

Disclosure Inquiry Letter Tracking Frequently Asked Questions (FAQ)

Q1: Under what circumstances will FINRA apply Disclosure Inquiry Letter Tracking?

A: FINRA will apply Disclosure Inquiry Letter Tracking under the following circumstances:

- The individual is FINRA-registered and has no other deficient registration requests;
- The letter being sent is an Inquiry Letter; and
- The Inquiry Letter is being sent for one of the following reasons:
 - A request for new disclosure;
 - A request to update the status for a previously reported disclosure event; or
 - A request for documentation regarding a disclosure event or potential disclosure event.

Disclosure Inquiry Letter Tracking will not be applied to Inquiry Letters requesting other additional details (such as a date, case number, etc.) regarding a previously reported disclosure event.

Q2: Does Disclosure Inquiry Letter Tracking apply to Deficiency Letters?

A: No. Disclosure Inquiry Letter Tracking will not be applied to Deficiency Letters (i.e., those letters sent to resolve a deficiency on a pending registration request).

Q3: Does Disclosure Inquiry Letter Tracking apply to all Inquiry Letters?

A: No. Disclosure Inquiry Letter Tracking applies only to those Inquiry Letters that are being sent for one of the following reasons:

- A request for new disclosure.
- A request to update the status for a previously reported disclosure event.
- A request for documentation regarding a disclosure event or potential disclosure event.

Q4: When is a firm expected to provide the required disclosure or disclosure documentation requested in the Inquiry Letter?

A: Under Article V, Section 2(c) of FINRA's By-Laws, a member is required to keep Form U4 current by submitting supplementary amendments within 30 days of learning of the facts or circumstances giving rise to the amendment, or within 10 days if the amendment involves a statutory disqualification. The reporting requirement is triggered when a firm learns of facts or circumstances giving rise to an amendment; implementation of the 30-day Disclosure Inquiry Letter Tracking period in Release 7.0 does not change the timing of a firm's reporting obligation. In most cases, a Disclosure Inquiry Letter does not trigger a firm's reporting obligation, but instead serves as a reminder that a required Form U4 Amendment (or supplemental information) must be filed via Web CRD or provided to the staff. A firm should have appropriate compliance controls in place to ensure that it receives timely notice of information that triggers a reporting requirement.

As a reminder, Web CRD's Disclosure Review Queue provides firms with notice of individuals for whom new or updated disclosure information recently was filed with Web CRD via Form U4, U5 and/or U6 filings. In addition, four of the disclosure-related Firm Notifications available on Web CRD advise firms when (1) a Form U6 is filed against an individual registered with the firm, (2) a U5 is filed by another firm, (3) a registered individual enters the Firm's Outstanding Disclosure Letter Notice Queue (an indication that the firm needs to respond to a staff request regarding the individual's disclosure information), and (4) a disclosure letter is over 30 days old. To receive these and other Firm Notifications, a firm's Account

Administrator first must entitle appropriate persons with the "Organization Processing>Non-Filing Information>Maintain Firm Notification" privilege. Then, to elect to receive Firm Notifications, click the Organization tab on the Tool Bar, Click on Non-Filing from the Sub-Menu, and click on Firm Notification from the Navigation Bar. View more details in the [Firm Notification](#) Quick Reference Guide.

Q5: What should a firm do if it is actively working the issue but having trouble obtaining the requested information in a timely manner?

A: If a firm believes that exceptional circumstances exist that make it unable to resolve an Inquiry Letter in a timely manner, it may contact FINRA's Gateway Call Center at (301) 869-6699.

Q6: Is the Disclosure Inquiry Letter Tracking connected to the Late Disclosure Fee?

A: Disclosure Inquiry Letter Tracking and the Late Disclosure Fee are all parts of a multi-pronged, FINRA effort to help ensure that firms have adequate compliance procedures in place to be able to meet reporting obligations required by FINRA's By-Laws and rules. Disclosure Inquiry Letter Tracking and any discretionary extensions granted in connection with that initiative do not affect Form U4 reporting obligations under NASD's rules and FINRA's By-Laws. A firm's failure to timely report an event may subject it to the imposition of Late Disclosure Fees, as appropriate, and to potential disciplinary action.

Last Updated: 5/1/2012