

- The current version of CRD was introduced in 1999, and we just passed the 20th anniversary of the product.
- The time has come to replace the technology and in doing so, FINRA viewed this as an opportunity to think bigger than just building the same thing again.
- We are currently in the 2nd year of our four-year transformation.
- FINRA has set ambitious goals.
- This transformation represents a three-pronged approach:
 - Move to technology that unleashes faster delivery, higher quality and more innovation;
 - Move to the cloud, which offers unlimited growth at lower costs; and
 - Move to a user-centric modern experience that focuses on the users of the system, not just meeting the letter of the law.



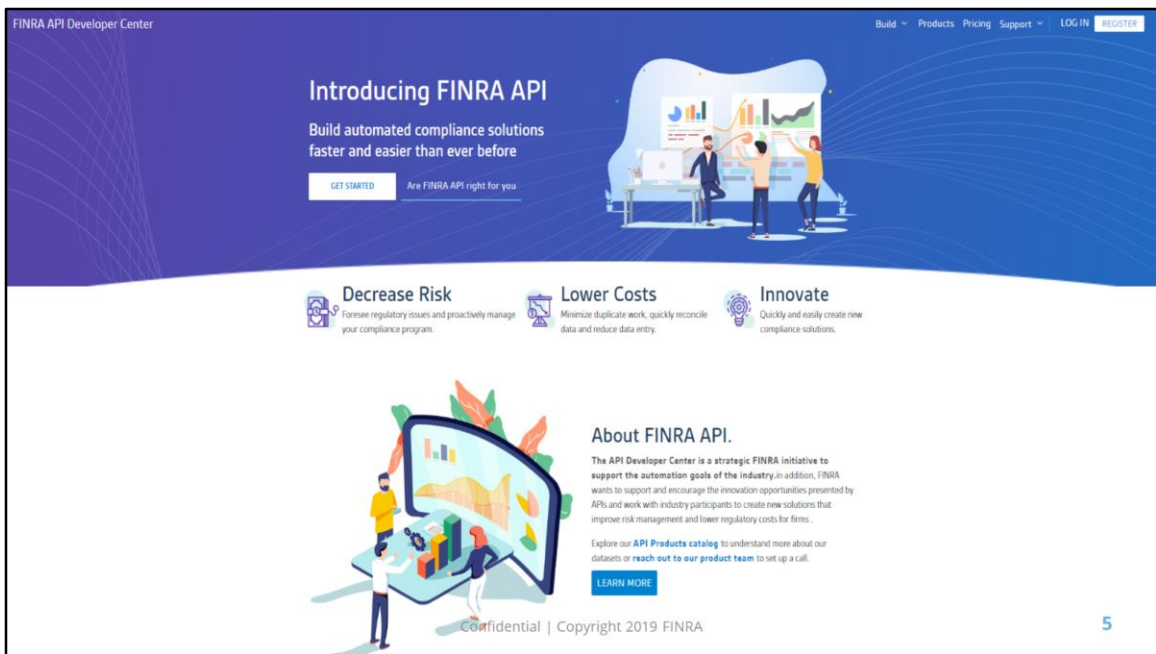
Launching new capabilities

Later this month, FINRA will make available our new dynamic reporting feature. Then, we will introduce our first new APIs.

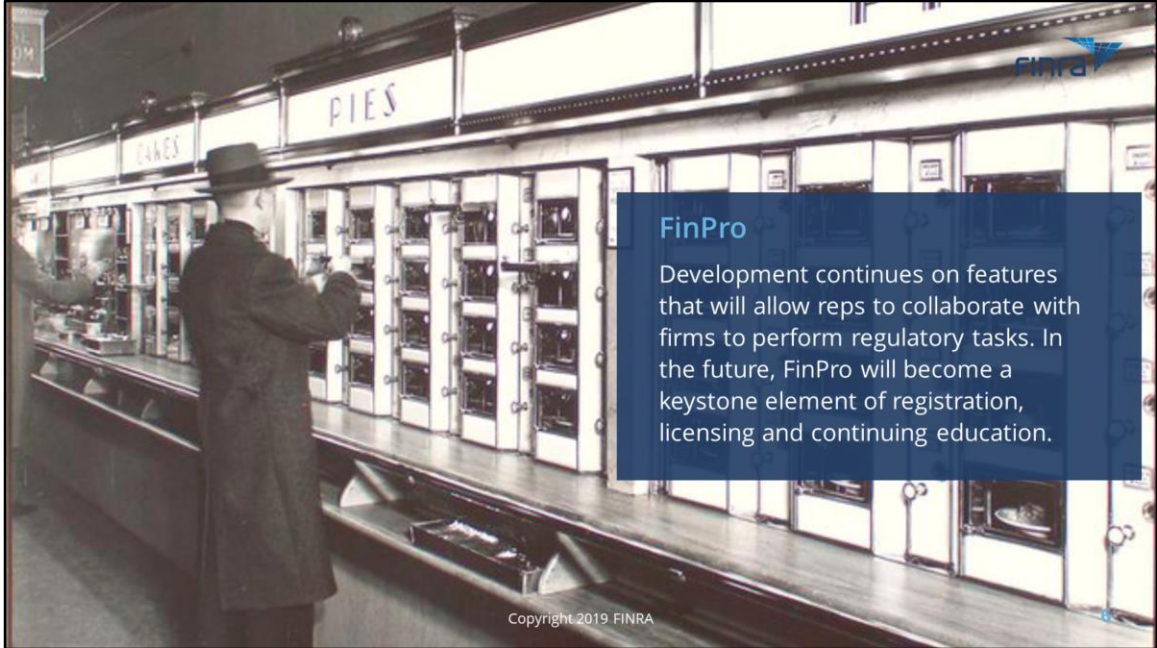
- During the first part of the transformation, much of the work was foundational.
 - Migrating to the cloud
 - Getting old data ready for a new CRD
 - Getting feedback about where change/improvement is most needed
 - Working out the scope of what we can do
 - Working on the details of some of the newer concepts
 - Activities
 - New individual profile
 - Working with other regulators
 - FINRA
 - States
- But today, we get to announce new stuff



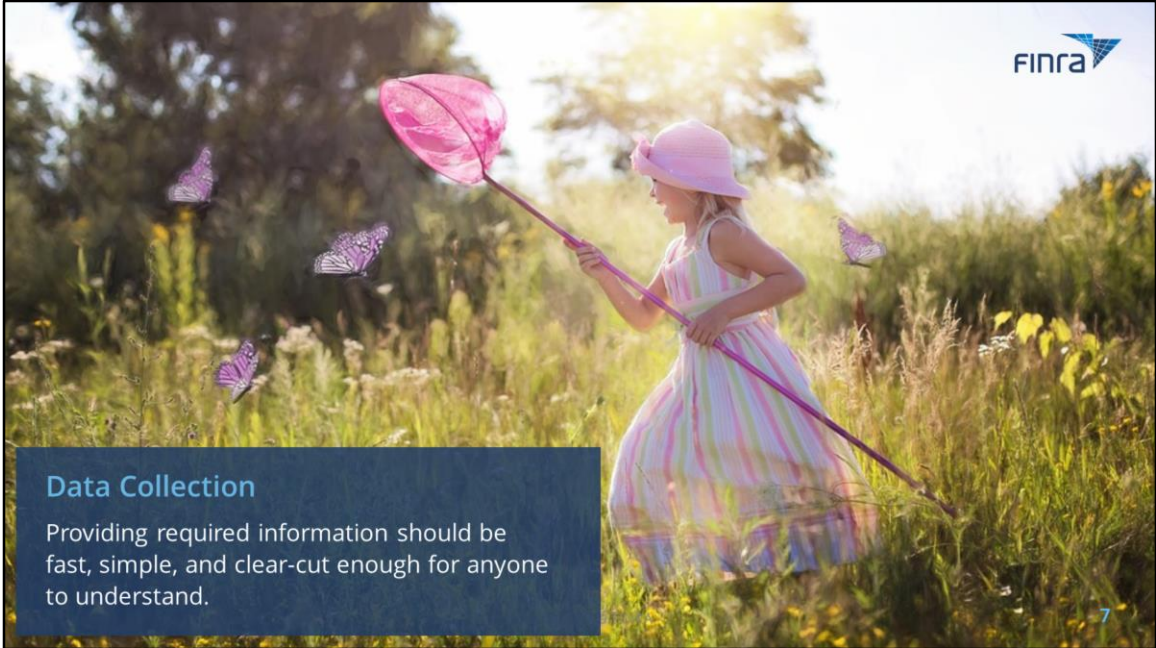
- First, we are introducing a new dynamic data reporting capability.
- Firms of all shapes, sizes, business models and regions have said, *“Make reporting better!”*
 - Why do I have to run data month by month?
 - Get the data out. Why is it locked away in a pdf?
 - Why do I have to get an ad hoc report when all I want is a new column?
- At the end of this month, we are going to open up our new dynamic reporting functionality.
- However, “reporting” as a description undersells this new capability.
- The new dynamic reporting feature lets you explore the information about your firm.
- DEMO Highlights included:
 - Report Templates
 - Adding/Removing Columns
 - Sorting
 - Filtering
 - Grouping
 - Exporting
 - Saving Custom Templates



- Screen shot of the new developer.finra.org site



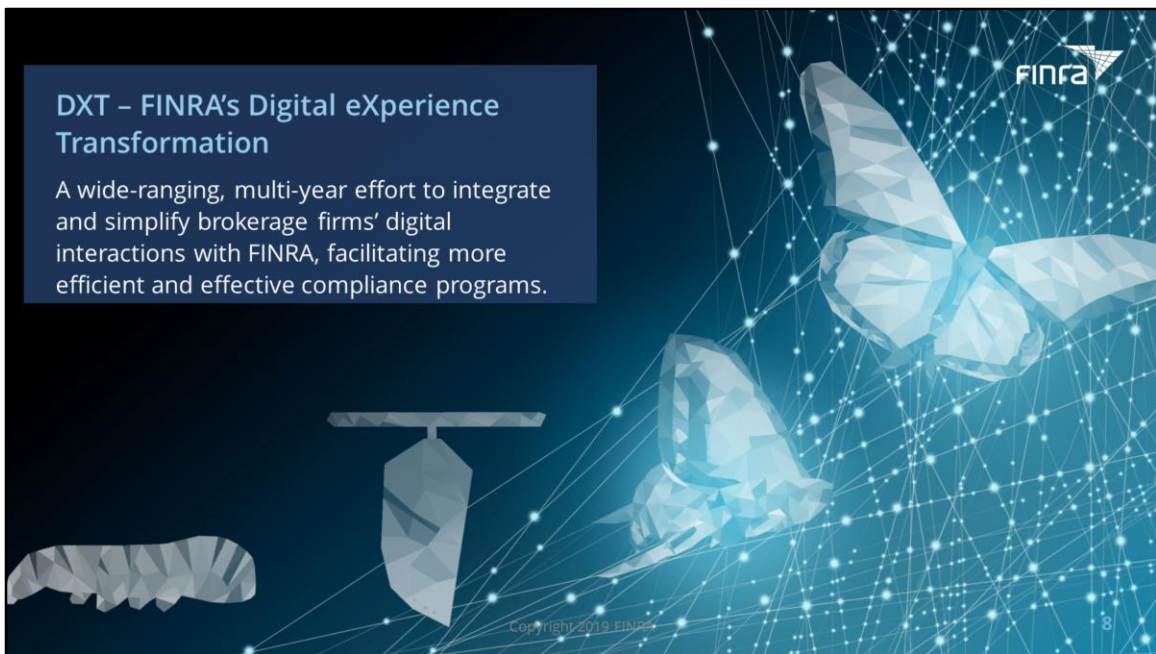
- FinPro has been available for the past 18 months or so in a soft launch.
- Starting this week, we began actively communicating the official FinPro rollout.
- Today, FinPro consolidates a number of capabilities that were previously dispersed across FINRA.
- However, FinPro will become a fundamental part of a registered professional's experience.
- Your firm will have the ability to collaborate with your professionals on providing necessary information and conducting regulatory transactions
- You professionals will be able to complete CE in FinPro.
- Additionally, FinPro will be a valuable tool for individuals before and after their time registered in the industry.



- In 1999, Web CRD launched and brought a paper form onto the web, but it still feels like you are dealing with a paper form.
- We want to take advantage of digital data collection
- To do that, we are separating the form that is produced from the data collection experience
- But we have some constraints:
 - We must stay within the scope of the existing form questions/fields & instructions.
 - We can break a question/field into multiple questions if they remain logically equivalent.
 - Guided conditional logic is acceptable as long as the users are still shown all the questions.
 - Replacing references to questions with the full text is acceptable.
 - Help text will consist of guidance that is already approved.
 - The “Legal Form View” must be viewed prior to form submission in certain cases and viewable to the user in all cases.
 - Initial submissions and any disclosure changes require the user to view the full legal form prior to submission.
 - Amendments that do not add or modify disclosure information provide the

option to view the legal form.

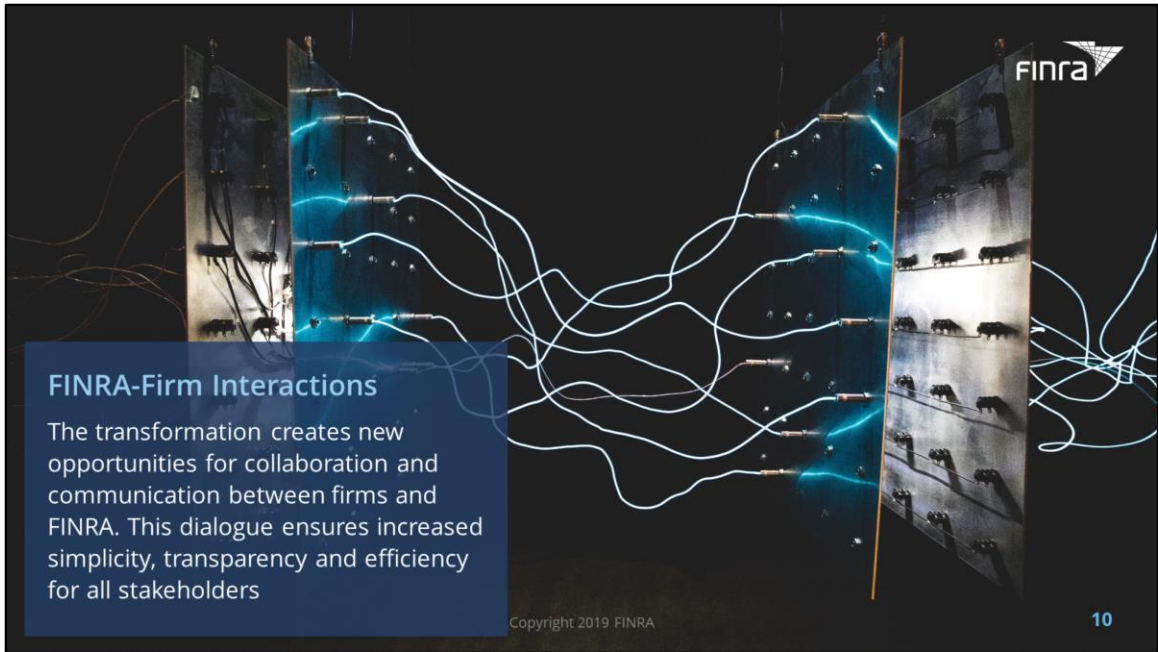
- Regardless of the type of change, the legal form will be available as a historical filing.
- This is primarily an exercise to improve user experience in FINRA web-based systems. We want to minimize change to our EFT firms and supporting vendors.
- We have been demonstrating this during in-person and virtual roundtables. Feedback has been extremely positive.
- The new U4 is targeted for the middle of 2020.



- The DXT initiative is the latest outgrowth of the ongoing FINRA360 organizational improvement initiative.
- The project has incorporated feedback from the industry collected during a series of focus groups with firms, as well as a survey of more than 50 firms. We learned a lot about how the industry interacts with FINRA for compliance information and management, and how the processes can be improved.
- The transformation will be implemented in stages through 2022. It is focused on six areas:
 - Efficiency – Centralized task management designed to help compliance professionals do their work faster and at lower cost;
 - Proactive Compliance – Actionable notifications for early warning of issues;
 - Simplified Experience – Customized and personalized user experience tailored to the role of the user;
 - Enhanced Interaction – Centralized workspace to facilitate interaction with FINRA staff;
 - Flexibility and Automation – Easier machine-to-machine integration with firm systems, plus enhanced access to FINRA compliance data;
 - Self Service – Access to online knowledge base and contextual support.



- While the Registration Systems Transformation (RST) kicked off before the overarching DXT effort, these efforts are coming together as they have overlapping values and goals.
- We no longer want you to have to think about which FINRA application you need to use to complete work; rather, we will just “go to FINRA to accomplish the necessary tasks.”
- Over the next several months, you will see the first public pieces of DXT.
- Ultimately, the new CRD will evolve into the new FINRA Gateway.
- This transformation is expected to occur in April of 2020



- The next item we are focusing on is how you will interact with FINRA. We will begin outreach for feedback shortly.
- Rethinking how we interact with firms includes investigating how we collect information.
- Some of this data collection work will also bring efficiencies to FINRA: reduced errors means less items to review.

Large Independent BD
"You don't always get asked to provide your feedback, so FINRA could have just rolled this out and said, "Here's the new CRD," and it could have been frustrating or difficult or not efficient. It's great that they are actually asking the people who use it every day."

Regional Bank
*"I like the fact that I can see my data in whatever fashion I want to see it now."
I think that's probably the best gift we have gotten from FINRA"*

Small Firm
"I appreciate your forward thinking on Web CRD and making things easier for firms from an admin perspective"

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- This transformation is being driven by the needs of the industry.
- We appreciate the positive feedback we have heard and the willingness of the industry to engage with us in ensuring we build the right product for the industry.
- We continue to need feedback and your participation.
- There are numerous opportunities to engage, including:
 - Roundtables,
 - Virtual feedback, and
 - one-on-one conversations
- Go to www.finra.org/newcrd and www.finra.org/dxt for opportunities to participate.