

Corporate & Financial Weekly Digest

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FINRA Approves Registration, Qualification and Continuing Education Requirements for Certain Member Firm Operations Personnel

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On June 16, the Securities and Exchange Commission approved a proposed rule by the Financial Industry and Regulatory Authority to require registration of certain personnel of a member firm who perform and oversee member operations functions. New FINRA Rule 1230(b)(6) will establish a registration category and qualification examination requirement for certain operations personnel, as well as adopt continuing education requirements for such operations personnel. An individual will be required to register as an "Operations Professional" if the person is a "covered person," who has responsibility for one or more of 16 "covered functions," such as customer account data and document maintenance; receipt and delivery of securities and funds, account transfers; and prime brokerage. Any person required to register as an Operations Professional will be required to pass a new qualification examination, subject to certain exceptions, which tests for general knowledge about the securities industry. Continuing education requirements will also be expanded to include Operations Professionals.

According to FINRA spokeswoman Nancy Condon, the effective date for the new rule will be announced within the next two to three weeks. From the effective date of the new rule, broker-dealers will have 60 days to identify persons who are required to register as Operations Professionals based on their activities, as of the effective date of the rule. Persons identified during the 60-day period who must pass the qualification examination will have 12 months from the effective date of the new rule to pass such examination.

Click [here](#) to read SEC Release No. 34-64687.

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