



BOXSM
REGULATION

Regulatory Circular

RC-2018-14

TO: BOX Options Participants
FROM: BOX Regulation
SUBJECT: Securities Industry Essentials Examination
DATE: September 25, 2018

BOX Exchange LLC ("BOX") has filed with the Securities and Exchange Commission ("SEC") a proposed rule change to require all new representative level applicants to take a general knowledge examination (the Securities Industry Essentials Examination ("SIE")) and a tailored, specialized knowledge examination (a revised representative-level qualification examination) for their particular registered role.

Details

The new SIE examination was developed in consultation with a committee of industry representatives and representatives of several self-regulatory organizations ("SROs"). The restructured program eliminates duplicative testing of general securities knowledge on the current representative-level qualification examinations by moving such content into the SIE. Particularly, the SIE will assess basic product knowledge; the structure and function of the securities industry markets, regulatory agencies and their functions; and regulated and prohibited practices.

Individuals are not required to be associated with an Exchange or any other SRO member to be eligible to take the SIE. However, passing the SIE alone will not qualify an individual for registration with the Exchange. To be eligible for registration, an individual must also be associated with a firm, pass an appropriate qualification examination for a representative or principal and satisfy the other requirements relating to the registration process.

Individuals who are in good standing as representatives with the Financial Conduct Authority in the United Kingdom or with a Canadian stock exchange or securities regulator would be exempt from the requirement to pass the SIE, and thus will be required only to pass a specialized knowledge examination to register with the Exchange as a representative.

Effective Date

Subject to regulatory review, effective October 1, 2018, new applicants seeking to register in a representative capacity (e.g., a Securities Trader or General Securities Representative) with the Exchange must pass the SIE before their registrations can become effective. The October 1, 2018 effective date coincides with the effective date of FINRA's requirement.

Individuals who are registered as of October 1, 2018 are eligible to maintain their registrations without being subject to any additional requirements. Individuals who had been registered within the past two years prior to October 1, 2018, would also be eligible to maintain those registrations without being subject to any additional requirements, provided they register within two years from the date of their last registration. However, with respect to an individual who is not registered as of October 1, 2018 but was registered within the past two years prior to October 1, 2018, the individual's SIE status in the CRD system would be administratively terminated if such individual does not register with the Exchange within four years from the date of the individual's last registration.

For more information, please see [SR-BOX-2018-32](#).

Contact

Please review the information provided herein. If you have any questions regarding this information, please contact BOX Regulation at BOXMRC@BOXregulation.com.