



SERIES 7 EXAM ALERT

May 2011

Changes to the FINRA Series 7 General Securities Representative Exam Outline.

Changes to the content outline

- “Plus Tick” rule was rescinded in 2007, the exam requires that you know the current short sale requirements. The “Plus Tick” rule limited when short sales could be placed, only allowing them after an uptick (the last trade was higher than the prior trade) or zero-plus tick (the last trade was equal to the prior trade, and the prior trade was an uptick). The exam now requires that current short sale requirements be known, including order marking, locate, borrow and delivery.
- Shorting against the box is no longer mentioned (shorting against the box is where you sell short securities you own, resulting in a neutral position where gains are equal to losses).
- The term “specialist” has been replaced with “specialist/designated market maker (DMM).”
- TRACE is cited as a source for information on corporate bonds, in place of yellow sheets.
- References to *The Blue List* as a source of information on municipal securities have been removed.
- Electronic Municipal Markets Access (EMMA) has been added as a source of information on municipal securities.

Changes to the references section

- Rules categories cut:
- NASD ROFP rules

New rule categories referenced:

- Numbered NASD rules (e.g. NASD 1030)
- FINRA rules
- NASDAQ rules

New documents referenced:

OFAC “Foreign Asset Control Regulations for the Securities Industry”

<http://www.treasury.gov/resource-center/sanctions/Documents/facsc.pdf>

New acts referenced:

- USA PATRIOT Act, Sections 326 and 352:
http://www.fincen.gov/statutes_regs/patriot/
- Junk Fax Prevention Act of 2005:
<http://www.gpo.gov/fdsys/pkg/BILLS-109s714enr/pdf/BILLS-109s714enr.pdf>
- Uniform Transfer to Minors Act (UTMA):
<http://www.law.upenn.edu/bll/archives/ulc/fnact99/1980s/utma86.htm>
- REIT Modernization Act of 1999

Certain other specific rules have been added or cut:

(for example, NYSE 60-62 have been cut, while NYSE 344 has been added)