

Series 7

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The Series 7 exam licenses the holder to sell all types of securities products except commodities and futures. Known formally as the [General Securities Representative Qualification Examination](#), the Series 7 exam and its licensing is administered by the [Financial Industry Regulatory Authority \(FINRA\)](#).

Stockbrokers in the United States need to pass the Series 7 exam to obtain a license to trade. The [Series 7 exam](#) focuses on investment risk, taxation, equity, and debt instruments; packaged securities, options, retirement plans, and interactions with clients.

In 2019, FINRA introduced a rolled out on Oct. 1, 2018. prospective securities industry professionals. This introductory-level exam assesses a candidate's knowledge of basic securities industry information including concepts fundamental to working in the industry

The purpose of the Series 7 license is to set a level of competency for a registered representative or stockbroker to work in the securities industry. The Series 7 license is an essential requirement for an entry-level [broker](#). The licensing exam covers an extensive range of financial terms and topics as well as securities regulations.

Key Takeaways

- The Series 7 is an exam and license that entitles the holder to sell all types of securities products except commodities and futures.
- The Series 7 exam covers topics on investment risk, taxation, equity and debt instruments, packaged securities, options, and retirement plans.
- The purpose of the Series 7 license is to establish a level of competency for registered representatives in the securities industry.

Candidates who pass the Series 7 exam can trade many securities, such as stocks, mutual funds, options, municipal securities, and variable contracts. The Series 7 license does not cover selling real estate or life insurance products. In addition to obtaining the Series 7 license, many states require that registered representatives pass the [Series 63](#) exam, also called the Uniform Securities Agent State Law Exam.

Series 7 Requirements

Series 7 candidates are required to take the [Securities Industry Essentials \(SIE\) exam](#) before sitting for the Series 7. According to FINRA, the SIE is an introductory-level exam that "assesses a candidate's knowledge of basic securities industry information including concepts fundamental to working in the industry, such as types of products and their risks; the structure of the securities

industry markets, regulatory agencies and their functions; and prohibited practices." If you need more information on the SIE, FINRA's SIE exam content outline provides more details.

Candidates who want to take the Series 7 exam must be sponsored by a FINRA member firm, and FINRA has other [Series 7 eligibility](#) requirements. The firm must file a Form U4 (Uniform Application for Securities Industry Registration) for the candidate to be registered for the licensing exam. FINRA governs the activities of securities firms and registered brokers, ensuring that anyone who sells securities products is qualified and tested.

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Series 7 Exam Structure

Since Oct. 1, 2018, Series 7 candidates are required to take the SIE exam before sitting for the Series 7, which is structured as follows:

1. Seeks Business for the Broker-Dealer from Customers and Potential Customers: 9 questions
2. Opens Accounts after Obtaining and Evaluating Customers' Financial Profile and Investment Objectives: 11 questions
3. Provides Customers with Information about Investments, Makes Suitable Recommendations, Transfers Assets, and Maintains Appropriate Records: 91 questions
4. Obtains and Verifies Customers' Purchase and Sales Instructions and Agreements; Processes, Completes, and Confirms Transactions: 14 questions

The Series 7 exam has 125 multiple choice questions, lasts 225 minutes, and cost \$245. The passing score is 72%.

Prior to Oct. 1, 2018, the Series 7 exam contained 250 questions covering five major job functions. The exam duration was six hours, had no prerequisites, and cost \$305. A score of 72% was required to pass.

FINRA does not provide candidates with any physical certificate as proof of exam completion. Current or potential employers who wish to view proof of completion must access this information through FINRA's [Central Registration Depository](#) (CRD).

Completion of the Series 7 exam is a prerequisite for many other securities licenses, such as the [Series 24](#), which permits the candidate to supervise and manage branch activities.

Related Terms

[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 79 Definition](#)

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

[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 57](#)

The Series 57 is an exam and license that entitles the holder to actively participate in equity trading.

[more](#)

[Series 9/10](#)

Series 9/10 is a two-part securities exam and license entitling the holder to supervise sales activities at a general securities-oriented branch office.

[more](#)

[Series 4 Definition](#)

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

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