



Form CMA

Current FINRA members seeking to change ownership, control, or business operations must submit a continuing member application, or Form CMA. [Form BD](#) amendments may be required for some of these Form CMA-triggering events.

On This Page

- [When to File a CMA](#)
- [What to include in a CMA](#)
- [Removal or Modification of a Restriction on a Membership Agreement](#)
- [After Filing a CMA](#)

When to File a CMA

When current FINRA members plan to undergo any of the changes in ownership, control, or business operations, outlined in FINRA Rule 1017(a), they are required to file a Form CMA with FINRA's Membership Application Program (MAP) Group [via FINRA Gateway](#) **prior** to implementing the change.

FINRA determines whether to approve, deny or approve with restrictions all such applications in accordance with the procedures in [FINRA Rule 1017](#). In these applications, the overriding consideration is an Applicant's ability to continue to meet the Standards for Admission contained in [FINRA Rule 1014](#).

A firm is required to file a Form CMA in the event of:

- a merger with another member firm;
- a direct or indirect acquisition of another member;
- direct or indirect acquisitions or transfers of 25 percent or more in the aggregate of the firm's assets, or any asset, business or line of operation that generates revenues comprising 25 percent or more in the aggregate of the firm's earnings measured on a rolling 36-month basis;
- a change in the equity ownership or partnership capital of the firm that results in one person or entity directly or indirectly owning or controlling 25 percent or more of the equity or partnership capital; or
- a material change in business operations as defined in [Rule 1011\(m\)](#) and [Notice to Members 00-73](#).

Learn more about when to file [Form BD vs Form CMA](#) and [MAP Compliance Tools](#).

NOTE: The filing of a Form BD amendment does not constitute "notice" of a CMA event under the FINRA Rule 1000 Series. Contact your firm's Risk Monitoring Analyst (RMA) to discuss any changes to your firm's business.

What to include in a CMA

Each continuing membership request is unique and thus each CMA requires different supporting documentation. Depending on the nature of the application, firms are encouraged to supply as much of the information identified below as possible.

Changes in Ownership, Control or Business Operations

When filing for a change in ownership, control or business operations, the following documents should generally be included. This is not an all-inclusive list. More information may be needed based on the nature of the proposed change.

- A detailed description of the proposed change, including the specific ownership percentage of each new owner and the entity in which the interests are owned;
- Charts reflecting the pre-transaction and post-transaction ownership structure (and management/supervisory structure, if changing);
- Copies of any corporate resolutions, minutes and/or other equivalent documentation authorizing the change;
- Transactional documents governing the change, including all referenced exhibits and schedules (e.g., the Purchase Agreement);
- Copies of all formation and governing documents for the proposed structure;
- A detailed description of the source(s) of the funds to be used for the purchase, as well as evidence of same (e.g., three months of bank statements);
- Copies of any new service agreements or business contracts the firm will execute as a result of the proposed change;

- A statement indicating whether (and if so, to what extent) there will be changes to or impact on the firm (e.g., in the areas of supervision, operations, business activities, etc.).

For asset transfers, it is critical to include information on any outstanding and/or pending arbitrations, including but not limited to providing an arbitration plan that details how monies will be paid, if required. The firm will need to provide documentation such as an escrow agreement with monies put aside to pay customer claims.

Use of Negative Response Letters for Bulk Transfer of Customer Accounts

For firms seeking to use negative response letters for bulk transfer of customer accounts, please review [Notice to Members 02-57](#).

Negative response letters should be reviewed with the firm's clearing firm prior to submission to the firm's FINRA Risk Monitoring Analyst (RMA). Review of the negative response letter will take place concurrent with the processing of a CMA but may be submitting to a firm's RMA prior to filing the CMA due to the time-sensitive nature of some bulk transfers.

Note: This is not intended to present a comprehensive list of all categories of information that may be relevant to an application and should not be interpreted as to limit FINRA staff's discretion in requesting additional information staff deems relevant to an application's review.

Removal or Modification of a Restriction on a Membership Agreement

FINRA members must file a Form CMA whenever they seek to modify or remove restrictions previously imposed in a membership agreement. Certain changes are presumed not to be material under safe harbor provisions and would not trigger a CMA filing.

Membership Agreement Changes that do not require a CMA filing should be submitted through FINRA Gateway via the Membership Agreement Change Request Form.

What Change Would Trigger a Membership Agreement Change Request and not a CMA?

If a firm wishes to remove an approved business line (and possibly lower their required minimum net capital) or change their exemption status without adding any material business lines the firm may file a Membership Agreement Change (MAC) request. There is no fee to file a MAC request.

What Should a MAC Request Include?

MAC requests should include a detailed description of the nature of the change requested and any relevant supporting documentation. These materials must clearly identify the change requested and why the firm believes the change requested does not warrant the filing of a Continuing Membership Application.

After Filing a CMA

[FINRA Rule 1017\(h\)\(2\)](#) requires FINRA to issue a written decision for CMAs "within 30 days after the conclusion of the membership interview or the filing of additional information or documents, whichever is later. If the Department does not require the Applicant to participate in a membership interview or request additional information or documents, the Department shall serve a written decision within 45 days after the filing of the application under paragraph (a)...."

However, there are several factors that may cause a delay in the processing of an application, including, but not limited to:

1. Insufficient Information

Applicants must be prepared to provide in a timely manner information that addresses how they will satisfy all of FINRA's [Standards for Admission](#) and other applicable statutory and regulatory requirements if requested to do so. Firms are encouraged to contact their Risk Monitoring Team before filing a CMA if they have questions about documents and information that should be submitted, since applications containing all the relevant information when they are first submitted tend to be processed more expeditiously.

2. Failure to meet qualifications requirements

Applications should not be submitted until the Applicant and employees required to be registered are prepared to satisfy all the membership and registration requirements necessary to conduct the Applicant's proposed securities activities. Failure to provide information, correct filing deficiencies, or successfully complete qualification examinations, among other things, could result in FINRA rejecting the application. FINRA **strongly recommends** that qualifications examinations be scheduled as soon as the material change of

business is contemplated, whether it's before or early in the application process.

3. Lack of documentation supporting the source of capital

Determining sources of capital is a key step in the application process. FINRA takes all reasonable steps to clearly understand the nature and source of capital and the background and relevant disciplinary history of all persons involved in providing such capital. Your application will likely incur delays without supporting documentation of the source of capital. FINRA encourages firms to submit any of the following documents when you submit the application in order to assist in reducing delays: copies of canceled checks, deposit slips, monthly bank account statements, securities statements, tax returns and loan documents.

Questions? Contact Us.

If after reviewing the information in this section you need additional assistance, contact MAP at 212-858-4000 (Option 5 – Membership Applications) or by email at membership@finra.org.