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## LICENSING RENEWAL INSTRUCTIONS FOR CALENDAR YEAR 2020

**Renewal Program:** The 2020 FINRA (Web CRD/IARD) Renewal Program is an annual process that enables firms and individuals to continue their active registration, or licensing status into the coming year with FINRA, other regulators, and the states in which they conduct business. For complete and detailed information regarding the renewal process, firms should review the 2020 Annual Renewal Program Bulletin available on FINRA or IARD websites.

**Flex Funding Account:** Automatic FINRA Flex-Funding Account-to-Renewal Account Transfer: For the Preliminary and Final Renewal Statements, FINRA will automatically transfer funds between a firm's Flex-Funding Account and their Renewal Account if a firm has funds available in the firm's Flex-Funding Account to cover the total amount due. This will be applied daily beginning December 16, 2019 and through December 26, 2019 for payment of Preliminary Renewal Statements which are due on December 16, 2019. Automatic transfers will also be applied daily beginning January 17, 2020 and until all renewal assessments are satisfied for payment of Final Renewal Statements. To review these dates, please go to <http://www.finra.org/sites/default/files/crd-renewal-program-calendar.pdf>

**Failure to Renew:** All firms preliminary Renewal Statement Payments must be posted to renewal accounts by December 16, 2019. It is recommended that firms submit payment no later than December 9, 2019, to ensure that payment is processed by the deadline. Failure to submit renewal payments will result in the termination of licenses for the firm and its agents and investment adviser representatives on December 31, 2019. If this happens, the firm or individual will be required to reapply for Maine licensure via Web CRD/IARD before transacting any further business in Maine.

**License Termination:** Termination requests must be filed with Web CRD/IARD in accordance with the instructions and deadlines as outlined in the 2020 Annual Renewal Program Calendar. Failure to file termination requests with Web CRD/IARD by the deadline will result in the assessment of renewal fees. *Renewal fees are non-refundable.*

**Mass Transfer Moratorium:** There will be a moratorium on processing mass transfers from December 28, 2019 – January 1, 2020.

### Key Dates:

- December 6, 2019 – Last day firms will be able to request a mass transfer to occur in 2019.
- December 28, 2019 – January 1, 2020 - Notices will not populate in the Mass Transfer Queue.

**Active Duty Renewal Fee Waiver:** Individuals that are on active military duty will be tracked within Web CRD. FINRA will systematically waive our annual system fee as well as NASAA's annual

investment adviser representative fee. In January, we will generate a roster of individuals on active military duty and request that FINRA refund applicable state renewal fees.

**Order Requiring Compliance:** Effective October 1, 2018, FINRA restructured its representative-level qualification examination program. FINRA's restructured examination program requires applicants to be proficient in the same areas previously tested but avoids duplicative testing in general knowledge for applicants who take more than one representative-level examination. More details on these changes can be found on FINRA's website, <http://www.finra.org/industry/notices/18-27>. The Office of Securities administrative rules Ch. 504, Broker-Dealer and Agent Licensing, and Ch. 515, Investment Adviser Licensing, rely in part on FINRA examination requirements to qualify applicants for licensure, and rulemaking to reflect FINRA's restructured examination requirements is underway but has not yet been completed. The Office of Securities requires applicants for licensure who rely on passage of FINRA representative-level examinations for qualification to comply with current FINRA examination requirements, including passage of the SIE when applicable. An interim Order has been issued to implement the current exam requirements, and the Order is available on our website [www.investors.maine.gov](http://www.investors.maine.gov).

**Financial Statements:** Firms are **NOT** required to submit annual audited financial statements or Focus Reports unless specifically requested to do so by this office.

**ADV Forms:** Blank templates for the Form ADV Part 1 and 2 are currently available on the NASAA Form ADV webpage at <https://www.nasaa.org/industry-resources/uniform-forms/form-adv/> for free download and use by investment advisers.

**Part 1:** Annual updating amendments: You must amend your Form ADV each year by filing an annual updating amendment within 90 days after the end of your fiscal year. When you submit your annual updating amendment, you must update your responses to all items, including corresponding sections of Schedules A, B, C, and D and all sections of Schedule R for each relying adviser.

**Part 2 Annual Delivery Requirement:** Item 2 of the Instructions to Part 2A of Form ADV "Preparing Your Firm *Brochure*" provides that each year a registered investment adviser must (i) deliver, within 120 days of the end of the investment adviser's fiscal year, to each client a free updated *brochure* that either includes a summary of material changes or is accompanied by a summary of material changes, or (ii) deliver to each client a summary of material changes that includes an offer to provide a copy of the updated brochure and information on how a *client* may obtain the *brochure*. The Office strongly encourages all investment advisers to follow the distribution and delivery schedule of the Brochure and Brochure Supplement as provided in the instructions to the Form ADV Part 2.

Should you have any questions, please call Billie-Jo Pyska at (207) 624-8490. You may obtain additional information at the Office's Web site, [www.Investors.Maine.gov](http://www.Investors.Maine.gov).



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