

## FINRA Streamlines Representative Qualification Exams

FINRA is restructuring its Representative level qualification exams (e.g., Series 7 and 79) to eliminate the redundancies that currently exist in the examination process.

**Beginning October 1, 2018, all representatives will need to take a new exam, the Security Industry Essentials (SIE) exam.** In addition, all representatives will need to take a top-off exam in the form of a revised, truncated exam appropriate to their job function. For example, all representatives conducting investment banking activities will have to take the SIE exam plus the revised, shorter Series 79 exam. Those taking the SIE exam and the top-off representative level exam can schedule the exams for the same day, if desired and space is available at the testing center.



**FINRA will also permit any individual who would like to take the SIE exam to do so.** The requirement to be affiliated with a member firm will not apply to the SIE exam. Individuals not affiliated with a member firm will:

- follow a separate registration process;
- be subject to the SIE Rules of Conduct;
- create an account, pay via credit card and contact Prometric to schedule their exam;
- receive a sheet with their results. Those who fail the exam will also receive a breakdown of their performance by section.

Firms that are interested in hiring these individuals will be able to see the results using CRD's pre-registration search. In addition, any entity such as a member firm or training company can sponsor these individuals to take the exam without going through the U4 process by purchasing vouchers for those individuals. Unlike all other registrations which expire after two years, the SIE registration expires after four years.

**Firms will no longer see passing exam scores in CRD after October 1, 2018.** Failing exam scores can be viewed until the individual passes the exam, at which point the failing score is removed from CRD.

**There are several changes to the waiver process.** After October 1, 2018, if an individual requests a waiver of the SIE exam only, he or she will need to pass the top-off exam in order to receive the waiver of the SIE exam. If an individual requests a waiver of both the SIE and the top-off exam, he or she will need to complete the CE 101 to receive the waivers of the two exams. If the individual requests a waiver of only the top-off exam, he or she will need to complete the CE 101 to receive the waiver of the top-off exam.



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FINRA is also implementing a waiver program for individuals whose registrations are terminated because they become employed by a U.S. or foreign securities industry affiliate of a FINRA member firm. Under this new program, these individuals would terminate their registrations with the FINRA member firm, but would be eligible for a waiver of their licenses under certain conditions relating to the amount of time the licenses were held, the timeliness of the waiver request, and other factors.

### HOW OYSTER CAN HELP

Oyster Consulting can review your firm's registrations to ensure they are compliant with the changing regulation and can draft waiver request letters as needed. Our consultants can also assist with amending policies and procedures to reflect the new registration requirements. Our experts have years of industry experience and can quickly assess through thoughtful and skillful questions what areas of your firm need the most attention and review. Oyster's team can help you facilitate those changes through support staffing or by taking on the initiative entirely.

For more information about how Oyster can assist your firm, please complete our [contact form](#), or call (804) 955-5400 and one of our [Relationship Managers](#) will be happy to help you.