

Testing and Continuing Education

Changes to Fees for Cancelling or Rescheduling a Qualification Examination or Regulatory Element Continuing Education Session

Effective Date: September 1, 2011

Executive Summary

FINRA has filed for immediate effectiveness amendments to Section 4 of Schedule A to the FINRA By-Laws to establish a fee for individuals who cancel or reschedule a qualification examination or Regulatory Element Continuing Education (Regulatory Element) session three to 10 business days prior to the appointment date.¹ The changes are effective September 1, 2011.

The text of the rule amendments is set forth in Attachment A.

Questions concerning this *Notice* should be directed to Jeanne Hartman, Director of Operations, Testing and Continuing Education, at (240) 386-6348.

Background & Discussion

As part of the registration process, securities professionals must pass a qualification examination to demonstrate competence in the areas in which they will work. In addition, such individuals must complete the appropriate Regulatory Element program subsequent to their initial qualification and registration with FINRA, as set forth in NASD Rule 1120.² FINRA currently administers examinations and Regulatory Element programs via computer at testing centers operated by vendors under contract with FINRA.

To request and schedule an appointment for a qualification examination, a firm must file a Form U4 (Uniform Application for Securities Industry Registration or Transfer) through the Central Registration Depository (Web CRD®).³ After the request is processed, an enrollment window opens on Web CRD. For Regulatory Element programs, an enrollment window automatically

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Notice Type

- ▶ Rule Amendment

Suggested Routing

- ▶ Compliance
- ▶ Continuing Education
- ▶ Legal
- ▶ Registered Representatives
- ▶ Registration
- ▶ Senior Management

Key Topics

- ▶ Continuing Education
- ▶ Qualification Examination Fees
- ▶ Regulatory Element Fees
- ▶ Testing

Referenced Rules & Notices

- ▶ FINRA Rule 1250
- ▶ NASD Rule 1120
- ▶ Regulatory Notice 11-33
- ▶ Section 4 of Schedule A to the By-Laws

opens for registered persons in covered registration categories for the requisite program on the second anniversary of their initial securities registration and every three years thereafter. Once an individual or an individual's firm receives the enrollment notification for an examination or Regulatory Element session, the individual may then contact a FINRA authorized testing center to schedule an appointment.

After an individual schedules an examination or Regulatory Element session, he or she may cancel or reschedule the appointment by contacting the testing center. Currently, FINRA does not impose a fee for cancelling or rescheduling an appointment by noon two business days before the scheduled session. However, FINRA charges a cancellation fee equal to the examination or Regulatory Element session fee if this deadline is not met, if an individual does not appear for an appointment, or if an individual arrives so late for an appointment that the examination or Regulatory Element session cannot begin without disrupting the testing center's schedule.⁴

Beginning September 1, 2011, FINRA will implement a fee for individuals who cancel or reschedule a qualification examination or Regulatory Element session within three to 10 business days of a scheduled appointment date.⁵ The amount of the fee will be one-half of the fee of the examination or Regulatory Element session being cancelled or rescheduled, and it will be assessed for any examination or Regulatory Element session that is cancelled or rescheduled on or after September 1, 2011.⁶

Endnotes

1. See Securities Exchange Act Release No. 64961 (July 26, 2011), 76 FR 45883 (August 1, 2011) (Notice of Filing and Immediate Effectiveness of SR-FINRA-2011-026). The amendments also add a reference to the fee for individuals who fail to timely appear for a scheduled Regulatory Element session or who cancel or reschedule such a session within two business days prior to the appointment date.
2. The SEC recently approved the adoption of NASD Rule 1120 (Continuing Education Requirements) as FINRA Rule 1250 (Continuing Education Requirements) in the consolidated FINRA rulebook with certain changes. See Securities Exchange Act Release No. 64687 (June 16, 2011), 76 FR 36586 (June 22, 2011) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of SR-FINRA-2011-013). FINRA Rule 1250 becomes effective on October 17, 2011. See [Regulatory Notice 11-33](#) (July 2011).
3. Individuals who are not employed or associated with a FINRA member must file a Form U10 (Uniform Examination Request for Non-FINRA Candidates) with FINRA to schedule an examination.
4. Further information about the cancellation policy is available on [FINRA's website](#).
5. This fee will be assessed for the qualification examinations set forth in Section 4(c) of Schedule A to the FINRA By-Laws and all Regulatory Element programs. In addition, depending on the terms of agreement, the fee also may apply for those qualification examinations that FINRA delivers for other entities (e.g., the North American Securities Administrators Association, the National Futures Association, the Federal Deposit Insurance Corporation).
6. The fee must be paid at the time the examination or Regulatory Element session is cancelled or rescheduled. In those circumstances where the fee is not paid in a timely manner, FINRA instead will assess a fee equal to the examination or Regulatory Element session fee if the individual does not appear for the scheduled appointment. Information on cancelling or rescheduling an appointment is available on [FINRA's website](#).

Attachment A

Below is the text of the amendments. New language is underlined; deletions are in brackets.

SCHEDULE A TO THE BY-LAWS OF THE CORPORATION

Section 4 – Fees

(a) and (b) No change.

(c) The following fees shall be assessed to each individual who registers to take an examination as described below. These fees are in addition to the registration fee described in paragraph (b) and any other fees that the owner of an examination that FINRA administers may assess.

Series 4	Registered Options Principal	\$90
Series 6	Investment Company Products/Variable Contracts Representative	\$85
Series 7	General Securities Representative	\$265
Series 9	General Securities Sales Supervisor — Options Module	\$70
Series 10	General Securities Sales Supervisor — General Module	\$110
Series 11	Assistant Representative — Order Processing	\$70
Series 14	Compliance Official	\$320
Series 16	Supervisory Analyst	\$210
Series 17	Limited Registered Representative	\$70
Series 22	Direct Participation Programs Representative	\$85
Series 23	General Securities Principal Sales Supervisor Module	\$85
Series 24	General Securities Principal	\$105
Series 26	Investment Company Products/Variable Contracts Principal	\$85
Series 27	Financial and Operations Principal	\$105
Series 28	Introducing Broker-Dealer Financial and Operations Principal	\$85
Series 37	Canada Module of S7 (Options Required)	\$160
Series 38	Canada Module of S7 (No Options Required)	\$160
Series 39	Direct Participation Programs Principal	\$80

Series 42	Registered Options Representative	\$65
Series 51	Municipal Fund Securities Limited Principal	\$85
Series 52	Municipal Securities Representative	\$95
Series 53	Municipal Securities Principal	\$95
Series 55	Limited Representative — Equity Trader	\$95
Series 62	Corporate Securities Limited Representative	\$80
Series 72	Government Securities Representative	\$95
Series 79	Investment Banking Qualification Examination	\$265
Series 82	Limited Representative — Private Securities Offering	\$80
Series 86	Research Analyst — Analysis	\$160
Series 87	Research Analyst — Regulatory	\$115

(1) No change.

(2) There shall be a service charge of \$15.00 in addition to those fees specified above for any examination taken in a foreign test center located outside the territorial limits of the United States.

([2]3) There shall be a service charge equal to the examination or Regulatory Element session fee assessed to each individual who, having made an appointment for a specific time and place for computer-based administration of an examination listed above or Regulatory Element session, fails to timely appear for such appointment [examination] or [timely] cancels or reschedules such appointment within two business days prior to the appointment date.

[(3) There shall be a service charge fee of \$15.00 in addition to those fees specified above for any examination taken in a foreign test center located outside the territorial limits of the United States.]

(4) There shall be a service charge equal to one-half of the examination or Regulatory Element session fee assessed to each individual who, having made an appointment for a specific time and place for computer-based administration of an examination listed above or Regulatory Element session, cancels or reschedules such appointment three to 10 business days prior to the appointment date.

(d) through (h) No change.

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