



Series 34 Exam FAQ

1. What are the new forex registration requirements?

As part of the Reauthorization Act of the Commodity Futures Trading Commission (CFTC) in May 2008, Congress amended the Commodity Exchange Act to require forex solicitors, account managers and pool operators to register with the CFTC as Introducing Brokers, Commodity Trading Advisors or Commodity Pool Operators and become Members of National Futures Association (NFA).

NFA, the self-regulatory organization for the U.S. futures industry, has proposed several amendments to its forex rules to reflect provisions of the CFTC Reauthorization Act of 2008. These proposed amendments include NFA's Bylaws, registration rules, minimum net capital requirements and other compliance issues.

All individuals who solicit retail off-exchange forex business or who supervise such activity will be required to take and pass the Series 3. In addition, NFA will require individuals to take and pass a new exam called the Retail Off-Exchange Forex Examination or Series 34. The NFA proposed "grandfathering" certain individuals who were approved sole proprietor principals or registered as associated persons or floor brokers on May 22, 2008, exempt from having to take and pass the Series 34 exam. Please note, however, that the CFTC has not ruled on this proposal.

2. What is the Series 34 exam?

NFA has developed a new proficiency examination specific to retail forex activity, called the Retail Off-Exchange Forex Examination or Series 34. It has recommended to the CFTC that its forex rules require any individual applying for registration as a Forex AP to take and pass both the Series 3 exam and the Series 34 exam.

The Series 34 exam consists exclusively of forex-related questions and candidates will be given 60 minutes to complete the exam. For a general listing of the major subject areas covered by the Series 34 examination see <http://www.nfa.futures.org/registration/SO-Series34.pdf>. Like other NFA exams, the testing will be administered by FINRA, and NFA will receive evidence directly from FINRA that individuals have passed the Series 34.

3. Who needs to take the Series 34 exam?

NFA's proposed amendments provide that any individual applying for approval as a forex firm or forex individual shall not be granted approval as a forex firm or forex individual unless:

- the applicant has satisfied the Series 3 or Series 32 proficiency requirement and
 - NFA has received satisfactory evidence that the applicant has passed the Series 34 within two years of the date the application is filed or,
 - since the date the applicant last passed the Series 34 there has been no period of two consecutive years during which the applicant has not been either registered as an associated person or floor broker or an approved principal of a registrant.

- the applicant is “grandfathered” and exempted from taking the Series 34 and was approved as sole proprietor principal or registered as associated person or floor broker on May 22, 2008.

5. How many firms and individuals will be affected by these new requirements?

Currently it is not certain how many forex firms and individuals will be applying for registration. However, NFA plans to have all systems in place and ready to begin processing registrations by the end of 2008.

6. How do I apply to take the exam?

The NFA Series 34 exam is administered by FINRA. There is a two-step process that a candidate must complete to be able to take the exam.

Step 1: The individual must apply with FINRA to take the exam by completing and submitting an application form and payment, or by submitting the application online. The testing application form can be downloaded from the FINRA's web site at www.finra.org. The Series 34 exam fee is currently \$70.00.

Step 2: Once the U10 registration has been approved and processed by FINRA, a Notice of Enrollment will be emailed to the candidate. FINRA will assign a 120-day window during which the exam can be scheduled and taken at a local testing center. The exam is delivered via a computer system at Pearson VUE or Thomson Prometric testing centers.

7. When will the IFM offer Series 34 exam preparation materials?

The IFM is monitoring industry interest in the Series 34 exam. We will post an announcement regarding future development of an IFM study manual on our Website www.theIFM.org.

Please note this FAQ is provided by the IFM for informational purposes only and is not intended to provide a comprehensive guide to CFTC and NFA requirements. For additional information, visit NFA's Web site at www.nfa.futures.org or contact NFA's Information Center at 1.800.621.3570 from 8:00 a.m. to 5:00 p.m. CT Monday to Friday.