptcy filings, judgments, and lien recordings – as soon as the next day
- Helpful in updating “Pending” events & reducing late reporting

## Criminal Review

- Periodic Review of Registered Representatives who:
  - Do not have a fingerprint result in the last five years, and
  - Have not been subject to Criminal Review in the last five years

# PRR Letters – Handling & Response

## Carefully read the disclosure letter

Some letters contain all the data necessary to complete the appropriate DRP  
Where available, a public records website is included in the disclosure letter

## Make a “good faith effort” to validate the event

Effort relative to age of the event and details provided  
“Lack of recollection” alone is an insufficient response

## Submit disclosure – OR – documents / correspondence (in most cases)

Correspondence should CLEARLY indicate non-reportability  
“Filed in error” should be stated — not implied  
Final disposition documents may not necessarily confirm non-reportability  
(e.g., lien release, judgment satisfaction, bankruptcy discharge)

# Benefits of Enhanced PRR ...

## ○ To Firms:

- PRR satisfies 3110(e) requirement “for a search of reasonably available public records” regarding financial matters

## ○ To Public Disclosure:

- Financial disclosures post faster to BrokerCheck

## ○ To FINRA Disclosure Review:

- More accurate, consistent, and timely regulatory data and intelligence is now available



# Form U5

# Form U5

## Initial & Ongoing Reporting Obligation

Regulatory Notice	
10-39	
<b>Form U5</b>	<b>September 2010</b>
<b>Obligation to Provide Timely, Complete and Accurate Information on Form U5</b>	<b>Notice Type</b> <ul style="list-style-type: none"><li>➤ Guidance</li></ul>
<b>Executive Summary</b> <p>This <i>Notice</i> reminds firms of their obligation to provide timely, complete and accurate information on Form U5 (Uniform Termination Notice for Securities Industry Registration).<sup>1</sup></p>	<b>Suggested Routing</b> <ul style="list-style-type: none"><li>➤ Compliance</li><li>➤ Legal</li><li>➤ Operations</li></ul>

# Form U5 Disclosure

- **Disclosure Certification Checkbox**
  - ✓ Certification when there is no new information
  - ✓ Responses to 7B & 7F questions are required
- **Independent Knowledge of Events**
  - ✓ While employed by / associated with / in connection with
- **7B. Internal Review Disclosure (U5-Only)**
  - ✓ Currently is, **or** at termination was ...
- **7F. Termination Disclosure**
  - ✓ “After allegations were made that accused the individual of”

**Note:** Termination Explanation ≠ Termination DRP



For questions regarding specific issues,  
Call 301-869-6699, Option 4 for Disclosure Review

For questions or feedback regarding Disclosure Training,  
Email [CRED.Training@FINRA.org](mailto:CRED.Training@FINRA.org)