

Qualification Examination Waiver Guidelines

Authority to Waive Qualification Examinations

NASDAQ OMX PHLX (“PHLX” or “Exchange”) Rule 600 Series describes, among other things, the registration and qualification requirements for registered representatives and principals associated with member organizations. PHLX Rule 615 authorizes the Exchange to consider waivers of qualification examinations in exceptional cases and where good cause is shown and accept other standards as evidence of an applicant's qualification for registration. This authority is to be exercised in exceptional cases and where good cause is shown by the member requesting a waiver.

Pursuant to the provisions of Rule 615, the PHLX Membership Department will review each waiver request on its individual merits, and takes into consideration all relevant facts presented by the member. The information provided below is intended to assist member organizations in recognizing situations where a basis may exist for requesting a waiver.

Waiver Requests Based on Registration Filing Errors

“Registration Filing Errors” is a category of waiver request for individuals who whose registrations, for reasons related to the filing of the appropriate application forms, are not reflected in the Central Registration Depository (CRD®) system, the securities industry's centralized database of registered personnel but have continued to act in good faith as representatives or principals in member organizations. In a typical case, a member organization files an incomplete application that is eventually purged from the CRD system. After two years, the CRD system will reschedule the appropriate qualification examination(s) if the individual re-submits an application for registration. This normally occurs when the individual attempts to transfer the registration to another member organization.

PHLX may waive the examination(s) in these cases, provided the organization(s) involved document the nature of the filing error and confirm that the individual has in good faith engaged in the conduct of the investment banking or securities business during the period when the registration was not reflected in the CRD system.

Waiver Requests Based on Experience

“Waiver Request Based on Experience” are waiver requests which consider the applicant's experience in the securities industry and/or in related investment fields such as investment banking, securities trading on behalf of a financial institution, securities research, portfolio management, investment advisory services, or securities activities in a foreign broker/dealer. Certain law, accounting, and consulting practices related to the securities acts and regulations also may provide an appropriate basis for waiving a qualification examination. When reviewing such requests, PHLX will consider:

1. the length and quality of the applicant's securities industry experience or professional experience in investment related fields;
2. the specific registration the applicant requests and the type of business to be conducted in relation to the applicant's experience;
3. the applicant's previous registration history, if any;
4. the nature of any regulatory matters as disclosed on the applicant's application for registration;
5. the applicant's age or physical condition if this is part of the basis for the waiver request, but only in conjunction with experience and other factors above;
6. other examinations taken by the applicant, such as those for Certified Financial Planner or Chartered Financial Analyst, that may be acceptable substitutes in conjunction with experience and other factors above, for the normal securities industry qualification examination.

Waiver Requests Based on Educational Achievement

“Waiver Requests Based on Educational Achievement” are waivers that may apply to applicants who are college graduates with baccalaureate or master's degrees in Business or Finance and who will be required to pass the appropriate qualification examinations in order to be registered. PHLX will consider waiver requests for persons who terminate their registrations and enroll in a master's or law program with a substantial emphasis on Finance and Investments. The applicant must return to a member organization promptly after completing the course of study and furnish a copy of the course transcript with the waiver request.

Waiver Requests Based on Regulatory Experience

“Waiver Requests Based on Regulatory Experience” may apply to an individual whose most recent employment was with a securities regulatory agency, and who was previously registered with a member organization. This individual may use the waiver process to have the registration reinstated. An applicant with regulatory experience, but no prior securities registration, must have at least five years of regulatory experience for a waiver request to be considered. In either case, PHLX will consider the scope and nature of the regulatory experience in deciding the waiver request.

Disposition of Waiver Requests

A waiver request may be unconditionally granted, conditionally granted or denied. Most waivers of registered representatives' examinations are conditional on the applicant successfully completing a Regulatory Element training session pursuant to PHLX Continuing Education Rule 640. **Principal examinations are rarely waived.**

Waiver Request Submission Process

Requests for qualification examination waivers must be submitted by a member organization on behalf of the applicant to the Exchange's Membership Department. Member organizations wishing to request a waiver for an associated person should submit a [PHLX Qualification Examination Waiver Request Form](#).

The member organization must provide the following information for qualification examination waiver requests:

- a. Applicant's CRD Number;
- b. Qualification examination for which the waiver is being requested;
- c. Reason for the waiver request;
- d. Description of current job responsibilities; and
- e. Documentation supporting the waiver request.

Requests for additional information by PHLX may be necessary and will be conveyed to the member organization in writing. PHLX Membership will provide its decision in writing. The applicant must satisfy any conditions attached to a waiver before the applicant's registration will become effective.

Questions regarding the waiver process should be directed to the PHLX Membership Department at 215-496-5532.