



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

September 5, 2025

Mr. Afshin Atabaki
Vice President and Associate General Counsel
Financial Industry Regulatory Authority, Inc.
1700 K Street, NW
Washington, DC 20006

Re: Request for No-Action Relief from Rule 17a-4 for Reliance on Central
Registration Depository System to Maintain Electronically Signed U4 Filings

Dear Mr. Atabaki:

In your letter dated September 5, 2025, the Financial Industry Regulatory Authority, Inc. ("FINRA"), on behalf of its members, requests that the staff of the Division of Trading and Markets ("Staff") of the Securities and Exchange Commission ("Commission") expand the existing Staff no-action relief regarding FINRA members' reliance on the Central Registration Depository system ("CRD") to maintain certain registration-related records for purposes of Section 17(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Exchange Act Rule 17a-4 ("Rule 17a-4") to include Form U4 (Uniform Application for Securities Industry Registration or Transfer) filings that are electronically signed using FINRA's electronic signature functionality and maintained on CRD. A copy of your letter is attached with this response to avoid having to repeat or summarize the facts you presented.

Background

CRD

As you explain in your letter, CRD is the central licensing and registration system used by FINRA, other self-regulatory organizations, the Commission, state securities regulators and broker-dealer firms.¹ Broker-dealers use CRD to meet certain regulatory requirements, particularly those relating to registration. FINRA members registered or applying for registration with the Commission are required to file uniform registration forms that are maintained on CRD, including Form U4, which is used to register persons associated with broker-dealers.

Conditions of Existing Relief

In a letter dated February 19, 2008 (the "2008 Letter"), the Staff stated that it would not recommend to the Commission enforcement action under Rule 17a-4 if a FINRA member relies on CRD to satisfy their record retention requirements under Rule 17a-4 with respect to the

¹ The Staff position in this letter is limited to FINRA members with respect to the retention requirements imposed on broker-dealers by Exchange Act Section 17(a) and Rule 17a-4 thereunder for the registration-related records discussed herein.

following registration-related records maintained on CRD: Form U4 amendments that do not require the registered person's signature; Form U5 filings (both initial Forms U5 and any amendments) that do not require the registered person's signature; and Form BR filings (both initial Forms BR and any amendments).² The 2008 Letter specifically excluded Form U4 amendments maintained on CRD that required a registered person's signature. In the 2008 Letter, the Staff's relief was limited to the form filings identified above which: (1) are submitted by the FINRA member under the CRD entitlement program, security protocols and audit capabilities described by FINRA at the time; (2) are filed by the member under the member's CRD account; (3) contain an electronic signature of the "appropriate signatory" of the member; and (4) are retained by CRD for the time periods broker-dealers are required to retain such records under Rule 17a-4.

Developments Since the 2008 Letter's Issuance

In 2021, FINRA amended Rule 1010(c) to permit members to file with FINRA an initial or transfer Form U4 based on either a manual or an electronically signed copy of the form provided to the member, or applicant for membership, by the individual on whose behalf the form is being filed (instead of only allowing a manually signed copy of the form).³ Similarly, for any amendments to the disclosure information on Form U4, FINRA's 2021 amendments to Rule 1010(c) also permit a member to file such amendment based on either a manually or electronically signed copy of the amended Form U4 provided to the member by the individual on whose behalf the Form U4 amendment is being filed (instead of only allowing a manually signed copy of the form amendment).⁴

In conjunction with the 2021 amendments to Rule 1010(c), FINRA also deployed functionality in CRD that enables individuals, on whose behalf a Form U4 is being filed, a secure manner by which to electronically sign their Form U4, which is then maintained on CRD. This FINRA electronic signature ("FINRA E-Signature") functionality is currently available to any individual who has created an account on FINRA's Financial Professional Gateway and whose member firm has enabled the functionality. Though FINRA members are free to use their own electronic signature tools or solutions to satisfy the requirements of Rule 1010(c), many have elected to use the FINRA E-Signature functionality in connection with the submission of Form U4 filings.

Your Request

Your letter asks that the Staff not recommend enforcement action if a FINRA member relies on CRD to satisfy its record retention requirements under Rule 17a-4 for Form U4 filings

² See Letter from Thomas McGowan, Assistant Director, Commission, to Richard Pullano, Associate Vice President and Chief Counsel, FINRA (Feb. 19, 2008), *available at* <https://www.sec.gov/divisions/marketreg/mr-noaction/2008/finra021908.pdf>.

³ See Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Permit Firms To File a Form U4 Based on an Electronically Signed Copy of the Form, Exchange Act Release No. 91262 (Mar. 5, 2021), 86 FR 13935 (Mar. 11, 2021).

⁴ See *id.*

that are electronically signed using the FINRA E-Signature functionality and maintained on CRD. You explain in your letter that Form U4 filings create significant recordkeeping obligations and expenses for FINRA members. You state that CRD features a rigorous entitlement program, security protocols, and audit capabilities. You state that CRD will retain the Form U4 filings identified in your letter for the time periods broker-dealers are required to retain such records under Rule 17a-4. You also state that the FINRA E-Signature functionality has an account credentialing requirement and employs entitlement, security and audit capabilities that are equally strong as those employed by CRD. Finally, you state that if your request is granted, FINRA members will be relieved of the administrative burden of storing forms already maintained on CRD, and regulators will continue to have easy and immediate access to such records through CRD.

Response

On the basis of the facts and representations contained in your letter (and without necessarily agreeing with any conclusions or analysis set forth therein), Staff will not recommend enforcement action to the Commission under Rule 17a-4 if a FINRA member relies on CRD to satisfy its record retention requirements under Rule 17a-4 for Form U4 filings that are electronically signed using FINRA E-Signature functionality and maintained on CRD, under the following circumstances:

- (1) The covered forms are submitted by the FINRA member under the CRD entitlement program, security protocols and audit capabilities described in your letter;
- (2) The forms are filed by the FINRA member under the member's CRD account;
- (3) The forms contain an electronic signature of the "appropriate signatory" of the member; and
- (4) The forms are retained by CRD for the time periods broker-dealers are required to retain such records under Rule 17a-4.

Any different facts or representations from those set forth in your request may require a different conclusion. Furthermore, this response expresses the Staff's position on enforcement action under Rule 17a-4 only and does not express any legal conclusions regarding the applicability of Rule 17a-4 or any other federal or state laws or the applicability of self-regulatory organization rule. This position is subject to modification or revocation if at any time the Commission or Division determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act.

Sincerely,

**RAYMOND
LOMBARDO**

Raymond A. Lombardo
Assistant Director

 Digitally signed by RAYMOND
LOMBARDO
Date: 2025.09.05 15:15:52 -04'00'



September 5, 2025

Mr. Michael Macchiaroli
Associate Director
Division of Trading and Markets
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-7010

Dear Mr. Macchiaroli:

The Financial Industry Regulatory Authority, Inc. ("FINRA"), on behalf of its members, respectfully requests that the staff of the Division of Trading and Markets ("Division") of the Securities and Exchange Commission ("Commission" or "SEC") expand the existing no-action relief regarding FINRA members' reliance on the Central Registration Depository system ("CRD[®]") to maintain certain registration-related records for purposes of Section 17(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 17a-4 thereunder to include Form U4 (Uniform Application for Securities Industry Registration or Transfer) filings that are electronically signed by applicants and registrants using FINRA's electronic signature functionality and maintained on CRD (as described below).

Background

CRD

CRD is the central licensing and registration system used by FINRA, other self-regulatory organizations ("SROs"), the SEC, state securities regulators and broker-dealer firms.¹ All state securities regulators, other SROs, and the SEC use CRD to register or license broker-dealers and their personnel.² In addition, CRD serves as an

¹ The concept for CRD was developed by FINRA jointly with the North American Securities Administrators Association. CRD was created, in large part, to centralize the registration process for broker-dealers and their personnel, rather than requiring applicants and registrants to file separately in multiple jurisdictions. CRD is based on a modern technology platform developed by FINRA that leverages applications, software and other services and equipment owned or licensed by FINRA.

² In this regard, FINRA notes that this no-action request is narrowly focused to provide relief to FINRA members from the retention requirements imposed on broker-dealers

online data repository for the registration-related information that is filed. The SEC, other federal regulators, state securities regulators and the SROs, use CRD not only to meet their licensing and registration responsibilities, but also in connection with their various regulatory responsibilities, such as enforcement initiatives and examination programs.

Broker-dealers use CRD to meet certain regulatory requirements, particularly those relating to registration. In this regard, all broker-dealers registered or applying for registration with the SEC are required to file uniform registration forms that are maintained on CRD. The uniform registration forms include: Form BD (Uniform Application for Broker-Dealer Registration); Form BDW (Uniform Request for Broker-Dealer Withdrawal); Form BR (Uniform Branch Office Registration Form); and Form U4 and Form U5 (Uniform Termination Notice for Securities Industry Registration), which are used to register and terminate the registrations of persons associated with broker-dealers. These uniform registration forms require comprehensive reporting of administrative information (*e.g.*, in the Form U4 context, personal and contact data, as well as information relating to a person's employment or registration history), and disclosure information (*i.e.*, information reported in response to questions on both Forms U4 and U5 about criminal, regulatory and financial matters, including information relating to customer disputes). As a result of the comprehensive nature of the information collected on the forms and the volume of filings made, the form filings create significant recordkeeping obligations and expenses for FINRA members.

Conditions of Existing Relief and Request for Expanded Relief

In a letter dated February 19, 2008 (the "2008 No-Action Letter"), the Division granted no-action relief to FINRA members that rely on CRD to satisfy their record retention requirements under Exchange Act Section 17(a) and Rule 17a-4 with respect to the following registration-related records maintained on CRD: Form U4 amendments that do not require the applicant's or registrant's signature; Form U5 filings that do not require the registrant's signature; and Form BR filings (both initial filings and amendments thereto).³ The 2008 No-Action Letter specifically excluded those

by Exchange Act Section 17(a) and Rule 17a-4 for the registration-related records discussed herein.

³ See Letter from Thomas McGowan, Assistant Director, SEC, to Richard Pullano, Associate Vice President and Chief Counsel, FINRA, dated Feb. 19, 2008, <https://www.sec.gov/divisions/marketreg/mr-noaction/2008/finra021908.pdf>.

registration-related records maintained on CRD that required an applicant's or a registrant's signature.

Prior to 2021, FINRA Rule 1010(c) (Form U4 Filing Requirements) required that every initial and transfer Form U4 filed with FINRA by a member, or an applicant for membership, be based on a manually signed copy of the Form U4 provided to the member, or applicant for membership, by the individual on whose behalf the Form U4 was being filed. Further, for any amendments to the disclosure information on a Form U4 filed with FINRA, Rule 1010(c) provided a member the option of filing the Form U4 based on: (1) a manually signed copy of the amended Form U4 provided to the member by the associated person on whose behalf the amended Form U4 was being filed; or (2) a written acknowledgment from the associated person that the amended disclosure information was received and reviewed.⁴

In 2021, FINRA amended Rule 1010(c) to permit members to file with FINRA an initial or transfer Form U4 based on either a manual or an electronically signed copy of the form provided to the member, or applicant for membership, by the individual on whose behalf the form is being filed.⁵ In addition, for any amendments to the disclosure information on Form U4, FINRA's 2021 amendments to Rule 1010(c) also permit a member to file such amendment based on either a manually or electronically signed copy of the amended Form U4 provided to the member by the individual on whose behalf the Form U4 amendment is being filed.⁶ The manually or electronically signed copy of the Form U4 must be retained by the member, or applicant for membership, in accordance with the requirements of Exchange Act Rule 17a-4(e)(1).

In conjunction with the 2021 amendments to Rule 1010(c), FINRA also deployed functionality in CRD that enables individuals, on whose behalf a Form U4 is being

⁴ In addition, if the member firm could not obtain either the signature or the written acknowledgment of the associated person prior to the filing, the firm would still be required to proceed with filing the amended disclosure information as to which it had knowledge and used reasonable efforts to provide the associated person with a copy of the amended disclosure information that was filed with FINRA. See Rule 1010(c)(3).

⁵ See Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Permit Firms To File a Form U4 Based on an Electronically Signed Copy of the Form, Exchange Act Release No. 91262 (March 5, 2021), 86 FR 13935 (March 11, 2021).

⁶ *Id.*

filed, a secure manner by which to electronically sign their Form U4, which is then maintained on CRD. This FINRA electronic signature ("FINRA E-Signature") functionality is currently available to any individual who has created an account on FINRA's Financial Professional Gateway (FinPro GatewayTM) and whose member firm has enabled the functionality. Though FINRA members are free to use their own electronic signature tools or solutions to satisfy the requirements of Rule 1010(c), many have elected to use the FINRA E-Signature functionality in connection with the submission of Form U4 filings.

This request seeks to expand the relief granted in the 2008 No-Action Letter to Form U4 filings that are electronically signed by individuals using the FINRA E-Signature functionality and maintained on CRD.⁷ By expanding the existing relief in such a manner and allowing FINRA members to rely on CRD to maintain a broader array of registration-related records required to be retained under the Exchange Act, we believe that members would realize significant cost savings and decreased administrative burdens without sacrificing important regulatory needs and objectives.

Basis for Relief

In the 2008 No-Action Letter, the Division's relief was based on the following conditions: (1) the covered forms are filed consistent with the CRD entitlement program, security protocols and audit capabilities described by FINRA at the time; (2) the forms are filed by the member under the member's CRD account; (3) the forms contain an electronic signature of the "appropriate signatory" of the member; and (4) the forms are retained for the time periods broker-dealers are required to retain such records under Exchange Act Rule 17a-4.⁸ As discussed below, the current request for relief aligns with each of these enumerated conditions.

⁷ The requested relief does not extend to Form U4 filings that are manually signed by an individual or Form U4 filings that are electronically signed by an individual using means other than the FINRA E-Signature functionality. Firms that elect to use manual signatures or their own electronic signature tools or solutions to satisfy the requirements of Rule 1010(c) will continue to have an obligation to retain those records in accordance with the requirements of Exchange Act Rule 17a-4.

⁸ As noted above, the 2008 No-Action Letter was limited to the following registration-related records: Form U4 amendments that do not require the applicant's or registrant's signature; Form U5 filings that do not require the registrant's signature; and Form BR filings (both initial filings and amendments thereto).

CRD Entitlement Program, Security Protocols and Audit Capabilities

As it did at the time of the 2008 No-Action Letter, FINRA continues to employ a rigorous entitlement program for CRD that is designed to ensure that only authorized users are able to view information, make required filings or otherwise interact with CRD. As part of the CRD entitlement program, FINRA establishes “accounts” for all organizations that are approved to access CRD. Such organizations (including FINRA members) designate an account administrator who then entitles individual users for the organization and determines the scope of each user’s access and the functional activities they can perform within CRD. Individual users are assigned secure logins (under the organization’s account) and CRD audit capabilities are able to identify users and their activities within CRD. A FINRA member accepts responsibility for form filings made by any entitled person on behalf of the organization.⁹

As noted above, FINRA members file registration forms that are maintained on CRD. The form filings (*i.e.*, initial forms and amendments to the forms) maintained on CRD are date and time-stamped upon filing. CRD employs completeness checks to ensure that all required data fields on the forms are completed.¹⁰ In addition, the information submitted on every form filing is able to be accurately reproduced as filed and viewed or printed by any CRD user authorized to view the information. Members cannot delete or alter form filings that are maintained on CRD.¹¹ The Form

⁹ Before securing entitlement privileges to CRD, an authorized representative of the member (typically an officer of the member) must execute an agreement containing terms of use for CRD.

¹⁰ If a required data element is not provided, the filing will fail the completeness check, and the filing cannot be made until the missing data element is provided. FINRA alerts the user (through an online message) that the form was not filed and identifies what data elements are needed to successfully file the form.

¹¹ As a result of CRD’s robust entitlement and security protocols, as well as CRD’s interactive filing process, the forms maintained on CRD generally are accepted as the true and accurate record. FINRA occasionally is asked to supplement this “system-certification” with a staff statement that a particular form was filed, or a disposition was recorded consistent with CRD protocols. FINRA currently provides such certification on an as needed basis and will continue to do so. FINRA also notes that the CRD entitlement program, security protocols and audit capabilities described herein are generally consistent with the audit-trail requirement for electronic recordkeeping systems recently adopted by the Commission. See Electronic Recordkeeping Requirements for Broker-Dealers, Security-Based Swap Dealers, and Major Security-Based Swap Participants, Exchange Act Release No. 96034 (Oct. 12,

U4 filings within the scope of this no-action request are subject to the same CRD entitlement, security and audit standards.

CRD Account

As noted above, FINRA members must have an “account” to secure entitlement privileges to CRD. Once that process is completed, CRD automatically recognizes that a form filing, including the Form U4 filings that are the subject of this request, has been made by a particular member.

Appropriate Signatory

Similar to the form filings that are subject to the 2008 No-Action Letter, the Form U4 filings within the scope of this request require the execution of an “appropriate signatory” of the firm. An “appropriate signatory” of the firm in this context means the person authorized by the firm to execute the filing on behalf of the firm. For purposes of an electronic form filing maintained on CRD, firm representatives accomplish this execution by typing the appropriate signatory’s name in the designated Form U4 field, which then constitutes an electronic signature of that person.¹² In addition, as part of the current interactive form filing process, CRD captures the user identification of the person who enters the name of the appropriate signatory and who files the form.

Retention Period

2022), 87 FR 66412, 66418 (“[T]o meet the audit-trail requirement, the electronic recordkeeping system would need to maintain and preserve the records for the duration of their applicable retention periods in a manner that maintains a complete time-stamped audit trail that includes: (1) all modifications to and deletions of a record or any part thereof; (2) the date and time of operator entries and actions that create, modify, or delete the record; (3) the individual(s) creating, modifying, or deleting the record; and (4) any other information needed to maintain an audit trail of each distinct record in a way that maintains security, signatures, and data to ensure the authenticity and reliability of the record and will permit re-creation of the original record and interim iterations of the record.”).

¹² See Section 15 on Form U4.

CRD will retain the Form U4 filings identified in this no-action request for the time periods broker-dealers are required to retain such records under Rule 17a-4.¹³ In addition, CRD is, by design, well-organized and easy to access by entitled users. All of the form filings maintained on CRD, including those within the scope of this request, are easy to identify and retrieve. FINRA also has a state-of-the-art disaster recovery program for CRD and its records.¹⁴

FINRA E-Signature Functionality

The FINRA E-Signature functionality has an account credentialing requirement and employs entitlement, security and audit capabilities that are equally strong as those employed by CRD. To use the FINRA E-Signature functionality, an individual must first have a FinPro Gateway account obtained through an entitlement process. The FinPro Gateway entitlement process requires users to provide the following information: (1) U.S. Social Security Number or individual CRD number; (2) date of birth; (3) current residential address; (4) a business and personal phone number; and (5) a personal email address. FinPro Gateway uses an identification verification service to verify the identity of an individual attempting to register for a FinPro Gateway account.¹⁵ FinPro Gateway also uses reCAPTCHA software to confirm that an actual person, rather than a robot, is attempting to register for FinPro Gateway. In addition, as part of the account creation process, FinPro Gateway users agree to terms and conditions that prohibit them from sharing their account information with others.

When a Form U4 is ready for an individual's signature, the FINRA member sends a secure communication with a read-only copy of the form to the individual's FinPro Gateway account, which then enables the individual to review the form. If the individual agrees that the form is complete and accurate, the individual electronically

¹³ Under Exchange Act Rule 17a-4(e)(1), broker-dealers are required to maintain and preserve in an easily accessible place Forms U4 until at least three years after the associated person's employment and any other connection with the broker-dealer has terminated. CRD currently retains, and will continue to retain, these records for the requisite time periods specified under the Exchange Act. This no-action relief, if granted, would not affect FINRA's other record retention obligations or practices.

¹⁴ FINRA maintains a complete disaster recovery program that includes data backup.

¹⁵ This process entails either (1) entering a one-time passcode delivered to the individual's personal cell phone via call or text, or (2) answering multiple-choice questions based on an individual's personal information.

Mr. Michael Macchiaroli
Associate Director
Division of Trading and Markets
September 5, 2025
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signs the form,¹⁶ and returns the signed form to the firm for review and filing. If no changes are necessary, the firm files the signed form. If the firm is required to make a change to the form after the individual has signed it, the individual's initial signature is invalidated, and the individual must re-sign the revised version of the form prior to its filing. Each of these steps is captured and retained for audit purposes. Once the signed Form U4 has been filed by the member, the filing is securely maintained on CRD for the duration of the retention period set forth under Exchange Act Rule 17a-4.

Based on the forgoing, including the safeguards and attributes of CRD and the FINRA E-Signature functionality, FINRA requests that members be allowed to rely on CRD to satisfy their record retention requirements under Exchange Act Rule 17a-4 with respect to Form U4 filings that are electronically signed by individuals using the FINRA E-Signature functionality and maintained on CRD.

If such no-action relief is granted, members will be relieved of the administrative burden of storing forms already maintained on CRD, and regulators will continue to have easy and immediate access to such records through CRD. We appreciate the staff's consideration of this request. If there are any questions, please contact me at (202) 728-8902.

Sincerely,

/s/ Afshin Atabaki

Afshin Atabaki
Vice President and Associate General Counsel

¹⁶ The individual's electronic signature constitutes a legally binding signature in compliance with the Electronic Signatures in Global and National Commerce Act ("E-Sign Act") and the guidance issued by the Commission relating to the E-Sign Act. See Exchange Act Release No. 44238 (May 1, 2001), 66 FR 22916 (May 7, 2001) (Commission Guidance to Broker-Dealers on the Use of Electronic Storage Media Under the E-Sign Act of 2000 with Respect to Rule 17a-4(f)).