

Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * <input type="text" value="37"/> | SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4 | File No.* SR - <input type="text" value="2018"/> - * <input type="text" value="006"/> |
| | | Amendment No. (req. for Amendments *) <input type="text"/> |

Filing by Financial Industry Regulatory Authority
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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| Initial * <input checked="" type="checkbox"/> | Amendment * <input type="checkbox"/> | Withdrawal <input type="checkbox"/> | Section 19(b)(2) * <input type="checkbox"/> | Section 19(b)(3)(A) * <input checked="" type="checkbox"/> | Section 19(b)(3)(B) * <input type="checkbox"/> |
| | | | Rule | | |
| Pilot <input type="checkbox"/> | Extension of Time Period for Commission Action * <input type="checkbox"/> | Date Expires * <input type="text"/> | <input checked="" type="checkbox"/> 19b-4(f)(1) | <input type="checkbox"/> 19b-4(f)(4) | |
| | | | <input type="checkbox"/> 19b-4(f)(2) | <input type="checkbox"/> 19b-4(f)(5) | |
| | | | <input type="checkbox"/> 19b-4(f)(3) | <input type="checkbox"/> 19b-4(f)(6) | |

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| Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 | Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 |
| Section 806(e)(1) * <input type="checkbox"/> | Section 806(e)(2) * <input type="checkbox"/> |
| Section 3C(b)(2) * <input type="checkbox"/> | |

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| Exhibit 2 Sent As Paper Document <input type="checkbox"/> | Exhibit 3 Sent As Paper Document <input checked="" type="checkbox"/> |
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Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Last Name *

Title *

E-mail *

Telephone * Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date Senior Vice President and Deputy General Counsel

By

(Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “SEA”),¹ Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) revisions to the content outline and selection specifications for the Operations Professional (Series 99) examination as part of the restructuring of the representative-level examination program.² The proposed revisions also update the material to reflect changes to the laws, rules and regulations covered by the examination and to incorporate the functions and associated tasks currently performed by an Operations Professional. In addition, FINRA is proposing to make changes to the format of the content outline. FINRA is not proposing any textual changes to the By-Laws, Schedules to the By-Laws or Rules of FINRA.

The revised Series 99 content outline is attached. The revised Series 99 selection specifications have been submitted to the Commission under separate cover with a request for confidential treatment pursuant to SEA Rule 24b-2.³

(b) Not applicable.

(c) Not applicable.

¹ 15 U.S.C. 78s(b)(1).

² FINRA also is proposing corresponding revisions to the Series 99 question bank. Based on instruction from SEC staff, FINRA is submitting this filing for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(1) thereunder, and is not filing the question bank. See Letter to Alden S. Adkins, Senior Vice President and General Counsel, NASD Regulation, from Belinda Blaine, Associate Director, Division of Market Regulation, SEC, dated July 24, 2000. The question bank is available for SEC review.

³ 17 CFR 240.24b-2.

2. Procedures of the Self-Regulatory Organization

At its meeting on December 15, 2015, the FINRA Board of Governors authorized the filing of the proposed rule change with the SEC. No other action by FINRA is necessary for the filing of the proposed rule change.

As discussed further below, FINRA is filing the proposed rule change for immediate effectiveness. The implementation date will be October 1, 2018, to coincide with the implementation of the restructured representative-level examination program. FINRA will also announce the implementation date of the proposed rule change in a Regulatory Notice.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

Section 15A(g)(3) of the Act⁴ authorizes FINRA to prescribe standards of training, experience, and competence for persons associated with FINRA members. In accordance with that provision, FINRA has developed examinations that are designed to establish that persons associated with FINRA members have attained specified levels of competence and knowledge, consistent with applicable registration requirements under FINRA rules. FINRA periodically reviews the content of the examinations to determine whether revisions are necessary or appropriate in view of changes pertaining to the subject matter covered by the examinations.

⁴ 15 U.S.C. 78q-3(g)(3).

The SEC recently approved a proposed rule change to restructure the FINRA representative-level qualification examination program.⁵ The rule change, which will become effective on October 1, 2018,⁶ restructures the examination program into a new format whereby all new representative-level applicants will be required to take a general knowledge examination (the Securities Industry Essentials or SIE™) and a tailored, specialized knowledge examination (a revised representative-level qualification examination) for their particular registered role.

The restructured program eliminates duplicative testing of general securities knowledge on the current representative-level qualification examinations by moving such content into the SIE examination.⁷ The SIE examination will test fundamental securities-related knowledge, including knowledge of basic products, the structure and function of the securities industry, the regulatory agencies and their functions and regulated and prohibited practices, whereas the revised representative-level qualification examinations will test knowledge relevant to day-to-day activities, responsibilities and job functions of representatives.⁸

⁵ See Securities Exchange Act Release No. 81098 (July 7, 2017), 82 FR 32419 (July 13, 2017) (Order Approving File No. SR-FINRA-2017-007).

⁶ See Regulatory Notice 17-30 (SEC Approves Consolidated FINRA Registration Rules, Restructured Representative-Level Qualification Examinations and Changes to Continuing Education Requirements) (October 2017).

⁷ Each of the current representative-level examinations covers general securities knowledge, with the exception of the Research Analyst (Series 86 and 87) examinations.

⁸ FINRA filed the SIE content outline with the SEC for immediate effectiveness. See Securities Exchange Act Release No. 82578 (January 24, 2018), 83 FR 4375 (January 30, 2018) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2018-002). In addition to the proposed rule change relating to the revised Series 99 examination, FINRA will file with the Commission for immediate

As part of the restructuring process and in consultation with a committee of industry representatives, FINRA undertook a review of the Operations Professional (Series 99) examination to remove the general securities knowledge currently covered on the examination and to create a tailored examination to test knowledge relevant to the day-to-day activities, responsibilities and job functions of an Operations Professional. As a result of this review, FINRA also is proposing to revise the Series 99 content outline to reflect changes to the laws, rules and regulations covered by the examination and to incorporate the functions and associated tasks currently performed by an Operations Professional. The proposed change will align the organization of the Series 99 content outline with the organization of the content outlines of the other revised representative-level examinations.⁹ In addition, FINRA is proposing to make other changes to the format of the Series 99 content outline.

Beginning on October 1, 2018, new applicants seeking to register as Operations Professionals must pass the SIE examination and the revised Operations Professional (Series 99) examination.

Current Content Outline

The current Series 99 content outline is divided into three sections. The following are the three sections, denoted Section 1 through Section 3, with the associated number of questions:

effectiveness the content outlines for the other revised representative-level qualification examinations.

⁹ FINRA currently has organized several FINRA qualification examinations, such as the Securities Trader (Series 57) examination, based on the functions that are performed by the respective registered persons and the associated tasks. FINRA is proposing similar layouts for all of the representative-level examinations, including the Series 99 examination.

Section 1: Basic Knowledge Associated with the Securities Industry, 32 questions;

Section 2: Basic Knowledge Associated with Broker-Dealer Operations, 48 questions; and

Section 3: Professional Conduct and Ethical Considerations, 20 questions.

In addition, each section includes references to the applicable laws, rules and regulations associated with that section. The current content outline also includes a preface (addressing, among other things, the purpose, administration and scoring of the examination), sample questions and reference materials.

Revised Content Outline

As noted above, FINRA is proposing to move the general securities knowledge currently covered on the Series 99 examination to the SIE examination. For example, FINRA Rule 3220 (Influencing or Rewarding Employees of Others) (the Gifts Rule) will now be tested on the SIE examination, rather than on the Series 99 examination. As a result, the revised Series 99 examination will test knowledge specific to the day-to-day activities, responsibilities and job functions of an Operations Professional.

Further, FINRA is proposing to reorganize the content outline by dividing it into two major job functions that are performed by an Operations Professional. The following are the two major job functions, denoted Function 1 and Function 2, with the associated number of questions:

Function 1: Knowledge Associated with the Securities Industry and Broker-Dealer Operations, 35 questions; and

Function 2: Professional Conduct and Ethical Considerations, 15 questions.

FINRA also is proposing to adjust the number of questions assigned to each major job function to ensure that the overall examination better reflects the key tasks performed by an Operations Professional. The questions on the revised Series 99 examination will place emphasis on tasks such as broker-dealer operations.

Each function also includes specific tasks describing activities associated with performing that function. There are nine tasks (1.1 – 1.9) associated with Function 1¹⁰ and four tasks (2.1 – 2.4) associated with Function 2.¹¹ For example, one such task (Task 1.1) is opening and maintaining accounts.¹² Further, the content outline lists the knowledge required to perform each function and associated tasks (e.g., types of retail, institutional and prime brokerage customer accounts). In addition, where applicable, the content outline lists the laws, rules and regulations a candidate is expected to know to perform each function and associated tasks (e.g., SEA Rule 15c3-3 (Customer Protection – Reserves and Custody of Securities)).

FINRA also is proposing to revise the content outline to reflect changes to the laws, rules and regulations covered by the examination. Among other revisions, FINRA is proposing to revise the content outline to reflect the adoption of rules in the consolidated FINRA rulebook (e.g., FINRA Rule 3120 (Supervisory Control System) replaces NASD Rule 3012 (Supervisory Control System)).¹³

¹⁰ See Exhibit 3a, Outline Pages 3-7.

¹¹ See Exhibit 3a, Outline Pages 8-9.

¹² See Exhibit 3a, Outline Page 3.

¹³ See Rule Conversion Chart, available at <http://www.finra.org/industry/finra-rule-consolidation>.

FINRA is proposing similar changes to the Series 99 selection specifications and question bank.

Finally, FINRA is proposing to make other changes to the format of the content outline, including to the preface, sample questions and reference materials.¹⁴ Among other changes, FINRA is proposing to: (1) reduce the preface to one page of introductory information; (2) streamline details regarding the purpose of the examination; (3) move the application procedures to FINRA's website; and (4) explain that the passing score is established using a standard setting procedure, and that a statistical adjustment process known as equating is used in scoring the examination.¹⁵

As a result of the proposed changes, the number of scored questions on the Series 99 examination will be reduced from 100 questions to 50 questions.¹⁶ Further, the test time, which is the amount of time candidates will have to complete the examination, will be reduced from two hours and 30 minutes to one hour and 30 minutes. Currently, a score of 68 percent is required to pass the examination. FINRA will publish the passing score of the revised Series 99 examination on its website, at www.finra.org, prior to its first administration.

¹⁴ FINRA is proposing similar changes to the content outlines for other representative-level examinations.

¹⁵ See Exhibit 3a, Outline Pages 2.

¹⁶ Consistent with FINRA's practice of including "pretest" questions on examinations, the Series 99 examination includes five additional, unidentified pretest questions that do not contribute towards the candidate's score. The pretest questions are designed to ensure that new examination questions meet acceptable testing standards prior to use for scoring purposes. Therefore, the Series 99 examination actually consists of 55 questions, 50 of which are scored. The five pretest questions are randomly distributed throughout the examination.

Availability of Content Outline

The current Series 99 content outline is available on FINRA's website. The revised Series 99 content outline will replace the current content outline on FINRA's website, and it will be made available on the website on the date of this filing.

FINRA is filing the proposed rule change for immediate effectiveness. The implementation date will be October 1, 2018, to coincide with the implementation of the restructured representative-level examination program. FINRA will also announce the implementation date of the proposed rule change in a Regulatory Notice.

(b) Statutory Basis

FINRA believes that the proposed revisions to the Series 99 examination program are consistent with the provisions of Section 15A(b)(6) of the Act,¹⁷ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and Section 15A(g)(3) of the Act,¹⁸ which authorizes FINRA to prescribe standards of training, experience, and competence for persons associated with FINRA members. The proposed rule change will improve the examination program, without compromising the qualification standards, by removing the general knowledge content currently covered on the Series 99 examination, since that content will be covered in the co-requisite SIE examination. In addition, the proposed revisions will further the purposes of the Act by updating the examination program to reflect changes to the laws, rules and regulations covered by the examination and to

¹⁷ 15 U.S.C. 78o-3(b)(6).

¹⁸ 15 U.S.C. 78o-3(g)(3).

incorporate the functions and associated tasks currently performed by an Operations Professional.

4. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The updated examination aligns with the functions and associated tasks currently performed by an Operations Professional and tests knowledge of the most current laws, rules, regulations and skills relevant to those functions and associated tasks. As such, the proposed revisions would make the examination more effective. FINRA also provided a detailed economic impact assessment regarding the introduction of the SIE examination and the restructuring of the representative-level examinations as part of the proposed rule change to restructure the FINRA representative-level qualification examination program.¹⁹

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A)(i) of the Act²⁰ and Rule 19b-4(f)(1) thereunder,²¹ in that the proposed rule

¹⁹ See Securities Exchange Act Release No. 80371 (April 4, 2017), 82 FR 17336 (April 10, 2017) (Notice of Filing of File No. SR-FINRA-2017-007).

²⁰ 15 U.S.C. 78s(b)(3)(A)(i).

change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of FINRA. The implementation date will be October 1, 2018, to coincide with the implementation of the restructured representative-level examination program. FINRA will also announce the implementation date of the proposed rule change in a Regulatory Notice.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1. Completed notice of proposed rule change for publication in the Federal Register.

Exhibit 3a. Revised Content Outline for the Series 99 Examination.

Exhibit 3b. Revised Selection Specifications for the Series 99 Examination.

FINRA has requested confidential treatment for the Series 99 revised selection specifications, and thus the specifications are omitted from this filing. The Series 99 revised selection specifications have been filed separately with the Commission pursuant to SEA Rule 24b-2.²²

²¹ 17 CFR 240.19b-4(f)(1).

²² 17 CFR 240.24b-2.

Exhibit 3c. Letter to Alden S. Adkins, Senior Vice President and General Counsel, NASD Regulation, Inc. from Belinda Blaine, Associate Director, Division of Market Regulation, SEC, dated July 24, 2000.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-FINRA-2018-006)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Revise the Operations Professional (Series 99) Examination

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on , Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as “constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule” under Section 19(b)(3)(A)(i) of the Act³ and Rule 19b-4(f)(1) thereunder,⁴ which renders the proposal effective upon receipt of this filing by the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

FINRA is proposing revisions to the content outline and selection specifications for the Operations Professional (Series 99) examination as part of the restructuring of the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(i).

⁴ 17 CFR 240.19b-4(f)(1).

representative-level examination program.⁵ The proposed revisions also update the material to reflect changes to the laws, rules and regulations covered by the examination and to incorporate the functions and associated tasks currently performed by an Operations Professional. In addition, FINRA is proposing to make changes to the format of the content outline. FINRA is not proposing any textual changes to the By-Laws, Schedules to the By-Laws or Rules of FINRA.

The revised Series 99 content outline is attached. The revised Series 99 selection specifications have been submitted to the Commission under separate cover with a request for confidential treatment pursuant to SEA Rule 24b-2.⁶

The text of the proposed rule change is available on FINRA's website at <http://www.finra.org>, at the principal office of FINRA and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FINRA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

⁵ FINRA also is proposing corresponding revisions to the Series 99 question bank. Based on instruction from SEC staff, FINRA is submitting this filing for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(1) thereunder, and is not filing the question bank. See Letter to Alden S. Adkins, Senior Vice President and General Counsel, NASD Regulation, from Belinda Blaine, Associate Director, Division of Market Regulation, SEC, dated July 24, 2000. The question bank is available for SEC review.

⁶ 17 CFR 240.24b-2.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Section 15A(g)(3) of the Act⁷ authorizes FINRA to prescribe standards of training, experience, and competence for persons associated with FINRA members. In accordance with that provision, FINRA has developed examinations that are designed to establish that persons associated with FINRA members have attained specified levels of competence and knowledge, consistent with applicable registration requirements under FINRA rules. FINRA periodically reviews the content of the examinations to determine whether revisions are necessary or appropriate in view of changes pertaining to the subject matter covered by the examinations.

The SEC recently approved a proposed rule change to restructure the FINRA representative-level qualification examination program.⁸ The rule change, which will become effective on October 1, 2018,⁹ restructures the examination program into a new format whereby all new representative-level applicants will be required to take a general knowledge examination (the Securities Industry Essentials or SIE™) and a tailored, specialized knowledge examination (a revised representative-level qualification examination) for their particular registered role.

⁷ 15 U.S.C. 78o-3(g)(3).

⁸ See Securities Exchange Act Release No. 81098 (July 7, 2017), 82 FR 32419 (July 13, 2017) (Order Approving File No. SR-FINRA-2017-007).

⁹ See Regulatory Notice 17-30 (SEC Approves Consolidated FINRA Registration Rules, Restructured Representative-Level Qualification Examinations and Changes to Continuing Education Requirements) (October 2017).

The restructured program eliminates duplicative testing of general securities knowledge on the current representative-level qualification examinations by moving such content into the SIE examination.¹⁰ The SIE examination will test fundamental securities-related knowledge, including knowledge of basic products, the structure and function of the securities industry, the regulatory agencies and their functions and regulated and prohibited practices, whereas the revised representative-level qualification examinations will test knowledge relevant to day-to-day activities, responsibilities and job functions of representatives.¹¹

As part of the restructuring process and in consultation with a committee of industry representatives, FINRA undertook a review of the Operations Professional (Series 99) examination to remove the general securities knowledge currently covered on the examination and to create a tailored examination to test knowledge relevant to the day-to-day activities, responsibilities and job functions of an Operations Professional. As a result of this review, FINRA also is proposing to revise the Series 99 content outline to reflect changes to the laws, rules and regulations covered by the examination and to incorporate the functions and associated tasks currently performed by an Operations Professional. The proposed change will align the organization of the Series 99 content

¹⁰ Each of the current representative-level examinations covers general securities knowledge, with the exception of the Research Analyst (Series 86 and 87) examinations.

¹¹ FINRA filed the SIE content outline with the SEC for immediate effectiveness. See Securities Exchange Act Release No. 82578 (January 24, 2018), 83 FR 4375 (January 30, 2018) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2018-002). In addition to the proposed rule change relating to the revised Series 99 examination, FINRA will file with the Commission for immediate effectiveness the content outlines for the other revised representative-level qualification examinations.

outline with the organization of the content outlines of the other revised representative-level examinations.¹² In addition, FINRA is proposing to make other changes to the format of the Series 99 content outline.

Beginning on October 1, 2018, new applicants seeking to register as Operations Professionals must pass the SIE examination and the revised Operations Professional (Series 99) examination.

Current Content Outline

The current Series 99 content outline is divided into three sections. The following are the three sections, denoted Section 1 through Section 3, with the associated number of questions:

Section 1: Basic Knowledge Associated with the Securities Industry, 32 questions;

Section 2: Basic Knowledge Associated with Broker-Dealer Operations, 48 questions; and

Section 3: Professional Conduct and Ethical Considerations, 20 questions.

In addition, each section includes references to the applicable laws, rules and regulations associated with that section. The current content outline also includes a preface (addressing, among other things, the purpose, administration and scoring of the examination), sample questions and reference materials.

¹² FINRA currently has organized several FINRA qualification examinations, such as the Securities Trader (Series 57) examination, based on the functions that are performed by the respective registered persons and the associated tasks. FINRA is proposing similar layouts for all of the representative-level examinations, including the Series 99 examination.

Revised Content Outline

As noted above, FINRA is proposing to move the general securities knowledge currently covered on the Series 99 examination to the SIE examination. For example, FINRA Rule 3220 (Influencing or Rewarding Employees of Others) (the Gifts Rule) will now be tested on the SIE examination, rather than on the Series 99 examination. As a result, the revised Series 99 examination will test knowledge specific to the day-to-day activities, responsibilities and job functions of an Operations Professional.

Further, FINRA is proposing to reorganize the content outline by dividing it into two major job functions that are performed by an Operations Professional. The following are the two major job functions, denoted Function 1 and Function 2, with the associated number of questions:

Function 1: Knowledge Associated with the Securities Industry and Broker-Dealer Operations, 35 questions; and

Function 2: Professional Conduct and Ethical Considerations, 15 questions.

FINRA also is proposing to adjust the number of questions assigned to each major job function to ensure that the overall examination better reflects the key tasks performed by an Operations Professional. The questions on the revised Series 99 examination will place emphasis on tasks such as broker-dealer operations.

Each function also includes specific tasks describing activities associated with performing that function. There are nine tasks (1.1 – 1.9) associated with Function 1¹³ and four tasks (2.1 – 2.4) associated with Function 2.¹⁴ For example, one such task (Task

¹³ See Exhibit 3a, Outline Pages 3-7. The outline is attached as Exhibit 3a to the 19b-4 form.

¹⁴ See Exhibit 3a, Outline Pages 8-9.

1.1) is opening and maintaining accounts.¹⁵ Further, the content outline lists the knowledge required to perform each function and associated tasks (e.g., types of retail, institutional and prime brokerage customer accounts). In addition, where applicable, the content outline lists the laws, rules and regulations a candidate is expected to know to perform each function and associated tasks (e.g., SEA Rule 15c3-3 (Customer Protection – Reserves and Custody of Securities)).

FINRA also is proposing to revise the content outline to reflect changes to the laws, rules and regulations covered by the examination. Among other revisions, FINRA is proposing to revise the content outline to reflect the adoption of rules in the consolidated FINRA rulebook (e.g., FINRA Rule 3120 (Supervisory Control System) replaces NASD Rule 3012 (Supervisory Control System)).¹⁶

FINRA is proposing similar changes to the Series 99 selection specifications and question bank.

Finally, FINRA is proposing to make other changes to the format of the content outline, including to the preface, sample questions and reference materials.¹⁷ Among other changes, FINRA is proposing to: (1) reduce the preface to one page of introductory information; (2) streamline details regarding the purpose of the examination; (3) move the application procedures to FINRA's website; and (4) explain that the passing score is

¹⁵ See Exhibit 3a, Outline Page 3.

¹⁶ See Rule Conversion Chart, available at <http://www.finra.org/industry/finra-rule-consolidation>.

¹⁷ FINRA is proposing similar changes to the content outlines for other representative-level examinations.

established using a standard setting procedure, and that a statistical adjustment process known as equating is used in scoring the examination.¹⁸

As a result of the proposed changes, the number of scored questions on the Series 99 examination will be reduced from 100 questions to 50 questions.¹⁹ Further, the test time, which is the amount of time candidates will have to complete the examination, will be reduced from two hours and 30 minutes to one hour and 30 minutes. Currently, a score of 68 percent is required to pass the examination. FINRA will publish the passing score of the revised Series 99 examination on its website, at www.finra.org, prior to its first administration.

Availability of Content Outline

The current Series 99 content outline is available on FINRA's website. The revised Series 99 content outline will replace the current content outline on FINRA's website, and it will be made available on the website on the date of this filing.

FINRA is filing the proposed rule change for immediate effectiveness. The implementation date will be October 1, 2018, to coincide with the implementation of the restructured representative-level examination program. FINRA will also announce the implementation date of the proposed rule change in a Regulatory Notice.

¹⁸ See Exhibit 3a, Outline Pages 2.

¹⁹ Consistent with FINRA's practice of including "pretest" questions on examinations, the Series 99 examination includes five additional, unidentified pretest questions that do not contribute towards the candidate's score. The pretest questions are designed to ensure that new examination questions meet acceptable testing standards prior to use for scoring purposes. Therefore, the Series 99 examination actually consists of 55 questions, 50 of which are scored. The five pretest questions are randomly distributed throughout the examination.

2. Statutory Basis

FINRA believes that the proposed revisions to the Series 99 examination program are consistent with the provisions of Section 15A(b)(6) of the Act,²⁰ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and Section 15A(g)(3) of the Act,²¹ which authorizes FINRA to prescribe standards of training, experience, and competence for persons associated with FINRA members. The proposed rule change will improve the examination program, without compromising the qualification standards, by removing the general knowledge content currently covered on the Series 99 examination, since that content will be covered in the co-requisite SIE examination. In addition, the proposed revisions will further the purposes of the Act by updating the examination program to reflect changes to the laws, rules and regulations covered by the examination and to incorporate the functions and associated tasks currently performed by an Operations Professional.

B. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The updated examination aligns with the functions and associated tasks currently performed by an Operations Professional and tests knowledge of the most current laws, rules, regulations and skills relevant to those functions and associated tasks. As such, the

²⁰ 15 U.S.C. 78o-3(b)(6).

²¹ 15 U.S.C. 78o-3(g)(3).

proposed revisions would make the examination more effective. FINRA also provided a detailed economic impact assessment regarding the introduction of the SIE examination and the restructuring of the representative-level examinations as part of the proposed rule change to restructure the FINRA representative-level qualification examination program.²²

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act²³ and paragraph (f)(1) of Rule 19b-4 thereunder.²⁴ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

²² See Securities Exchange Act Release No. 80371 (April 4, 2017), 82 FR 17336 (April 10, 2017) (Notice of Filing of File No. SR-FINRA-2017-007).

²³ 15 U.S.C. 78s(b)(3)(A).

²⁴ 17 CFR 240.19b-4(f)(1).

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2018-006 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Robert W. Errett, Deputy Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2018-006. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street,

NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2018-006 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Robert W. Errett
Deputy Secretary

²⁵ 17 CFR 200.30-3(a)(12).



Exhibit 3a
SR-FINRA-2018-006

Operations Professional Qualification Examination (Series 99)

CONTENT OUTLINE

Series 99

PURPOSE OF THE EXAM

The Series 99 exam is designed to assess the competency of entry-level Operations Professionals. The Series 99 exam seeks to measure the degree to which each candidate possesses the knowledge, skills and abilities needed to perform the critical functions of an Operations Professional. In order to obtain registration as an Operations Professional, candidates must pass both the Series 99 and a general knowledge co-requisite, the Securities Industry Essentials (SIE) exam. For more information about the activities requiring registration as an Operations Professional, see FINRA Rule 1220(b)(3).

STRUCTURE OF THE EXAM

The exam consists of 50 multiple-choice items, and each item consists of four answer choices. The allocation of exam items for each major function is as follows:

| Function | Description | Percentage of Exam Items | Number of Items |
|--------------|--|--------------------------|-----------------|
| 1 | Knowledge Associated with the Securities Industry and Broker-Dealer Operations | 70% | 35 |
| 2 | Professional Conduct and Ethical Considerations | 30% | 15 |
| TOTAL | | 100% | 50 |

ADMINISTRATION OF THE EXAM

The exam is administered via computer. A tutorial on how to take the exam is provided prior to taking the exam. Each candidate's exam includes 5 additional, unidentified pretest items that do not contribute toward the candidate's score. The pretest items are randomly distributed throughout the exam. Therefore, each candidate's exam consists of a total of 55 items (50 scored and 5 unscored). There is no penalty for guessing. Therefore, candidates should attempt to answer all items. Candidates will be allowed 1 hour and 30 minutes to complete the Series 99 exam.

All candidate test scores are placed on a common scale using a statistical adjustment process known as equating. Equating scores to a common scale accounts for the slight variations in difficulty that may exist among the different sets of exam items that candidates receive. This allows for a fair comparison of scores and ensures that every candidate is held to the same passing standard regardless of which set of exam items they received.

Candidates are not permitted to bring reference materials to their testing session. Severe penalties are imposed on candidates who cheat or attempt to cheat on FINRA-administered exams.

Please visit www.finra.org for additional details.

Series 99

Function 1: Knowledge Associated with the Securities Industry and Broker-Dealer Operations

1.1 Account Opening and Maintenance

Knowledge of:

- Types of retail, institutional and prime brokerage customer accounts
- Types of customer account registrations (*e.g.*, individual, corporate)
- Types of individual and employer-sponsored retirement accounts
 - Contribution limits and required minimum distributions (RMDs)
 - Transfer versus rollover
- Account opening
 - Entities authorized to open and transact business in the account
 - New account paperwork and appropriate approvals
 - Standing settlement instructions (SSIs)
 - Required customer information and documentation
 - Customer identification program (CIP) requirements
 - Know your customer (KYC)
- Maintenance of accounts
 - Securities products and product specific disclosures (*e.g.*, illiquid securities)
 - Escheatment process
 - Updating customer account records
 - Restricting account activity or freezing accounts
 - Accounts for associated persons of member firms
 - Account specific disclosures (*e.g.*, options disclosure document (ODD), mutual fund prospectus)

FINRA Rule

2090 – Know Your Customer

1.2 Cashiering and Account Transfers

Knowledge of:

- Movement of funds and securities
 - Methods of fund transfer (*e.g.*, wires, Automated Clearing Houses (ACHs), journals)
 - Methods of giving instructions (*e.g.*, letter of authorization (LOA))
 - Transfer processes for various account types
 - Medallion signature guarantee program
 - Currency Transaction Reports (CTRs)
 - Reinvestments and sweeps
- Transfers or partial transfers of accounts between broker-dealers
 - Automated Customer Account Transfer Service (ACATS) versus non-ACATS transfers
 - Residual and residual credit processing
- Handling checks
 - Characteristics of negotiable checks
 - Check issuance
 - Maintenance of a check blotter
- Prohibited activities related to cashiering and account transfers
 - Check kiting or altering checks
 - Holding checks for extended periods

Series 99

- Not processing (or holding) account transfers for an extended period

FINRA Rules

2140 – Interfering With the Transfer of Customer Accounts in the Context of Employment Disputes

11870 – Customer Account Transfer Contracts

1.3 Custody and Control of Securities

Knowledge of:

- Custody and control of securities
 - Safekeeping versus segregation
 - Custody and control
 - Street name
 - Directly held mutual fund shares
 - Securing customer assets
 - Periodic physical count of securities (“box count”)
 - Maintenance of a stock record and verifying securities
- Securities transfers
 - Registered versus bearer certificates
 - Good delivery, transfer agent and stock/bond power
 - Validation of a certificate
 - Maintenance of a securities blotter
 - Handling lost certificates
 - Direct Registration System (DRS) and Deposit/Withdrawal at Custodian (DWAC)
 - Types of securities that are depository eligible
- Stock legends
 - Impact of a legend on the negotiability of a certificate
 - Control and restricted securities
- Holding periods for the removal of legends (reporting versus non-reporting companies)

FINRA Rules

4330 – Customer Protection – Permissible Use of Customers’ Securities

4522 – Periodic Security Counts, Verifications and Comparisons

11300 Series – Delivery of Securities

11500 Series – Delivery of Securities with Restrictions

SEC Rules and Regulations

Securities Act of 1933

144 – Persons Deemed Not to be Engaged in a Distribution and Therefore Not Underwriters

Securities Exchange Act of 1934

15c3-3 – Customer Protection – Reserves and Custody of Securities

17f-1(c)(2) – Requirements For Reporting and Inquiry With Respect to Missing, Lost, Counterfeit or Stolen Securities — Reporting Requirements

1.4 Trade Reporting and Corrections

Knowledge of:

- Trade reporting systems
- Best execution, trading capacity and quotation
- Trader corrections “as/of” and past settlement date

Series 99

- Error accounts
- Prohibited activities related to trading, including front running, churning or excessive trading, market manipulation, excessive markups, prohibited breakpoint sales, and improper sharing in profits and losses with customers

FINRA Rules

- 2010 – Standards of Commercial Honor and Principles of Trade
- 2111 – Suitability
- 2342 – “Breakpoint” Sales
- 5210 – Publication of Transactions and Quotations
- 5220 – Offers at Stated Prices
- 5230 – Payments Involving Publications that Influence the Market Price of a Security
- 5250 – Payments for Market Making
- 5270 – Front Running of Block Transactions
- 5290 – Order Entry and Execution Practices
- 5310 – Best Execution and Interpositioning
- 5320 – Prohibition Against Trading Ahead of Customer Orders
- 6438 – Displaying Priced Quotations in Multiple Quotation Mediums

1.5 Margin and Stock Loan/Securities Lending

Knowledge of:

- Different margin requirements for different securities
- Types of accounts that are permitted to trade on margin
- Documentation and disclosure requirements
- Federal and FINRA margin requirements, margin calls
- Stock lending
- Short sale requirements, including locating and borrowing securities
- Day trading and buying power

FINRA Rule

- 4200 Series – Margin

1.6 Settlement

Knowledge of:

- Comparison of trades
- Settlement service providers and methods of settlement (*e.g.*, clearing broker-dealer versus clearing facility, institutional clearing and settlement arrangements)
- Repo/resale trades and settlements
- Continuous net settlement (CNS)
- Don't know (DK) trade
- Requirements to buy-in or closeout a fail
- Confirmation of aged securities fails
- Delivery verses payment (DVP) settlement

FINRA Rules

- 11200 Series – Comparisons or Confirmations and “Don't Know Notices”
- 11600 Series – Delivery of Bonds and Other Evidences of Indebtedness
- 11700 Series – Reclamations and Rejections

Series 99

11800 Series – Close-out Procedures

SEC Rules and Regulation

Securities Exchange Act of 1934

15c3-3 – Customer Protection — Reserves and Custody of Securities

Regulation SHO

204 – Close-out Requirement

1.7 Account Statements and Confirmations

Knowledge of:

- Customer account statements
 - Types of information that appear on an account statement
 - Customer statement versus performance report
- Confirmations
 - Types of information that appear on a confirmation
 - Confirmation delivery requirements, including electronic confirmations
 - Non-trade confirmations/third-party activity notices
 - Prospectus delivery requirements
- Tax reporting
 - Purpose of tax forms
 - Cost basis
 - Types of optional and required tax withholding
- Prohibited activities related to pricing securities on account statements and confirmations
 - Falsifying or withholding documents

1.8 Regulatory Financial Requirements of Broker-Dealers

Knowledge of:

- Financial and operations principal (FINOP) responsibilities
- FOCUS report
- General ledger
- Net capital and the reserve formula calculation

FINRA Rule

4311 – Carrying Agreements

SEC Rules and Regulations

Securities Exchange Act of 1934

Rule 15c3-1 – Net Capital Requirements for Brokers or Dealers

Series 99

1.9 Books and Records

Knowledge of:

- Reconciliations
- Timeline of posting entries
- Retention requirements for firm documents, including requirements for electronic storage
- Prohibited activities related to maintenance of books and records (*e.g.*, falsifying records and improper maintenance/retention of records)

FINRA Rules

4510 Series – Books and Records Requirements

4520 Series – Financial Records and Reporting Requirements

SEC Rules and Regulations

Securities Exchange Act of 1934

17a-3 – Records to be Made by Certain Exchange Members, Brokers and Dealers

17a-4 – Records to be Preserved by Certain Exchange Members, Brokers and Dealers

Series 99

Function 2: Professional Conduct and Ethical Considerations

2.1 Relationships and Dealings with Customers, Vendors and Associated Persons of the Firm

Knowledge of:

- Methods of communication
- Nonpublic personal information
- Commission management/soft dollars
- Prohibition against paying commissions to unregistered persons
- Due diligence for vendor selection

FINRA Rules

2210 – Communications with the Public

2.2 Customer Privacy

Knowledge of:

- Confidentiality of customer information
- Exchange and control of information between departments and outside the firm
- Disclosures to customers
- Objecting beneficial owner (OBO) versus non-objecting beneficial owner (NOBO)
- Privacy rules
- Red Flags Rule

FINRA Rule

2060 – Use of Information Obtained in Fiduciary Capacity

SEC Rules and Regulations

Regulation S-P – Privacy of Consumer Financial Information and Safeguarding Personal Information

Regulation S-ID – Identity Theft Red Flags

2.3 Importance of Escalating Complaints and/or Potential Red Flags

Knowledge of:

- Recognizing a complaint and/or potential red flag
- Methods of escalation

FINRA Rules

4513 – Records of Written Customer Complaints

4530 – Reporting Requirements

Series 99

USA PATRIOT Act

Section 326 – Verification of Identification

2.4 Broker-Dealer Supervision and Control

Knowledge of:

- Key controls and the separation/segregation of duties
 - Segregation of functions and supervision among departments of the broker-dealer
 - Information barriers
 - Controlling access to buildings, office spaces, files and systems
 - Entitlement policies
 - Restrictions on access to information
- Written supervisory procedures (WSPs)
 - Compliance with WSPs
 - Updating
 - Annual compliance meeting
- Business continuity plan (BCP)
 - Disclosure to customers

FINRA Rules

3110 – Supervision

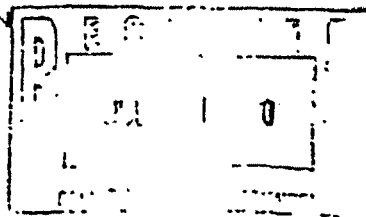
3120 – Supervisory Control System

3130 – Annual Certification of Compliance and Supervisory Processes

4370 – Business Continuity Plans and Emergency Contact Information



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549



July 24, 2000

Mr. Alden S. Adkins
Senior Vice President & General Counsel
NASD Regulation, Inc.
1735 K Street, N. W.
Washington, D.C. 20006-1500

Re: Procedure for Filings Relating to Qualification Examinations

Dear Mr. Adkins: ^{Alden}

I am writing to inform you of a change in the filing requirements for proposed rule changes involving qualification examinations for associated persons. In the past, the Division required the SROs to file question banks for new examinations for Commission approval pursuant to Section 19(b)(2) of the Exchange Act. The Division also required SROs to file questions being added to the question bank for Commission approval.

The Division has decided that it is no longer necessary for SROs to file new exam question banks for Commission approval under Section 19(b)(2). In the future, any new examinations should be filed as non-controversial rule changes for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Exchange Act and Rule 19b-4(f)(6) thereunder. As you know, Rule 19b-4(f)(6) requires the SRO to give notice to the Commission of its intent to file a proposed rule change five days before doing so. During the five days prior to filing, the Division will determine if the proposed rule change is appropriately filed as non-controversial. To assist us in our analysis, please include a complete description of the examination in your rule filing. For example, the proposed rule change should address who will be required to take the exam, what information the exam will cover, the time allotted for each section, the weight assigned to each topic, the effective date of the exam requirement, and any other information that would be helpful to us in determining whether the proposal should become effective on filing. Also, pursuant to Rule 19b-4(f)(6), the rule change should be designated as effecting a change that does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition and, by its terms, does not become operative for 30 days after the date of the filing.

Alden S. Adkins

Page 2

Filings to modify an existing examination should be submitted as "constituting a stated policy, practice, or interpretation with respect to the meaning, administration or enforcement of an existing rule..." pursuant to Section 19(b)(3)(A) of the Exchange Act.

Our goal in changing these procedures is to expedite the effectiveness of proposed rule changes involving examination requirements for persons associated with SRO members. Please contact Kathy England, Assistant Director, at 202-942-0154, or Karl Varner, Special Counsel, at 202-942-7125, if you have any questions.

Sincerely,



Belinda Blaine
Associate Director