



**BOX**<sup>SM</sup>  
REGULATION

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Regulatory Circular

RC-2015-30

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**TO: BOX Options Participants**  
**FROM: BOX Regulation**  
**SUBJECT: Securities Trader (Series 57) Implementation**  
**DATE: December 21, 2015**

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### Background

**Effective January 4, 2016**, BOX Options Exchange LLC (“BOX” or the “Exchange”), in consultation with FINRA and other exchanges, is replacing the Limited Representative - Proprietary Trader and Limited Principal – Proprietary Trader registration categories and establishing the Securities Trader and Securities Trader Principal registration categories. The Exchange is also amending its rules to establish the Series 57 examination as the appropriate qualification examination for Securities Traders and eliminating the reference to the S501 continuing education program currently applicable to Proprietary Traders.

### Representative Registration

BOX has recently filed a rule change with the SEC to replace the Proprietary Trader Series 56 qualification examination with the Securities Trader Series 57 qualification examination. Specifically, with respect to the Proprietary Trader registration category, BOX proposed to replace the Proprietary Trader category with the Securities Trader registration category and include the Securities Trader qualification examination in its place (pending SEC approval).

In order to register as a Securities Trader, a person will need to pass the new Securities Trader qualification examination, the Series 57. A person registered as a Securities Trader would not be qualified to function in any other registration category, unless also qualified and registered in such other registration category.

### Member Impact

An individual who is currently registered as a Proprietary Trader will automatically receive the new Securities Trader registration in FINRA’s Central Registration Depository system on **January 4, 2016**. The individual will not have to request the position or take any additional exams to receive the Securities Trader status.

**Action Needed:** A person associated with a proprietary trading firm who currently meets BOX qualification requirements as a General Securities Representative (Series 7), will need to manually check the Proprietary Trader position on Form U4 **prior to December 28, 2015**, in order to be grandfathered into the new Securities Trader registration category

**effective January 4, 2016.** The individual will not have to take any additional exams to receive the Securities Trader registration category.

### **Principals**

A Securities Trader Principal registration category will replace the Proprietary Trader Principal category. Each principal who has supervision over the securities trading activity described in Rule 2020(c) will be required to qualify and register as a Securities Trader Principal. To qualify for registration as a Securities Trader Principal, a person would need to be registered as a Securities Trader and also pass the General Securities Principal qualification examination (Series 24). A person registered as a Securities Trader Principal may only have supervisory responsibility over the activities specified in Rule 2020(c), unless the person is separately qualified and registered in another appropriate principal registration category.

### **Member Impact**

An individual who is currently registered as a Limited Principal – Proprietary Trader will maintain the Principal registration category which will be renamed the Securities Trader Principal. The individual will not have to take any additional exams.

**Action Needed:** A person associated with a proprietary trading firm who currently meets BOX qualification requirements as a General Securities Principal will need to manually check the Securities Trader Principal position on Form U4 **prior to December 28, 2015** in order to be grandfathered into the Securities Trader Principal registration category effective on **January 4, 2016**. The individual will not have to take any additional exams to receive the Securities Trader Principal registration category.

### **Continuing Education**

On or after **January 4, 2016**, all individuals who hold the Securities Trader position will be subject to the personalized S101 Continuing Education (CE) Program. As a result of the introduction of the new Securities Trader registration category, the S501 Proprietary CE Program will be retired.

### **Contacts**

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