

Morgan Stanley

June 5, 2017

By Electronic Mail (rule-comments@sec.gov)

Brent Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: File No. SR-FINRA-2017-007 - Proposed Rule Change to Adopt Consolidated
FINRA Registration Rules, Restructure the Representative-Level
Qualification Examination Program and Amend Continuing Education
Requirements

Dear Mr. Fields:

Morgan Stanley & Co. LLC and Morgan Stanley Smith Barney LLC (together, “Morgan Stanley”) appreciate the opportunity to comment on the referenced FINRA proposal (“Proposal”) to restructure its registration and examination program.

Morgan Stanley strongly supports FINRA’s Proposal, which is designed to bring the registration and examination program up to date in light of advances in technology and changes in the industry over the past few decades. FINRA recognizes that its historically piecemeal approach has created unnecessary costs for the industry, not only in terms of administrative fees, but also employee time studying for the same topics in multiple exams. Today, for example, a supervisor of the options business may potentially take up to seven separate but overlapping examinations (*i.e.*, the series 7, 63, 4, 57, 9/10, 24). By creating a baseline examination with “top off” specialty examinations, the Proposal will both modernize and rationalize the program, thereby reducing firm costs.

FINRA’s Proposal also addresses the needs of an increasingly global and mobile workforce.¹ In particular, the Proposal to accommodate permissive registrations will allow large, integrated firms to rely on a “bench” of qualified individuals to take on new or expanded roles when employees leave, preventing unnecessary disruption to the business. The conditions of continuing education and supervision for maintaining a permissive license are appropriate given that an individual’s experience and general qualifications, as well as the quality of the firm’s supervision, are as important as a particular license.

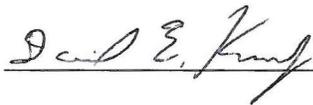
¹ The new reality is that most employees will hold multiple jobs in their lifetime. Rigoni, Brandon & Adkins, Amy, “What Millennials Want from a New Job,” *Harvard Business Review*, May 11, 2016.

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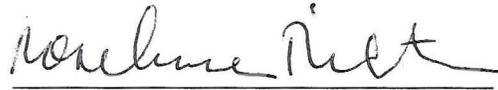
For similar reasons, Morgan Stanley supports FINRA's Proposal to allow individuals to take the baseline examination without prior association with a FINRA member. In short, in its Proposal, FINRA has appropriately balanced firms' need for flexibility with the need to ensure that individuals are appropriately qualified to perform their registered functions.

We appreciate FINRA's willingness to engage the industry in a dialogue about these changes, and we urge the SEC to approve the Proposal, subject to the considerations outlined in the SIFMA comment letter dated May 1, 2017 (particularly with respect to timing of implementation and transparency of waiver decisions). On a related note, we recommend that the SEC urge other self-regulatory organizations, such as CBOE, to fully align their registration rules and interpretations with FINRA's in order to establish clear and consistent standards across the industry.

Respectfully submitted,



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Rose-Anne Richter
Chief Compliance Officer
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Cc: Ms. Katherine England
Assistant Director, Division of Trading & Markets