



**NATIONAL REGISTRATION DATABASE (NRD™) :**  
**HOW TO COMPLETE A NOTICE OF ANNUAL FEE**  
**EXCLUSION/REVERSAL**

**November 2010**

## **HOW TO COMPLETE A NOTICE OF ANNUAL FEE EXCLUSION/REVERSAL**

### **When is this submission type used?**

#### **Annual Fee Exclusion**

**This submission type** provides firms more control over the automatic annual fee payment process at the end of each year. The submission is used to ensure individuals who will be surrendering registration or terminating employment as of December 31 are not charged annual fees for the following calendar year.

The Annual Fee Exclusion/Reversal submission can be filed for multiple individuals using one submission and each jurisdiction requires a separate submission. This submission type can be filed at any time during the year but it must be filed before the annual fee pull on December 31<sup>st</sup>. Each year, the CSA will advise registrants of the hour on the 31<sup>st</sup> after which the system will become unavailable for any type of submission.

The submission does not require regulatory approval and it is automatically accepted by the system. At the end of business on December 31<sup>st</sup>, the registration status of individuals excluded from the annual fee payment, changes to “Suspended (Annual Fee)” for that jurisdiction.

Filing of the Annual Fee Exclusion/Reversal submission does not replace a firm’s filing obligations under National Instrument 33-109. If the firm uses this submission, the firm must file one of the following submissions for each individual who is excluded from the annual fee payment within the filing deadlines under NI 33-109:

- (a) 33-109F1 - Notice of Termination of Registered Individuals and Permitted Activities (if the individual will no longer be employed at your firm); or
- (b) 33-109F2 - Change or Surrender of Individual Categories (if the individual is only surrendering registration in one or some jurisdictions, but will still maintain registration with your firm in at least one jurisdiction).

#### **Annual Fee Reversal**

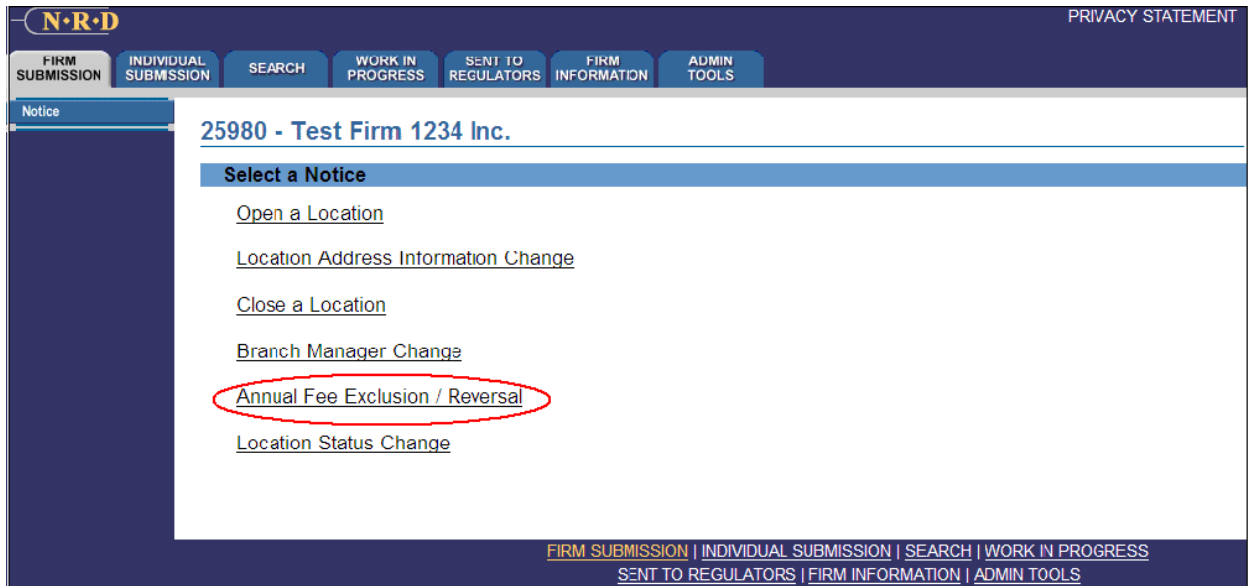
While the Annual Fee Exclusion/Reversal submission allows firms to exclude certain individuals from the annual fee payment it can also be used to reverse the exclusion of an individual. Firms should reverse an individual identified to be excluded where the individual was excluded in error or a decision has been made to maintain the individual's registration after December 31<sup>st</sup>. The reversal must be filed prior to the final annual fee calculation on December 31<sup>st</sup>. At the end of business on December 31<sup>st</sup>, the registration status of individuals reversed from the exclusion will be unaffected by the original exclusion notice.

## Who can complete this submission?

A Chief AFR or AFR for a firm registered in multiple jurisdictions may complete this function.

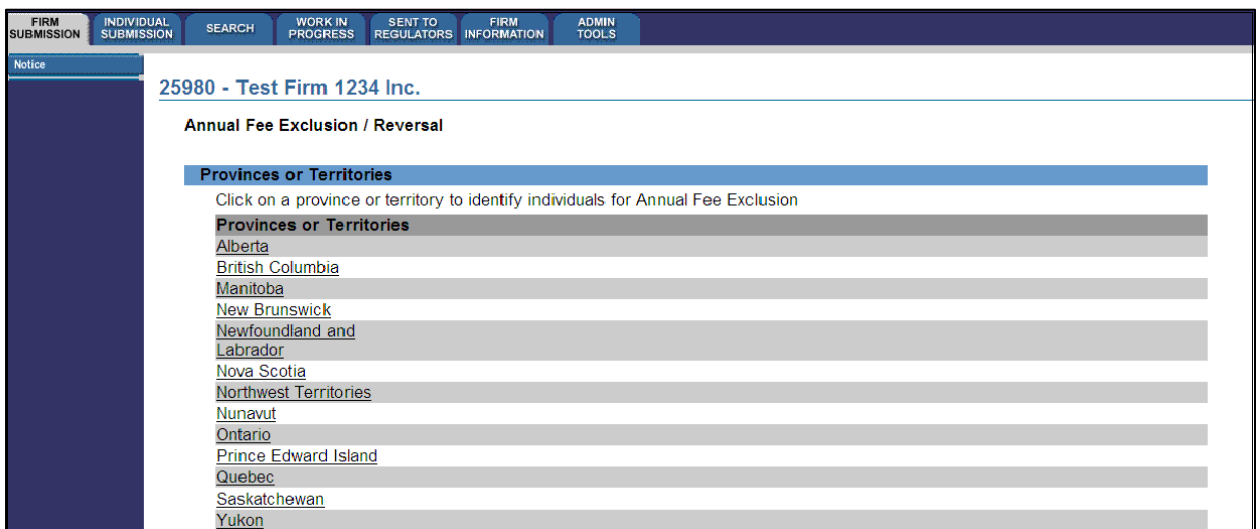
## How is this submission completed?

1. From the Main Navigation bar, click the **Firm Submission** button, and then select **Annual Fee Exclusion / Reversal** from the list of firm notices.



The screenshot shows the NRD system interface. At the top, there is a navigation bar with the NRD logo and a 'PRIVACY STATEMENT' link. Below the navigation bar, there are several tabs: 'FIRM SUBMISSION', 'INDIVIDUAL SUBMISSION', 'SEARCH', 'WORK IN PROGRESS', 'SENT TO REGULATORS', 'FIRM INFORMATION', and 'ADMIN TOOLS'. The 'FIRM SUBMISSION' tab is selected. On the left side, there is a 'Notice' sidebar. The main content area displays '25980 - Test Firm 1234 Inc.' and a 'Select a Notice' section. The options listed are: 'Open a Location', 'Location Address Information Change', 'Close a Location', 'Branch Manager Change', 'Annual Fee Exclusion / Reversal' (circled in red), and 'Location Status Change'. At the bottom of the page, there is a footer with the same navigation tabs as the top bar.

2. The system displays a list of jurisdictions in which the firm is currently registered. Click the province or territory where the firm wishes to exclude individuals from annual fees for the coming calendar year, or reverse the exclusion of individuals already identified in previous Annual Fee Exclusion / Reversal submissions.



The screenshot shows the NRD system interface for the 'Annual Fee Exclusion / Reversal' page. The navigation bar and tabs are the same as in the previous screenshot. The 'FIRM SUBMISSION' tab is selected. The main content area displays '25980 - Test Firm 1234 Inc.' and the title 'Annual Fee Exclusion / Reversal'. Below the title, there is a section titled 'Provinces or Territories' with a blue header. Underneath, there is a instruction: 'Click on a province or territory to identify individuals for Annual Fee Exclusion'. A list of provinces and territories is displayed, each with a link: Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Northwest Territories, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan, and Yukon.

Note: If an individual is registered in more than one jurisdiction, you must create a new submission for each of the jurisdictions in which you intend to exclude the individual from annual fees.

3. The system displays a screen requiring the NRD number of the individual that the firm wishes to exclude from the annual fee payment or reverse from the exclusion. Enter the NRD number and click **Continue**.

Annual Fee Exclusion / Reversal

25980 - Test Firm 1234 Inc.

Annual Fee Exclusion / Reversal

Individual Information

Provide the NRD No.

FIRM SUBMISSION | INDIVIDUAL SUBMISSION | SEARCH | WORK IN PROGRESS

SENT TO REGULATORS | FIRM INFORMATION | ADMIN TOOLS

4. The system validates the NRD number entered, displays the legal name of the corresponding individual, and that person's individual categories with your firm in the selected jurisdiction. If this is not the correct individual, click **Cancel** at the bottom of the screen to execute a new search by individual NRD number. Select whether the individual is to be excluded from the upcoming Annual Fee or their previously identified exclusion reversed.

Annual Fee Exclusion / Reversal

25980 - Test Firm 1234 Inc.

Annual Fee Exclusion / Reversal

Individual Information - Ontario

NRD No. 2078911

Last Name: Smith

First Name: David

Registration Categories

Mutual Fund Dealer

Director

Salesperson

Action:

Exclude Individual

Reverse Excluded Individual

FIRM SUBMISSION | INDIVIDUAL SUBMISSION | SEARCH | WORK IN PROGRESS

SENT TO REGULATORS | FIRM INFORMATION | ADMIN TOOLS

To add other individuals to the annual fee exclusion / reversal for this jurisdiction, click **Add Another** to identify other individuals. If you are ready to proceed with the submission, click **Save & Continue**.

- After you have confirmed at least one individual for the submission, the system will display a summary list that includes the NRD number, the first and last name of each individual and the action being applied. From this summary, you may click **Add Another** to add more individuals, or click **Continue** to complete the submission.

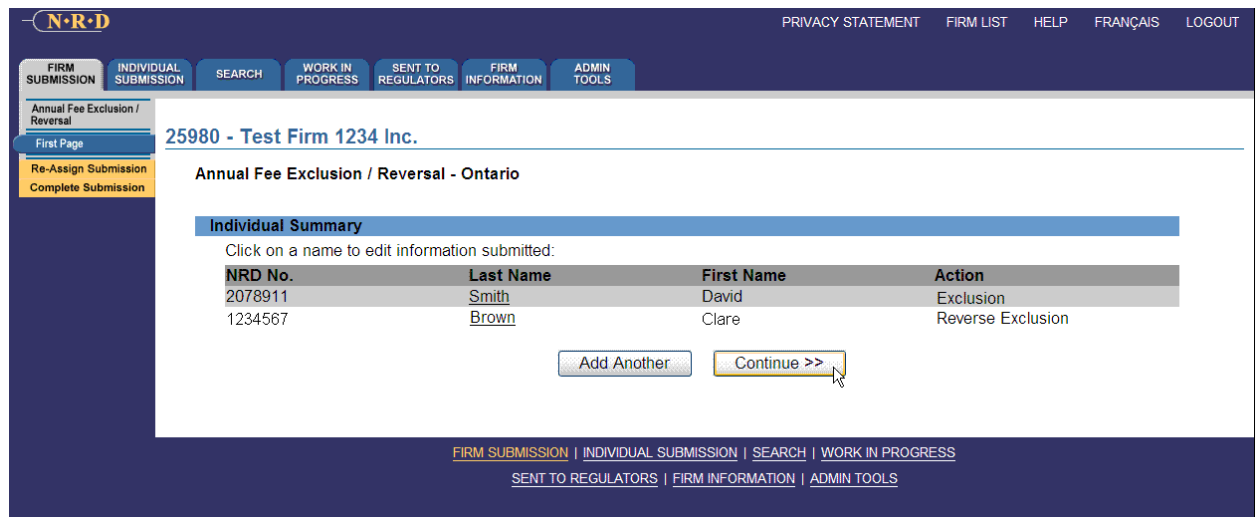
The screenshot shows the NRD system interface. At the top, there is a navigation bar with 'N·R·D' logo and links for 'PRIVACY STATEMENT', 'FIRM LIST', 'HELP', 'FRANÇAIS', and 'LOGOUT'. Below this is a secondary navigation bar with tabs: 'FIRM SUBMISSION', 'INDIVIDUAL SUBMISSION', 'SEARCH', 'WORK IN PROGRESS', 'SENT TO REGULATORS', 'FIRM INFORMATION', and 'ADMIN TOOLS'. The main content area is titled '25980 - Test Firm 1234 Inc.' and 'Annual Fee Exclusion / Reversal - Ontario'. A sidebar on the left contains links for 'Annual Fee Exclusion / Reversal', 'First Page', 'Re-Assign Submission', and 'Complete Submission'. The main content features an 'Individual Summary' section with a table of individuals and two buttons: 'Add Another' and 'Continue >>'. At the bottom, there is a breadcrumb trail: 'FIRM SUBMISSION | INDIVIDUAL SUBMISSION | SEARCH | WORK IN PROGRESS | SENT TO REGULATORS | FIRM INFORMATION | ADMIN TOOLS'.

NRD No.	Last Name	First Name	Action
2078911	Smith	David	Exclusion
1234567	Brown	Clare	Reverse Exclusion
911591	Chung	Lynn	Excluded

- If you wish to remove any individuals from the list, click that person's last name. The screen will display their information as described in step 4, with a **Delete** checkbox in the upper right corner.

The screenshot shows the NRD system interface for the 'Individual Information' page. The navigation and sidebar are the same as in the previous screenshot. The main content area is titled '25980 - Test Firm 1234 Inc.' and 'Annual Fee Exclusion / Reversal - Ontario'. The 'Individual Information - Ontario' section includes a 'Delete' checkbox. Below this, there are sections for 'Registration Categories' (Investment Dealer, Securities, Options & Managed Accounts) and an 'Action:' section with radio buttons for 'Exclude Individual' and 'Reverse Excluded Individual'. At the bottom, there are three buttons: 'Add Another', 'Save & Continue >>', and 'Cancel'. The breadcrumb trail at the bottom is: 'FIRM SUBMISSION | INDIVIDUAL SUBMISSION | SEARCH | WORK IN PROGRESS | SENT TO REGULATORS | FIRM INFORMATION | ADMIN TOOLS'.

Check off the box and click **Save & Continue**. That individual will be removed from the submission.



When you are ready, click **Continue** on the summary list page or **Complete Submission** on the local navigator. The system verifies that you have entered all required information and guides you through the **Complete Submission** process.

## 7. Complete Submission process

### (a) Print Submission

Before sending the submission to the Regulators, you can print the submission by manually printing each page.

### (b) Completeness check

When you are working on a submission and you:

- Click **Complete Submission** on the local navigator; or
- Click **Continue** on the last page of the submission and start the **Complete Submission** process,

The system validates your submission and checks it for completeness. If all the required information has been entered, the system will display a message confirming that the submission is ready to be sent to regulators. Any incomplete items prompt an error message in red text that describes what information is incomplete in the submission.

(c) **Submission Fee Summary screen**

There are no regulatory fees associated with this submission and the system displays \$0 fees payable to regulators in each province and territory in which you are making your submission as well as your firm's NRD account information. NRD user fees also do not apply to this submission.

The screenshot shows a web interface with a navigation bar at the top containing buttons for FIRM SUBMISSION, INDIVIDUAL SUBMISSION, SEARCH, WORK IN PROGRESS, SENT TO REGULATORS, FIRM INFORMATION, and ADMIN TOOLS. Below the navigation bar, the page title is "25980 - Test Firm 1234 Inc." followed by "Submit to Regulators - 2010238554 - Annual Fee Exclusion / Reversal - Submission Fee Summary". A blue bar highlights "Ontario". The main content area lists fees for "Investment Dealer" (\$0.00), "Investment Fund Manager" (\$0.00), and "Allocation" (Ontario Securities Commission and IIROC - Head Office (Ontario), both \$0.00). A "Grand Total" of \$0.00 is shown at the bottom right. A note states: "The amount of \$0.00 will be withdrawn from Bank Account # 2-1271774 via Electronic Fund Transfer." Below the note are two buttons: "Printable Page" and "Acknowledge". At the bottom of the page, a navigation bar contains links for FIRM SUBMISSION, INDIVIDUAL SUBMISSION, SEARCH, WORK IN PROGRESS, SENT TO REGULATORS, FIRM INFORMATION, and ADMIN TOOLS.

To print the fee summary for your records, click **Printable Page**, then use the Print function in your internet browser. Click **Continue**, then **Acknowledge** to confirm your acceptance of the fees listed.

(d) **Submit to Regulators screen**

The system displays a screen with the provinces, territories and regulators to which your submission will be sent.

The screenshot shows a web interface with a navigation bar at the top containing buttons for FIRM SUBMISSION, INDIVIDUAL SUBMISSION, SEARCH, WORK IN PROGRESS, SENT TO REGULATORS, FIRM INFORMATION, and ADMIN TOOLS. Below the navigation bar, the page title is "25980 - Test Firm 1234 Inc." followed by "Submit to Regulators - 2010238554 - Annual Fee Exclusion / Reversal". The main content area contains a notice: "The registration status of the individual(s) identified for exclusion will be changed to 'Suspended - Annual Fee Exclusion' on December 31 in the jurisdiction indicated below. A notice of termination of employment or an amendment for surrender of registration is required for each individual identified for exclusion within 5 business days following December 31." Below the notice is a table with two columns: "Province or Territory" and "Securities Regulatory Authority or Self-Regulatory Organization". The table contains one row: "Ontario" and "IIROC - Head Office (Ontario)". Below the table is a "Submit" button. At the bottom of the page, a navigation bar contains links for FIRM SUBMISSION, INDIVIDUAL SUBMISSION, SEARCH, WORK IN PROGRESS, SENT TO REGULATORS, FIRM INFORMATION, and ADMIN TOOLS.

When you are ready, click **Submit**. The system sends the submission and displays your **Task Menu**. The submission does not require regulatory approval and it will be automatically accepted by the system.

**Note:** You may go to the **Admin Tools/Report Function** after December 31<sup>st</sup> to generate a report which lists individuals who have been excluded from the annual fee payment process and are required to submit the appropriate submission type within the filing deadlines under NI 33-109: Form 33-109F1 - *Notice of Termination* or Form 33-109F2 - *Change or Surrender of Individual Categories*.

Refer to the following **User Guide** module for more detailed instructions: How to Generate a Termination Follow-up Report