



Investment Adviser Representative Continuing Education

What is Being Proposed?

- The North American Securities Administrators Association (NASAA) issued a model rule in November 2020 which state legislatures or regulators may adopt entitled *Investment Adviser Representative Continuing Education (Model Rule 2002-411(h) or 1956-204(b)(6)-CE)*.¹
- NASAA's model rule proposes the following under section 3:
 - Credits of continuing education completed by an investment adviser representative (IAR) who holds a credential that qualifies for an examination waiver under Rule USA 2002 412(e)-1(d)² which complies with subrules (1)(A) and (1)(B)³ of this rule provided all of the following are true:
 - The IAR completes the credits of continuing education as a condition of maintaining the credential for the relevant Reporting Period.
 - The credits of continuing education completed during the relevant Reporting Period by the investment adviser representative are mandatory to maintain the credential.
 - The continuing education content provided by the credentialing organization during the relevant Reporting Period is Approved IAR Continuing Education Content.

What Does the Financial Planning Association® (FPA®) Support?

- FPA supports an exemption to NASAA's model rule for financial planners who hold the CFP® credential.
- NASAA's model rule as drafted does not provide CFP® professionals with an explicit exemption; however, it does provide a way for CFP® professionals to comply with the IAR continuing education requirements while complying with their CFP® continuing education requirements:
 - First, NASAA's model rule references Rule USA 2002 412(e)-1(d). Under Rule USA 2002 412(e)-1(d), financial planners who have been awarded the CFP® meet the examination waiver.
 - Second, CFP® professionals meet the additional requirements:
 - CFP® professionals complete 30 hours of continuing education every two years.⁴
 - CFP® professionals are required to complete continuing education.
 - CFP® professionals continuing education content is based on stringent criteria similar to NASAA's model rule and most likely would be approved under NASAA's IAR CE program.
- Since many states waive the Series 65 examinations for CFP® professionals and since CFP® professionals are required to complete their own continuing education, FPA believes CFP® professionals should be provided with an explicit exemption from the IAR CE requirements. CFP® professionals should not have to complete duplicative education requirements.

¹ <https://www.nasaa.org/wp-content/uploads/2020/10/NASAA-IAR-CE-Model-Rule.pdf>

² https://www.nasaa.org/wp-content/uploads/2011/08/34-IA-Rules_Exams_1956_2002.pdf

³ 6 IAR ethics and professional responsibility requirement with 3 hours covering ethics and 6 credits of IAR products and practice content.

⁴ <https://www.cfp.net/career-and-growth/continuing-education/continuing-education-requirements>