



# Investment Adviser Representative Continuing Education

The North American Securities Administrators Association (NASAA) has implemented a new continuing education requirement for individuals who are qualified as investment adviser representatives (IARs). The requirement will help promote heightened regulatory compliance while also helping IARs better serve their clients by remaining knowledgeable of current regulatory requirements and best practices

Beginning in 2022, IARs must complete 12 hours of NASAA-approved CE courses on an annual basis. The 12 hours consist of the following:

- 6 credits in Products and Practices
- 6 credits in Ethics and Professional Responsibility

However, an IAR who's also an agent of a FINRA member firm (i.e., one who's dually registered) and is in compliance with FINRA's CE requirement may be excluded from the Products and Practices component. This person is only required to complete 6 credits of Ethics and Professional Responsibility.

All courses must be delivered by a CE provider that's been approved by both the North American Administrators Association (NASAA) and Prometric. STC is an approved provider.



## Application of the Requirement

- Every investment adviser representative (IAR) who's registered in a jurisdiction that adopts the model rule will be subject to its CE requirements. The program applies to all registered IARs of both state registered and federal covered investment advisers in that jurisdiction.

## Program Flexibility

- IARs are able to select courses from an approved CE provider that appeal to their interests and business models.

## STC's IAR CE Courses

- Each STC course is 1.0 credit
- Once a course is successfully completed, the IAR will receive a certificate of completion and STC will submit completion information to FINRA.

*\*Please Note: Any course taken in 2022 cannot be repeated for credit in 2023*



## Ethics and Professional Responsibility Courses

The Ethics and Professional Responsibility component is designed to ensure ongoing knowledge and competency related to an IARs' duties and obligations to their clients including, but not limited to, issues related to the fiduciary duty owed to each client.

### Advising Senior Investors

This module examines some of the special considerations and warning signs when dealing with senior investors. Through the use of timely case studies, readers will gain insight into the best practices when providing advice to these investors.

### Application of Regulation Best Interest (Reg BI)

This course examines how Reg BI applies to financial services firms and their registered persons by focusing on the obligations they assume as fiduciaries and the details of the Client Relationship Summary document that must be provided to clients.

### ESG Disclosure Requirements

This course describes environmental, social, and governance (ESG) investing (also referred to as socially responsible investing). An outline is provided of the key ESG factors along with an explanation of what ESG investors seek when selecting investments. Discussion includes the opposition to ESG investing, as well as legislation to prevent its use in certain government investments.

### Ethical Concerns in a Rising Interest Rate Market

The course provides context into historical rates, including the relatively low interest rates that have existed over the last 10 years and the recent increase in interest rates. The impact that rising interest rates has on the prices of securities, risk measurements, and valuation techniques for both stocks and bonds will be examined.

### Ethical Considerations for Dually Registered Personnel

This course examines the multiple challenges and conflicts of interest that firms face if they're dually registered as both a broker-dealer and investment adviser. The process that firms use to deal with these challenges will be explained by examining both Regulation Best Interest (Reg BI) and an investment adviser's Code of Ethics.

### 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.

### Examining the SEC's Marketing Rule

This course explores the key terms associated with "advertisements" that are introduced in the SEC's Marketing Rule. Since the rule now permits advisers to use testimonials, endorsements, third-party ratings, and performance advertising, the specific conditions and requirements for their use/inclusion will be covered.

### IARs - Dealing with Customers

This course examines the relationship between IARs and their clients, including the disclosures they provide. Analysis of the brochure rule, acting as a solicitor, and the creation of advisory contracts will also be covered. Finally, the ethical importance of making suitable recommendations will be reviewed, along with rules regarding advisory advertising and correspondence.

### Insider Trading and Investment Advisers

Investment advisers are increasingly monitored due to their frequent interactions with the issuers whose securities populate their investment portfolios. After an examination of recent regulatory actions, readers are presented with case studies to gain an understanding of appropriate and ethical responses.

### Investment Advisers - Avoiding Common Compliance Problems

This course focuses on common deficiencies identified by NASAA after a 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.

# Ethics and Professional Responsibility Courses

The Ethics and Professional Responsibility component is designed to ensure ongoing knowledge and competency related to an IARs' duties and obligations to their clients including, but not limited to, issues related to the fiduciary duty owed to each client.

## **Investment Advisers and Custody Issues**

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.

## **Investment Advisers and Their Code of Ethics**

This course reviews the SEC's standards and provisions under the required code of ethics set by Rule 204A-1. Along with defining the persons to whom the rules apply, case studies will address the various concerns that SEC examiners have found in their review. Additionally, amendments to the policy and procedures that the SEC believes will enhance an investment adviser's code of ethics are examined.

## **Investment Advisers - Conflicts of Interest and Form ADV**

This course examines an adviser's Form ADV and some of the different conflicts that must be disclosed in the form. Through the use of case studies, readers 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 examines the persons to whom this rule applies, as well as the result of a triggering contribution.

## **Regulation Best Interest (Reg BI)**

This course examines Reg BI, which is a package of rules and interpretations that enhance the quality and transparency of the relationships that retail investors have with broker-dealers and/or investment advisers. Attention is also paid to the Fiduciary Interpretation of the rule to clarify the duty that IAs owe to their clients.

## **Social Media and Investment Advisers**

This course examines the risks that investment advisers face when 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.





## Products and Practices Courses

The Products and Practices component is designed to ensure ongoing knowledge and competency related to investment products, strategies, standards, and compliance practices relevant to the investment advisory industry.

### Basic Option Positions

This course examines the fundamental concepts of options, including intrinsic value, time value, premium, and in-, at-, or out-of-the-money. Attention will be paid to an investor's strategy, breakeven point, maximum gain, maximum loss, and the different uses of options (speculation, hedging, or generating income).

### Complex Option Positions

This course goes beyond basic options and explores 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 volatility (VIX) options.

### Equity Securities

This course examines the characteristics of common stocks, preferred stocks, rights, and warrants. Emphasis is placed on how stocks are classified by capitalization and investment type as well as the process by which investment recommendations are made.

### IARs and Insurance Products

As fiduciaries, investment advisers must provide clients with products and services that are in their clients' best interests. Since the needs of clients may include insurance products, this course will ensure that IARs are knowledgeable of their characteristics and risks.

### Introduction to Annuities

This course examines the process by which annuities are funded (the accumulation phase) and the process by which benefits are received (the annuitization phase). The tax implications of these investments and suitability concerns are also addressed.

### Introduction to Securities Analysis

This course examines some of the different metrics and valuation techniques that are used in fundamental analysis. The approach of a technical analyst is also reviewed, including charts, pricing patterns, and different technical theories.

### Life Insurance Basics

This course defines the basic terms associated with insurance policies and the parties to the contract. Since the needs of clients can be quite different, the characteristics of the different types of life insurance policies are examined along with the various riders and policy provisions.

### Mutual Fund Basics

This course examines the terminology, structure, and advantages associated with mutual funds. Additional areas of focus include the method by which shares are purchased and sold, the associated sales charges that may be assessed, and the characteristics of the different types of funds.

### Retirement Planning Basics

Through the use of real examples, this course explains how important it is to put money away early to take advantage of the benefits of compounding. The impact that inflation has on retirement assets will be considered. Finally, the different retirement plans and their unique characteristics will be presented.

### Understanding SEC Filings

As clients seek assistance from investment advisers in creating their investment portfolios, IARs need to be knowledgeable about the various industries and the companies that operate within those industries. This video course provide details regarding the different reports that are filed by SEC reporting companies, insiders, issuers of securities, and investment advisers.