

**STA Open Call – November 29, 2017 – Call Notes<sup>1</sup>**  
**“New FINRA Exam Process”**

**Presenter: Joe McDonald, Senior Director Exams & Continuing Education FINRA**

**Opening Remarks – Jim Toes, STA President & CEO**

**Senate Tax Bill** - The Senate Finance Committee passed a comprehensive tax reform bill. The bill is now being debated by the full Senate. One item of particular concern to STA is a provision that would generally require taxpayers to use a **FIFO cost basis on the sale of securities**. We published a bulletin publically and to Hill Staff voicing our objection. [link](#)

**SEC Commissioner Nominees Update** - Nominees for the two (2) SEC Commissioner Positions; Hester Peirce and Robert Jackson received approval from the Senate Banking Committee. They now await approval from the full Senate. Unfortunately, we do not expect this to happen this year.

**House Fin'l Services Subcommittee Hearing on CAT** - The House Financial Services Committee will be holding titled “Implementation and Cybersecurity Protocols of the Consolidated Audit Trail” on November 30<sup>th</sup> at 10am. Among those testifying will be, Mike Beller, CEO of Thesys Technologies and Chris Concannon, President & COO of Cboe. [link](#)

**Open Call Summary**

In July, 2017 the SEC approved FINRA’s proposed rule change to streamline competency exams and expand opportunities for prospective securities professionals seeking to **enter** or **re-enter** the securities industry. **The proposal is a combination** of consolidating certain registration rules and **restructuring** the representative-level qualification examinations by creating a general knowledge examination called the **Securities Industry Essentials (SIE)**. The SIE is a new, introductory-level FINRA exam for prospective securities industry professionals. The SIE assesses a candidate’s knowledge of basic securities industry information and upon passing is valid for four years. Association with a firm is **not** required to take the SIE **however** passing it alone does not qualify an individual to engage in the securities business. Individuals, who do pass the SIE and are then sponsored by a FINRA member firm, need only to take an abridged version of a qualification exam (such as the Series 7). These changes become effective Oct 1, 2018. Please refer to the below links for additional informational on the proposal and how to make a direct inquiry to Joe McDonald.

- SEC Approves FINRA Exam and Continuing Education Requirement [Link](#)
- FINRA Securities Industry Essentials Exam, “SIE” [Link](#)

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<sup>1</sup> This brief is meant for informational purposes only and therefore should not be considered legal advice. STA’s goal is to raise awareness and encourage industry dialogue.

