

# INVESTMENT ADVISER REPRESENTATIVE CONTINUING EDUCATION (IAR CE)



On November 30, 2020, the North American Securities Administrators Association (NASAA) announced that its membership voted to adopt a model rule to set parameters by which NASAA members could implement continuing education programs for investment adviser representatives (IARs) in their jurisdictions. The model rule, which has both a products and practices component and an ethics component, is intended to be compatible with other existing continuing education programs.

In an effort to close a gap in CE for IARs, NASAA's Model Rule on Investment Adviser Representative Continuing Education Model Rule requires IARs to complete 12 hours of NASAA-approved CE courses annually.

## NASAA's Full Requirement for IAR CE - Implementation Summary

- Approved by NASAA members in November 2020, the model rule is being implemented on a state-by-state basis
- The IAR CE requirements begin to take effect on January 1, 2022, when the first states implement the model rule
- The IAR CE requirements only apply to IARs in states that have adopted NASAA's model rule. If the state does not adopt the model rule prior to January 1, 2022, implementation cannot occur until 2023.

## Agents of FINRA-Registered Broker-Dealers

An IAR who is also registered as an agent of a FINRA member firm and complies with FINRA's CE Regulatory Element requirement may be considered in compliance with the Products and Practices component if the content meets specific criteria. These individuals are only required to complete six hours annually of Ethics and Professional Responsibility training annually.

### Course Completion



IARs must complete the following on an annual basis:

- 6 credits in Products and Practices
- 6 credits in Ethics and Professional Responsibility
- Courses must be delivered by a CE provider approved by NASAA and Prometric

### STC - NASAA-Approved CE Provider



Securities Training Corporation (STC) is an approved provider of Investment Adviser Representative Continuing Education (IAR CE) courses for both registered IARs of state-registered and federally covered investment advisers that are subject to the NASAA model rule.

### Delivering Key Solutions and Assets



By utilizing STC's course curriculum, IARs will benefit from:

- Guided course selection to quickly and easily select the correct courses to complete their CE requirement
- Easy integration with their firm's Firm Element program which allows them to earn dual credits
- The fact that all STC IAR CE courses offer designation credit

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## STC IAR CE - SPRING 2022 COURSE LIST

The following courses have been approved for IAR CE. STC plans on filing additional courses in the future. Please feel free to contact us regarding topics you would like to see in the future.

### Ethics and Professional Responsibility Requirement

STC intends to offer the following courses to satisfy the Ethics and Professional Responsibility CE requirements. Actual courses offered and the component designation are subject to change pending approval.

#### APPROVED ETHICS AND PROFESSIONAL RESPONSIBILITY COURSES

COURSE TITLE	COURSE DESCRIPTION
Advising Senior Investors	Due to numerous cases of financial exploitation of senior investors, the SEC, FINRA, and state regulators have made it a top priority to ensure that firms are looking out for older investors and recommending only suitable securities to them. This module will examine some of the special considerations and warning signs when dealing with senior investors. Through the use of timely case studies, users will gain insight into the best practices when providing advice to these investors.
Ethical Decision Making for IARs	This course focuses on the ethical issues that professionals face in the financial industry. Through the analysis of current issues and case study application, users will gain an understanding of how a person's behavior and attitude can impact the integrity of the industry. Topics include insider trading, best execution, and political contributions.
IARs - Dealing with Customers	This module examines the relationship between investment adviser representatives and their clients, including the disclosures they provide. This course will describe the brochure rule, acting as a solicitor, and the creation of advisory contracts. Additionally, the ethical importance of making suitable recommendations will be reviewed, along with rules regarding advisory advertising and correspondence.
Insider Trading and Investment Advisers	Insider trading and the potential misuse of material, non-public information (MNPI) have been a consistent focus of the SEC's examination and enforcement programs. Investment advisers are increasingly monitored due to their frequent interactions with the issuers in their investment portfolios. After an examination of recent regulatory actions, users will be presented with case studies to gain an understanding of appropriate and ethical responses.
Investment Advisers - Avoiding Common Compliance Problems	This module focuses on common deficiencies identified by a NASAA-conducted study of investment advisers. Topics include issues related to maintenance of books and records, registration and disclosure, advisory contracts, privacy policies, advertising, advisory fees, supervision of IARs, maintaining custody of client assets, maintaining financial strength, investment activities, and the use of solicitors. The goal of this course is to provide users with an understanding of the prudent practices required to stay in compliance.
Investment Advisers - Conflicts of Interest and Form ADV	Due to the fiduciary duty that investment advisers have to their clients, advisers are required to either avoid or disclose existing conflicts of interest. This illuminates the ethical challenge for advisers in their relationships with clients. This course will examine Form ADV and some of the different conflicts that must be disclosed in the form. Through the use of case studies, users will gain insight and understanding into the consequences of failing to provide adequate disclosure.
Political Contributions by Investment Advisers	Investment advisers are subject to SEC Rule 206(4)-5 which is designed to restrict "pay-to-play" practices of advisers that seek to manage money for state and local governments in return for political contributions. This course will examine the persons to whom this rule applies, as well as the result of a triggering contribution. Users will gain an understanding of the best practices to take to avoid potential issues.
Regulation Best Interest (Reg BI)	Reg BI is a package of rules and interpretations that enhance the quality and transparency of the relationships that retail investors have with broker-dealers and investment advisers. This regulation includes a Fiduciary Interpretation to clarify the duty that IAs owe to their clients. This duty – which includes a duty of care and duty of loyalty – will be examined.
Social Media and Investment Advisers	As a sign that social media now pervades all aspects of society, the SEC has amended Form ADV to require disclosure of advisers' social media accounts and has issued guidance and conducted investigations related to use of social media. This course will examine the risks investment advisers face with using social media and will reinforce the obligations that they have under the advertising, books and records, and compliance rules of the Investment Advisers Act of 1940.

# INVESTMENT ADVISER REPRESENTATIVE CONTINUING EDUCATION (IAR CE)



Investment Advisers and Custody Issues	The purpose of federal and state custody rules for investment advisers is to protect customer funds and securities from being misused or misappropriated. Due to past financial scandals, the SEC and state regulators have established strict rules for advisers that maintain custody of their clients' assets. This course will examine the steps advisers must follow to be in compliance with current custody rules.
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## APPROVED PRODUCTS AND PRACTICES COURSES

COURSE TITLE	COURSE DESCRIPTION
Understanding SEC Filings	More and more clients are seeking assistance from investment advisers in creating their investment portfolios, but also utilizing advisers to manage these portfolios. Consequently, IARs need to be knowledgeable about the various industries as well as the companies that operate within those industries. This video course will provide details regarding the different reports that are filed by SEC reporting companies, insiders, issuers of securities, and investment advisers.
Basic Option Positions	This course will examine the fundamental concepts of options, including intrinsic value, time value, premium, and in-, at-, or out-of-the-money. Also, the course will examine how investors may use options to speculate, to hedge (protect) existing stock positions, or to generate income. Attention will also be paid to the investor's strategy, break even point, maximum gain, and maximum loss.
Complex Option Positions	This course will go beyond basic options and explore the different advanced option strategies. The focus will be on analyzing the uses and potential results of spreads and straddles, as well as the use of VIX
Introduction to Annuities	Since many advisory clients are seeking help in planning for long-term goals, IARs should be knowledgeable about the different types of annuities. This course will examine the characteristics of fixed annuities, variable annuities, as well as equity-indexed annuities. Special emphasis is given to the accumulation phase, the annuity phase, and choices that are made by annuitants.
Equity Securities	This course will review the characteristics of different forms of equity securities, including common stocks, preferred stocks, rights, and warrants. Through an examination of sales practice considerations and investment objectives, investment adviser representatives will gain an understanding of how equity securities can benefit their clients.
Life Insurance Basics	As required by the fiduciary standard, investment advisers must provide clients with products and services that are in their clients' best interests. Since life insurance is such an important need for many, IARs need a basic understanding of these contracts. This course will examine how life insurance can be used to manage risk, the characteristics of insurance contracts, and the different types of life insurance. Additionally, policy
Mutual Fund Basics	Since mutual funds are the investment of choice for many investors, IARs need to know the ins-and-outs of these products. This course will describe the benefits off pooling money together and investing in mutual funds. Attention will be paid to how funds are structured, the process by which shares are purchased and sold, the different share classes, as well as the suitability and tax implications of the investments.
Retirement Planning	Although most individuals look forward to the day that they can retire, a significant concern is whether they're financially prepared to make that decision. This course will examine the method of determining the savings a person needs, the common types of retirement vehicles that are available to investors [e.g., IRAs and 401(k) plans], and how to invest retirement assets.
Introduction to Securities Analysis	How do securities analysts evaluate companies? How do they determine an issuer's EPS or P/E ratio? This course will help investment adviser representatives understand how securities analysis works and how analysts arrive at their opinions about stocks.
IARs and Insurance Products	Understanding life insurance company offerings can be challenging given the number of different life insurance contracts. This module will examine the specific terminology and tax implications associated with term, whole life, universal life, and variable life insurance policies. Additionally, the different types of annuities will be reviewed, including the tax treatment of the pay-in and pay-out phases and the importance of determining suitability.