

MEMO# 13337

April 3, 2001

NASAA PUBLISHES REVISED FORMS U-4 AND U-5 FOR COMMENT

[13337] April 3, 2001 TO: INVESTMENT ADVISERS COMMITTEE No. 10-01 SEC RULES COMMITTEE No. 33-01 SMALL FUNDS COMMITTEE No. 3-01 STATE SECURITIES MEMBERS No. 4-01 RE: NASAA PUBLISHES REVISED FORMS U-4 AND U-5 FOR COMMENT In anticipation of the rollout of the next phase of Investment Adviser Registration Depository (IARD), which will enable the system to process applications for registration filed by investment adviser representatives, the North American Securities Administrators Association (NASAA) has proposed revisions to Form U-4, Uniform Application for Securities Industry Registration and Transfer, and Form U-5, Uniform Termination Notice for Securities Industry Registration. (The functionality allowing the IARD to accept representatives' applications is expected to be deployed in July 2001.) Though these forms have been revised for use with the IARD system, the revised forms will also be the forms used to register broker-dealer representatives through the CRD system. NASAA has requested comments on the proposed revisions to the forms by April 20, 2001. Persons with comments they would like the Institute to consider including in the Institute's comment letter should provide them to the undersigned no later than Monday, April 16, 2001. Comments may be submitted by phone (202-326-5825), fax (202-326-5839) or e-mail (tamara@ici.org). Though the proposed forms are substantially longer than the current version of these forms, for the most part, they are substantively identical to the forms currently in use. The increased length of these forms results from their conversion to a more user-friendly format for electronic filing. (For example, the new forms will provide drop-down pick lists that the applicant can use when filling out the form.) In addition, while the current forms include one Disclosure Reporting Page (DRP), which is used irrespective of the nature of the disciplinary event reported, proposed Forms U-4 and U-5 have seven and five different types of DRPs, respectively, one for each of the types of disciplinary events that must be disclosed on the form. The technical changes proposed to Form U-4 include: boxes for the applicant to indicate whether the application is filed with a jurisdiction to obtain registration as a broker/dealer agent or an investment adviser representative or both (Item 5); more questions relating to multiple affiliations (Item 6); more specific information regarding the examinations offered by the various self-regulatory organizations (Item 7); and extending the period of disclosure of other names or aliases used by the applicant from "since adulthood" to "since the age of 18" (Item 10). The Form U-5 has been revised to distinguish termination of registration as a broker/dealer agent from termination as an investment adviser representative and to add more options with respect to partial terminations. For example, it would permit terminations of different types of registration categories (e.g., the registrant could terminate its registration as a Series 7 representative while maintaining its registration as a Series 24 principal) and it would permit the registrant to terminate with one or more of several affiliated firms, while still maintaining its registration with at least one of the firms.

(See Items 5.A. and 6, respectively.) In addition, the execution statements on both forms have been revised so that typing the name of the applicant and the firm's appropriate signatory on the electronic version of the form constitutes a valid signature. According to the instructions to the forms, "By typing a name in this field the signatory acknowledges and represents that the entry constitutes in every way, use or aspect, his or her legally binding signature." A copy of proposed Form U-4 and U-5 is attached. The forms may also be accessed through the NASAA web site at nasaa.org. Tamara K. Reed Associate Counsel

Attachments Note: Not all recipients receive the attachments. To obtain copies of the attachments to which this memo refers, please call the ICI Library at (202) 326-8304 and request the attachments for memo 13337. ICI Members may retrieve this memo and its attachments from ICINet (<http://members.ici.org>). Attachment no. 1 (in .pdf format)

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