

# THIS MONTH IN COMPLIANCE: Annual Renewal Calendar & Compliance Manual Updates

## MONTHLY COMPLIANCE TASKS

Please be sure to check your SmartRIA CCO portal to keep up with your monthly Compliance tasks or utilize the CCO Scorecard included in our This Month in Compliance email. Please contact the following for:

- Login and Portal Requests: Sara Sparks: [ssparks@thecomplianceresource.com](mailto:ssparks@thecomplianceresource.com)
- Task Related Questions: Nancy Harry: [nharry@thecomplianceresource.com](mailto:nharry@thecomplianceresource.com)  
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## ANNUAL RENEWAL BEGINS

Firms are required annually to renew their FINRA, other self-regulatory organization (SRO) and state/jurisdiction registrations through the Annual Renewal Program, which begins in the fourth quarter of each year. FINRA's Web CRD/IARD ("Web CRD/IARD") system collects all applicable renewal fees on behalf of itself and participating regulators, which enables firms to submit their total renewal payment through the Web CRD/IARD system instead of each regulator. Your firm must pay all applicable renewal fees assessed on its Preliminary Statement for the firm, branch offices and associated individuals to ensure continued eligibility to do business in the coming year.

Beginning this year, renewal statements will only be accessible through E-Bill-Flex Funding Account ("Flex Funding Account") on Firm Gateway. Renewal reports will continue to be available through Web CRD/IARD for reconciliation purposes. If CRP has access to E-Bill on Firm Gateway, CRP will access the renewal statement and provide this year's information to your firm. We will also track the payments to ensure your firm meets the deadlines described below. Firms can use their Web CRD/IARD Renewal Accounts to pay their annual renewal fees. Beginning on the renewal payment deadlines, if the firm has sufficient funds to cover their total assessment in the Flex-Funding Account, FINRA Web CRD/IARD will transfer funds from a firm's Flex-Funding Account to its Renewal Account.

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|-------------|--|
| NOVEMBER 7  | <b><u>Retrieve Your Firm's Preliminary Statement</u></b> - Beginning November 7, 2022, firms can view, print, and pay their Preliminary Statements by logging onto E-Bill.   |
| DECEMBER 12 | <b><u>Pay Your Firm's Preliminary Statement</u></b> - Payment Deadline: December 12, 2022. Review the Renewal Program Payment Options for detailed information. FINRA recommends using E-Bill-Flex Funding Account to pay your Preliminary Statement. If you use other means, submit your payment with sufficient time to allow for mail delivery and/or payment processing to post to your Renewal Account by the deadline. FINRA-registered firms that do not have payment posted by the deadline may be assessed a Renewal Late Fee.  |
| DECEMBER 26 | <b><u>End of Year Filings and Payments Due Before 6 P.M. Eastern Time (ET)</u></b> -The deadline to submit filings and any late registration renewal payments in 2022 is 6 p.m., ET. Important Note: The on-time renewal payment deadline was December 12; however, FINRA will continue to accept late renewal payments until 6 p.m. ET, December 26, 2022. After this date and time, any unpaid registration renewal fees will result in jurisdictions automatically terminating registrations for failing to renew and the inability to conduct business in these jurisdictions as of January 1, 2023. |
| JANUARY 2   | <b><u>Retrieve Your Firm's Final Renewal Statement</u></b> - Beginning January 2, 2023, firms can review and pay Final Statements by logging onto E-Bill Flex Funding Account. Firms can also retrieve their renewal reports through Web CRD/IARD. You should review the statement for accuracy and keep a copy of the renewal reports for your records. Historical statements are available through E-Bill. Individuals can also review their personal industry record in the Financial Professional Gateway (FinPro).  |
| JANUARY 27  | <b><u>Reconcile or Pay Your Final Statement</u></b> - Report in writing to FINRA any discrepancies you find on your Final Statement. FINRA must receive this by January 27, 2023. This is also the deadline date for which FINRA must receive payment if there is a balance due on your firm's Final Statement.  |

# THIS MONTH IN COMPLIANCE:

## Annual Renewal Calendar & Compliance Manual Updates

### Updates and Changes to Your Firm's Policies and Procedures

Under Rule 206 (4) -7, Firms are required to have Compliance Policies and Procedures, adequately designed to help them meet their regulatory requirements. A Firm must implement the written policies and procedures tailored and reasonably designed to prevent violation of the Advisers Act by the Firm or any of its supervised persons. This Rule also requires federally registered investment advisors to conduct a review at least annually to determine the adequacy and effectiveness implementing of the investment advisor's written policies and procedures. This design and annual review should include updating, deleting, or adding policies as regulatory requirements change.

Throughout the year, CRP releases updates to our Base Compliance Manual to include updated language that has been revised due to changes or regulatory guidance on certain rules and regulations, language based on exam feedback, or language that is considered general best practice. CRP has pushed out several compliance manual updates this part year. To see a complete list of all changes, refer to the Sample CRP SEC Compliance Manual Template HIGHLIGHTED 2022 Changes. The following areas will be address within the highlights:

- *Updated Definitions and Findings from Exams*
- *Investment Advice and Rollover Recommendations*
- *Investment Education (for firms only offering education regarding rollovers)*
- *Trade Error Procedures*
- *Personal Securities Transactions*
- *Marketing & Advertising (**Remember Marketing Rule Implementation is November 4, 2022**)*

Because all Manuals are customized to each Firm, references to certain Sections in your manual may vary. **As per Rule 206 (4)- 7 and the Base Compliance Manual indicates, a thorough review of your Manual should be done at least annually to revise/enhance the Firm's policies and procedures and add policies and procedures if they apply to your Firm. CRP will continue to send out updates throughout the year. CRP does require Firms to tailor and update their Manual as needed after the first initial review and customization.** If your Firm needs assistance on adding sections, our hourly rate of \$325 will apply.

#### Highlight from a SEC Risk Alert released on November 9, 2015:

*Staff Observed that compliance policies and procedures were not tailored to registrants' businesses or practices. Several of the compliance manuals that the staff reviewed were created using outsourced CCO-provided templates. However, some of these templates were not tailored to registrants' businesses and practices and, thus, the compliance manuals that had been adopted contained policies and procedures that were not appropriate or applicable to the registrants' businesses or practices.*

*Examples include:*

- *Critical areas were not identified, and thus certain compliance policies and procedures were not adopted,*
- *Policies were adopted but did not apply to the advisers' businesses and operations. This includes keeping in language because you may add a type of business in the future.*
- ***Critical control procedures were not performed or not performed as described. It is essential you do what you say you are going to do!***

## TO ASSIST WE HAVE INCLUDED INSTRUCTIONS FOR UPDATING THE TABLE OF CONTENTS IN WORD:

### Create/Update a Table of Contents

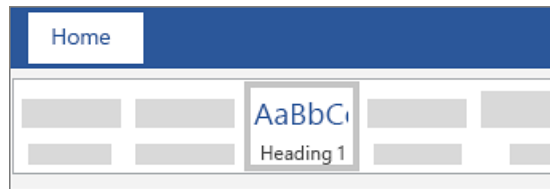
Word for Office 365 Word 2019 Word 2016 Word 2013 Word 2010 Word 2007

A Table of Contents in Word is based on the headings in your document.

Before you create your table of contents, **apply heading styles** - Heading 1, Heading 2, or Heading 3.

### Add heading styles

For each heading that you want in the table of contents, select the heading text, go to **Home > Styles**, and then choose **Heading 1, 2, or 3**.



### Create a Table of Contents

1. Put your cursor where you want to add the table of contents.
2. Go to References > Table of Contents, choose Automatic Table 1 or Automatic Table 2, or choose Custom Table of Contents to create your own style.
3. If you make changes to your document that affect the table of contents, update the table of contents by right-clicking the table of contents and choosing Update Field.

