

Series 63 Test Specifications

| Topic | Weight | No. Questions |
|---|------------|---------------|
| I. Regulations of Investment Advisers, Including State-Registered and Federal Covered Advisers | 5% | 3 |
| 1. definitions of Investment Advisers | | |
| 1.1. activities requiring registration and exclusions from registration | | |
| II. Regulations of Investment Adviser Representatives | 5% | 3 |
| 1. definition of an Investment Adviser Representative | | |
| 1.1. activities requiring registration and exclusions from registration | | |
| III. Regulations of Broker-Dealers | 12% | 7 |
| 1. definition of a Broker-Dealer. | | |
| 2. registration/post-registration requirements | | |
| 2.1. activities requiring registration and exclusions from registration | | |
| 3. Broker-Dealer Agent supervision | | |
| IV. Regulations of Agents of Broker-Dealers | 13% | 8 |
| 1. definition of an Agent of a Broker-Dealer | | |
| 2. registration/post-registration | | |
| 2.1. activities requiring registration and exclusions from registration | | |
| 2.2. update uniform forms | | |
| V. Regulations of Securities and Issuers | 9% | 5 |
| 1. definition of securities and issuers | | |
| 2. state registration/post-registration requirements | | |
| 3. exemptions from registration | | |
| 4. state enforcement and antifraud authority | | |
| VI. Remedies and Administrative Provisions | 11% | 7 |
| 1. authority of state securities Administrator | | |

| | | | |
|--------------|--|------------|-----------|
| 2. | administrative actions | | |
| 3. | other penalties and liabilities | | |
| VII. | Communication with Customers and Prospects | 20% | 12 |
| 1. | required product disclosures | | |
| 2. | unlawful representations concerning broker-dealer agent registration | | |
| 3. | performance guarantees prohibition | | |
| 4. | customer agreements | | |
| | 4.1. new account | | |
| | 4.2. margin | | |
| | 4.3. options | | |
| 5. | correspondence and advertising | | |
| | 5.1. social media | | |
| | 5.2. email/digital messaging | | |
| | 5.3. website and internet communications | | |
| VIII. | Ethical Practices and Obligations | 25% | 15 |
| 1. | compensation | | |
| | 1.1. fees | | |
| | 1.2. commissions | | |
| | 1.3. markups | | |
| | 1.4. disclosure of compensation | | |
| 2. | customer funds and securities | | |
| | 2.1. custody | | |
| | 2.2. discretion | | |
| | 2.3. trading authorization | | |
| | 2.4. applicable standard of care | | |
| 3. | conflicts of interest, criminal activities, and other ethics issues | | |
| | 3.1. excessive trading | | |

- 3.2. loans to and from customers
- 3.3. sharing in profits and losses in a customer account
- 3.4. insider trading
- 3.5. selling away
- 3.6. market manipulation
- 3.7. outside securities accounts
- 3.8. exploitation of vulnerable adults
- 3.9. other prohibited activities