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Marcia E Asquith  
Office of the Corporate Secretary  
FINRA  
1735 K Street NW  
Washington DC 20006-1506  
USA

29 July 2010

Dear *Ms Asquith*

**Comments on FINRA's proposal to introduce licensing and educational requirements for specific operations personnel**

We are commenting on FINRA's proposal to introduce licensing and educational requirements for specific operations personnel in our capacity as a global professional body which offers a number of relevant qualifications for operations professionals.

Over 12,000 of our qualifications are taken each year by operations staff working in the securities, wealth management and investment banking fields.

About 75% of CISI operations qualifications are taken by the major global investment banks. In one significant US bank, successful completion of these qualifications is a necessary prerequisite for retention and advancement within the firm.

**About the Chartered Institute for Securities & Investment (CISI)**

The CISI is a registered UK charity whose mission is to help members attain, maintain and develop their knowledge and skills and to promote the highest standards of ethics and integrity in the securities and investment industry.

Evolved from the London Stock Exchange, with its Head Office in London, the Institute is active in Europe, Asia and the Middle East, where it has offices and is the main examining body for the operations industry, providing a range of relevant vocational qualifications for customer facing and operations professionals. It works in close cooperation with regulators, firms and other professional bodies worldwide.

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[cisi.org](http://cisi.org)



All CISI examinations are created by practitioners for practitioners and in total, over 40,000 qualifications are taken each year in 90 countries, some for operations and others for customer facing staff. All CISI examinations are regulated and approved by a combination of the UK financial services regulator, the FSA or the UK government's education regulator, Ofqual.

There are currently almost 40,000 CISI members who benefit from a range of professional and social events.

### **FINRA Proposals**

The CISI supports the focus and recognition now being given to operations staff who have been eligible for full CISI membership for over 15 years and whose critical role was especially recognised following the privatisation of the London Stock Exchange in the late 1980s.

The CISI supports the proposal that certain operations staff should have a minimum regulatory qualifications requirement, which is the position in the UK.

The CISI recognises and endorses the need for the regulatory paper to be principle based and currently provides such a regulatory paper which meets the UK FSA's requirements.

The CISI notes and welcomes the importance placed by FINRA on ethics, which will form one part of the proposed three examination pillars. However, based on our experience of constructing regulatory papers with an ethical bias, we feel it will be quite a challenge for FINRA to test ethics to anything more than a superficial level.

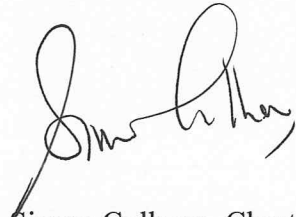
We recommend that FINRA reviews the CISI's stand alone ethics examination, entitled "Integrity Matters" which takes about 30 minutes to complete and has received many commendations for the quality of its content. We will be pleased to provide authorised FINRA officials with the necessary codes to review the test as our guests.

In many countries where we operate, firms are encouraged to ensure that their staff have the relevant qualifications and continuous education to complete their task. However, often firms appreciate some guidance as to which programmes or training establishments are recommended.

We appreciate that, at present, FINRA does not comment on, or endorse, any other scheme. However, we urge FINRA to reconsider this policy, particularly as other CISI examinations, specifically for operations professionals, are widely taken outside the US. We are also concerned that a number of banks based in the US have put their plans for their operations staff to take some of the CISI's technical modules on hold as they are unclear about FINRA's proposals and do not wish to find that if they take CISI qualifications, they will then have to take a similar FINRA qualification.

A statement clearly explaining that our two organisations' examinations are complementary rather than competitive would be particularly helpful. I enclose a fact sheet of our current range of operational exams.

Kind regards



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