

**DEPARTMENT OF LICENSING & REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU
SECURITIES AND AUDIT DIVISION**

Checklist for Bureau's Securities Registration staff in reviewing Broker-Dealer Agent and Investment Adviser Representative Examination Exemptions or Waivers

1. Registration staff reviews CRD/IARD to determine if applicant is exempt from exam requirements:

- Determine if the applicant has filed their Form U4 registration requesting Michigan registration.
- Determine if applicant's exams are valid for registration applying Rule 4.9 (AG) or 4.12 (IAR).
- Determine if the applicant has been registered in their home State.
- Determine if FINRA has waived the exam requirements.
- Analyze Agent or IAR exemptions:
 - For Agents: Applicant was registered as an Agent in Michigan, or any other state with the same exam requirements as Michigan (i.e. Product Exam – Series 7, Series 6, or other limited product exam, plus a Law Exam: Series 63 or Series 66), within the past two years. See Rule 4.9(2).
 - For IAR: Applicant was registered as an IA or IAR within the last two years in any state with requires licensing, registration, or qualification of IAs or IARs. See Rule 4.12(2).

- If yes to an exemption, and if there are no other issues, disclosures, Agent fingerprints, etc., the applicant can be registered.

2. If an applicant is not exempt, applicant or their employing firm acting on behalf of an applicant, may submit a request for an examination waiver. Requests must be in writing to the Bureau and indicate a request for granting an order pursuant to MCL 451.2412(5) to waive examination requirements. The waiver request must include the following:

- An explanation of the applicant's securities background which clearly articulates in its written request how their background, education, and experience should act as a replacement for the criteria objectively tested on the relevant examination for which a waiver is requested.
- A reason the Bureau should issue an order waiving the applicant's examination requirements. Note: The written request must contain information not otherwise determined from reviewing their information on FINRA's CRD/IARD system.
- Include any extenuating circumstances that may have caused the applicant from registering with a firm within the 2-years preceding the date the application was filed.
- Include information on the applicant's background, education, and experience that aligns with the content of the requested examination waiver.
 - Describe how those factors line up in comparison to the knowledge tested objectively on the examination.
 - Series 63: <https://www.nasaa.org/wp-content/uploads/2023/02/Series-63-Outline-June-2023.pdf>
 - Series 65: <https://www.nasaa.org/wp-content/uploads/2023/02/Series-65-Outline-June-2023.pdf>
 - Series 66: <https://www.nasaa.org/wp-content/uploads/2023/02/Series-66-Outline-June-2023.pdf>

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3. Criteria for Securities Registration staff for consideration in determining whether to recommend to the Administrator an order to waive the examination requirements:

- Determine if the applicant's filing is within six months after the end of the two-year window of not being registered with a firm.
 - The Bureau is more likely to grant an order to registrants who have just missed their two-year window as opposed to registrants who are years away from the end of their two-year window.
- Applicant has worked in a situation where they relied on an exemption from registration in Section 402 or 404 but has decided to register for precautionary reasons.
- Applicant works for a Federal covered adviser that is excluded from the notice filing requirements but wishes to keep an active registration.
- Applicant clearly articulates in its written request how their background, education, and experience should act as a replacement for the criteria objectively tested on the relevant examination for which a waiver is requested.
- Applicant has previously received an order from the Bureau waiving examination requirements. Note: Each waiver is based on information at that point in time. The grant or denial of a previous waiver may impact the decision off the current request.

4. Criteria for Securities Registration staff for consideration in determining whether to not recommend to the Administrator an order to waive the examination requirements:

- Applicant has never been registered as an investment adviser representative or broker-dealer agent.
- Applicant has a disciplinary history that raises concerns about the likelihood of future compliance.
- Applicant is beyond their two-year window.
- Applicant has never passed the Series 7 or the Series 63, Series 65 or Series 66 examinations.
- Applicant does not have substantial experience in the financial services industry and/or otherwise fails to explain how their background, education and experience should act as a replacement for the testing required by the relevant examination for which a waiver is requested.
- Applicant has previously received an order from the Bureau waiving examination requirements. Each waiver is based on information at a point in time. The grant or denial of a previous waiver may impact the decision of the current request.

Recommendation:

Securities Registration staff shall review FINRA's CRD/IARD records, applicant's letter and determine whether they will recommend a waiver of the applicant's examination. The final recommendation, all pertinent to FINRA CRD/IARD data, and the applicant's letter will then be forwarded to the Securities manager for a final decision.

Final Decision:

The Securities Manager will review all information and either:

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- Send a letter to the applicant stating the Bureau will not grant an examination waiver request; or
- Send a recommendation to the Division Director recommending an order be drafted for the Bureau Director's signature granting an examination waiver.

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