

Broker-deal Registration and Filing Requirement Guide

The most common registration and membership requirements for broker-dealers include the following:

1. Securities and Exchange Commission ("SEC")

Though exemptions exist, most broker-dealers must register with the SEC under Section 15(b) of The Securities Exchange Act of 1934 (the "Act").

- Broker-dealers register by filing an application on Form BD, which may be obtained from the SEC's website or through the SEC's Publications Office at (202) 551-4040.
- The Form BD is also used to:
 - Apply for membership in a Self-Regulatory Organization ("SRO"), such as the Financial Industry Regulatory Authority ("FINRA").
 - Give notice to the SEC that the broker-dealer conducts government securities activities.
 - Apply for broker-dealer registration with each state in which the broker-dealer plans to do business.
- To apply for broker-dealer registration, the broker-dealer must file an executed copy of the Form BD through the Central Registration Depository ("CRD"), operated by FINRA.
- The SEC does not charge a filing fee.
- Within 45 days of filing the executed Form BD, the SEC will either grant registration or begin proceedings to determine whether it should deny registration.
- A registered broker-dealer must keep its Form BD current by filing amendments whenever the information on file changes.
- Self-Regulatory Organization ("SRO") – Broker-dealers must become members of an SRO, typically FINRA.
- If a broker-dealer restricts its transactions to the national securities exchanges of which it is a member, it may only be required to be a member of those exchanges.
- If a broker-dealer effects securities transactions other than on a national securities exchange of which it is a member, and does not qualify for an exception, it must become a member of FINRA. To do so, the broker-dealer must:
 - Reserve the firm's name
 - Sign up for system access
 - Pay application fees
 - Meet FINRA's Standards of Admission
 - Submit the SEC Form BD online and mail a hard copy
 - Submit all additional required forms, including the New Member Application
 - Submit fingerprints

2. Securities Investor Protection Corporation ("SIPC")

Every SEC-registered broker-dealer must become a member of SIPC, unless its principal business is conducted outside of the United States or consists exclusively of the sale or distribution of investment company shares, variable annuities, or insurance.

- SIPC members must pay an annual fee.

3. Associated persons

A broker-dealer must file a Form U-4 with the applicable SRO for each associated person who will affect transactions in securities associated with the broker-dealer.

➤ Series 7 and other exams may be required for associated persons.

4. Withdrawing registration as a broker-dealer

When a registered broker-dealer stops doing business, it must file a Form BDW to withdraw its registration with the SEC and with the SROs of which it is a member.

✳️ **As noted above, there are individual state registration requirements that are not covered by this guide. Please refer to your state regulator for information about state requirements.**

Regulatory authority filing requirements for broker-dealers

Regulatory requirements do not end with completed registrations and memberships. Each regulatory authority has its own filing requirements that must be maintained by the broker-dealer. The primary filing requirements include the following:

Annual Reports (Form X-17A-5 Part III)

Registered broker-dealers must file annual reports, including audited financial statements, with the SEC, SRO (including FINRA), SIPC, and other regulatory authorities (such as state commissions).

- Annual reports are generally due 60 days after year-end, with 30 day extensions granted for broker-dealers who qualify.
- Note: By default, your entire financial statement package is publicly available on the SEC's EDGAR database. However, broker-dealers have the option to file only their Statement of Financial Condition publicly, keeping the Statement of Income/Operations, Statement of Cash Flows, Computation of Net Capital, and Management's Exemption Report confidential.

FOCUS Reports

Broker-dealers who are FINRA members are required to file monthly or quarterly FOCUS Reports with FINRA. A Form Custody form should be included with the FOCUS Report filings.

SIPC Filings

SIPC requires two filings each year for member firms. The SIPC-6 is filed for the first six months of the year, due 30 days after the period it covers. The SIPC-7 is filed at the end of the fiscal year, due 60 days after the fiscal year end.

- In addition, broker-dealers with greater than \$500,000 in total revenues must file an Independent Accountant's Report on Applying Agreed-Upon Procedures ("AUP").

While these filings are the responsibility of broker-dealer management, Keiter can assist with broker-dealer audits, exemption reviews, and SIPC AUPs. The Keiter team works with both mature and early-stage broker-dealers in the capacity of auditors, business advisors, tax advisors, and valuation experts. Under current regulatory independence rules, auditors of broker-dealers must be independent of their clients in the preparation, assembly, and submission of broker-dealer financial statements.

2025 Broker-Dealer Filing Instructions

What are the annual filing requirements for registered broker-dealers?

All registered broker-dealers are required to file Annual Reports with the SEC and their designated examining authority pursuant to SEC Rule 17a-5(d)(1), 17 C.F.R. § 240.17a-5, and the SIPC. While paper filing is an option, electronic filing is preferred and may be required for some reports.

At the end of the audit process, you will receive the following electronic documents from your auditor:

1. Independent accountant's confidential audit opinion

First sentence: "We have audited the accompanying statement of financial condition of as of Date, the related statements of income/operations, changes in member's/stockholders' equity, and cash flows for the then ended, and the related notes (collectively referred to as the "financial statements")."

2. Independent accountant's public audit opinion

First sentence: "We have audited the accompanying statement of financial condition of as of Date, and the related notes (collectively referred to as the "financial statement")."

3. Auditor's Form SIPC-7 Agreed Upon Procedures Opinion (if annual revenues greater than \$500,000)

Title is: "Report of Independent Registered Public Accounting Firm on Applying Agreed-Up Procedures"

4. Auditor's Exemption Review Report

First sentence: "We have reviewed management's statements, included in the accompanying Rule 15c3-3 Exemption Report..."

In addition to the provided documents, you will need the following required for SEC and SIPC Annual Reports filing:

1. Final approved confidential version of the Financial Statements
 - Final version as approved by your auditor
2. Final approved public version of the Financial Statement (if filing)
 - Final version as approved by your auditor
3. Completed Notarized "Facing Pages" (one each for confidential and public versions)
Annual Audited Report, Form X-17A-5, Part III, Facing Page
 - If electronic filing, these notarized facing pages should be retained in the broker-dealer's files for 6 years, and not included in the filing package uploaded to the SEC.
4. Management's Exemption Assertion
 - Final version as approved by your auditor
5. Filing Copy of Form SIPC-7 (SIPC filing only)

Paper Filing Instructions-if not filing electronically

The annual reports must be filed at the regional office of the Commission for the region in which the broker or dealer has its principal place of business, the Commission's principal office in Washington, D.C., the principal office of the designated examining authority for the broker or dealer, and with the SIPC, if the broker or dealer is a member of SIPC and the reports are not filed through the FINRA firm gateway. The broker-dealer may also have filing requirements with state commissions that are not covered by this guide. Broker-dealers should refer to state commissions for more information about state filing requirements.

Electronic Filing Instructions

SEC Filing

The public and the non-public package

- Several weeks prior to filing your annual report
 - Submitted through EDGAR:
 - Update your credentials on EDGAR to convert from paper only filer to electronic filer.
- ☀ Note: This requires a notarized form to be submitted to SEC which is reviewed prior to being given.
- Once credentials are approved by the SEC, follow these instructions to file through EDGAR.

SIPC Filing

Through an arrangement with FINRA, all members that file Annual Reports with their DEA through the FINRA Firm Gateway will use the FINRA Firm Gateway to also file their Annual Reports with SIPC. Members that do not file Annual Reports with their DEAs through the FINRA Firm Gateway. SIPC members that do not file through the FINRA Firm Gateway will be provided with instructions from SIPC.

Agree Upon Procedures (AUP) Report Filing Options

Inclusion of the AUP Report with the Annual Report uploaded via the FINRA Firm Gateway is not sufficient. The AUP Report must be submitted through the SIPC Portal. To submit an AUP Report, go to the "File Upload" tab, select "Upload", under Category Select "AUP Report", and select the appropriate fiscal year.

- Filing due 60 days after year end

Include the following with each filing:

Public package:

1. Public Facing Page
2. Public Audit Opinion inserted after Table of Contents and before Statement of Financial Condition
3. Statement of financial condition and notes to financial

Agreed-upon procedures report and SIPC-7 (required only if annual revenues are greater than \$500,000):

1. Auditor's Form SIPC-7 Agreed-Upon Procedures Report
2. Form SIPC-7

Confidential package:

1. Non-Public Facing Page
2. Non-Public Audit Opinion inserted after Table of Contents and before the Statement of Financial Condition
3. Financial Statements and Notes to Financial Statements (including supplemental schedules)
4. Auditor's Exemption Review Report
5. Management's Exemption Assertion

Questions on these or other broker-dealer accounting requirements?

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