



**EDGA Regulatory Circular 15-002  
EDGX Regulatory Circular 15-002**

Date: February 10, 2015

To: Members of EDGA Exchange, Inc. and EDGX Exchange, Inc.

From: Membership Services

**Re: Notice of Effectiveness of Changes to Exchange Registration Requirements for Principals and Financial/Operations Principals (“FINOP”)**

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BATS would like to inform Members of the EDGA Exchange, Inc. (“EDGA”) and EDGX Exchange, Inc. (“EDGX”, and together with EDGA, the “Exchanges”) of amendments to registration rules. The Exchanges have filed with the Securities and Exchange Commission proposed rule changes to harmonize the Exchanges’ rule with the corresponding rules of BATS Exchange, Inc. and BATS Y-Exchange, Inc. The amendments to the Exchanges’ registration requirements are intended provide a consistent regulatory approach across all exchanges operated by BATS.

Effective March 2, 2015, Rules 2.3(b), (c), and (d) regarding registration requirements, will be replaced with new Rule 2.5 Interpretation and Policy .01 (d) through (i) and Rule 2.6(g). The amendments set forth the following material changes:

***Principal Registration Requirements:***

As described in Rule 2.5, Interpretation and Policy .01(d), the Exchanges require a Member’s Registered Principals to successfully complete the General Securities Principal Examination (“Series 24”). The Exchanges require a Member to register **at least** two Principals with the Exchanges (subject to limited exceptions). The Exchanges define a Principal as “any individual responsible for supervising the activities of a Member’s Authorized Traders and each person designated as a Chief Compliance Officer on Schedule A of Form BD.”<sup>1</sup> The Exchanges further require a Member to register their Principals with the Exchanges using the Form U4 in WebCRD.

In accordance with amended Rule 2.5, Interpretation and Policy .01(d), the Exchanges will accept the New York Stock Exchange (NYSE) Series 14 Compliance Official Examination in lieu of the Series 24 General Securities Principal Examination to satisfy this requirement for purposes of Chief Compliance Officer registration.

***Exam Prerequisites for Principals:***

Pursuant to amended Rule 2.5, Interpretation and Policy .01(i), the Exchanges will permit the Proprietary Trader Qualification Examination (“Series 56”) as a prerequisite to the Series 24 or

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<sup>1</sup> Rule 2.5, Interpretation and Policy .01(d).

Series 14 for those Principals whose supervisory responsibilities are limited to overseeing the activities of proprietary traders instead of requiring the General Securities Representative Examination (“Series 7”) for all principals.

***FINOP Registration Requirements:***

As described in Rule 2.5, Interpretation and Policy .01(e), the Exchanges require a Member to designate a FINOP. Each FINOP is required to successfully complete the Financial and Operations Principal Examination (“Series 27”). The Exchanges further require a Member to register their FINOP with the Exchanges using the “Form U4.” The Exchanges may waive these FINOP registration requirements upon request if a Member has satisfied the financial and operational requirements of its designated examining authority. For example, the Exchanges may waive the requirement to complete the Series 27 if a Member has successfully completed the Introducing Broker-Dealer/Financial Operations Principal Examination (“Series 28”) and such examination is acceptable to the Member’s designated examining authority.

***For EDGA / EDGX Registration Processing:***

BATS would like to inform the Exchanges’ Members that effective March 2, 2015, the Form U4 will contain checkboxes labeled as “EDGA” and “EDGX” for purposes of registering as (new positions underlined): General Securities Representative (Series 7), Proprietary Trader (Series 56), General Securities Principal (Series 24), Compliance Officer (Series 14), Proprietary Trader Principal (Series 24), or a Financial and Operations Principal (Series 27).

All applicable individuals associated with Exchange Members should appropriately register with the Exchange(s) using the Form U4 process. All Form U4 updates reflecting registrations, including the newly available registrations in CRD, must be updated by Members no later than **March 27, 2015**.

For Members’ convenience, the chart below sets forth the qualification requirements for each registration category with the Exchanges:

CATEGORY OF REGISTRATION	QUALIFICATION EXAMINATION	ALTERNATIVE ACCEPTABLE QUALIFICATIONS
General Securities Representative	Series 7	Equivalent foreign examination module (Series 17 or Series 37/38)
Proprietary Trader <sup>1</sup>	Series 56	N/A
General Securities Principal	Series 24	Compliance Official Examination (Series 14) <sup>2</sup>
CATEGORY OF REGISTRATION	QUALIFICATION EXAMINATION	ALTERNATIVE ACCEPTABLE QUALIFICATIONS
Proprietary Trader Principal	Series 24	Compliance Official Examination (Series 14) <sup>2</sup>
Financial/Operations Principal	Series 27	Other examination acceptable to designated examining authority <sup>3</sup>

Chart Note 1 Proprietary traders that have completed the Series 7 should register as General Securities Representatives.

Chart Note 2 The Exchange will only permit the Series 14 for those designated as Chief Compliance Officers on Schedule A of Form BD.

Chart Note 3 An examination acceptable to the Member's designated examining authority is only acceptable to the Exchange if the Exchange waives the requirements of paragraph (e).

See [SR-EDGA-2015-06](#)

See [SR-EDGX-2015-06](#)

*Please contact Membership Services at 913.815.7002 with any inquiries regarding this Regulatory Circular.*