

Series 66 Exam

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What Is the Series 66?

The Series 66 is an exam and license that is meant to qualify individuals as investment advisor representatives or securities agents. The Series 66, also known as the Uniform Combined State Law Examination, covers topics relevant to providing investment advice and effecting securities transactions for clients.

As of December 2018, the [North American Securities Administrators Association](#) (NASAA), which creates the Series 66 exam, had updated its questions due to recent changes in the tax code. Questions using the 2018 tax code were rolled out in January 2019.

Understanding the Series 66

The Series 66 certification was developed by the NASAA based on requests from the industry. The exam is administered by the [Financial Industry Regulatory Authority](#) (FINRA), which is also responsible for processing and disseminating test results. FINRA's [Series 7](#) exam is a co-requisite of the Series 66, which means it needs to be successfully completed along with the Series 66 before a candidate may apply to register in a state.

There is no order in which the Series 7 and Series 66 must be taken. Individuals who have passed the Series 7 may take the Series 66 in order to avoid having to take the more difficult [Series 65](#) exam.

Key Takeaways

- Individuals who want to become investment advisor representatives or securities agents must take both the Series 66 and Series 7 exams.
- The Series 66 exam has 100 multiple-choice questions that are scored, and a candidate must correctly answer 73 of those questions in order to pass.
- The comprehensive exam covers topics such as economic factors, the characteristics of investment vehicles, client/customer investment recommendation strategies, and laws and regulations.

Series 66 Exam Structure

The Series 66 examination contents include 100 multiple-choice questions that are scored and 10 pretest questions that are not scored. Candidates have a maximum time of 150 minutes to complete the examination.

To obtain a passing score, a candidate must correctly answer 73 of the 100 questions that are scored. The exam administrator provides electronic calculators for candidates to use, and these are the only calculators allowed in the exam room. A dry-erase marker and whiteboard are provided.

Harsh penalties are imposed on anyone caught cheating or attempting to cheat on the Series 66 exam.

No study or reference materials of any kind are permitted in the examination room, and there are harsh penalties for anyone caught cheating or attempting to cheat. An individual's employer can register a candidate for the exam by filing either a Form U4 or Form U-10 and paying the \$165 examination fee. FINRA's [Series 66 Informational Page](#) has additional details.

Series 66 Exam Content

The NASAA updates information on the exam's content and [posts it online](#). As of March 2019, the exam questions are allocated as follows:

- **Economic Factors and Business Information (5%):** This section includes five questions on financial reporting (such as financial ratios, SEC filings, and annual reports), quantitative methods (such as internal rate of return and net present value), and types of risk (such as market, interest rate, inflation, political, liquidity, and other risks).
- **Investment Vehicle Characteristics (20%):** The 20 questions in this section include, but are not limited to: methods used to value fixed-income securities, types and characteristics of derivative securities, alternative investments, and insurance-based products.
- **Client/Customer Investment Recommendations and Strategies (30%):** The 30 questions in this section include, but are not limited to: types of clients (including individuals, businesses, and trusts and estates), client profiling (including financial goals, current financial status, and risk tolerance), capital market theory, portfolio management strategies, tax considerations, retirement planning, trading accounts, and performance measurement.
- **Laws, Regulations, and Guidelines, Including Prohibition on Unethical Business Practices (45%):** This section includes 45 questions on state and federal securities acts along with related rules and regulations, ethical practices, and fiduciary obligations.

Related Terms

[Series 65](#)

The Series 65 is an exam and securities license required by most US states for individuals to act as investment advisers.

[more](#)

[Series 63](#)

The Series 63 is a securities exam and license entitling the holder to solicit orders for any type of security in a particular state.

[more](#)

[Series 26](#)

The Series 26 is a FINRA-sponsored licensing exam that must be passed in order to become a supervisor or manager of agents selling mutual funds or variable insurance products.

[more](#)

[Series 4 Definition](#)

The Series 4 is a FINRA-sponsored licensing exam to become an options sales & trading supervisor.

[more](#)

[Series 79 Definition](#)

The Series 79 exam is a test to determine whether a registered representative is qualified to become an investment banker.

[more](#)

[Series 53 Definition](#)

The Series 53 exam is a licensing test that permits an individual to supervise the municipal securities activities of a securities firm or bank dealer.

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