

# 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 and/or 2023 **cannot** be repeated for credit in 2024.

## 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.

Course Name	Description
<b>Advising Senior Investors</b>	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.
<b>Application of Regulation Best Interest (Reg BI)</b>	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.
<b>ESG Disclosure Requirements</b>	This course describes environmental, social, and governance (ESG) investing (also referred to as <i>socially responsible</i> 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.
<b>Ethical Concerns in a Rising Interest Rate Market</b>	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.
<b>Ethical Considerations for Dually Registered Personnel</b>	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.
 <b>Ethical Considerations with Complex Products</b>	Some investors are willing to include complex products in their investment portfolios if they meet their objectives. This course will examine some of the more popular complex products, including structured products, floating rate notes, asset-backed securities, and exchange-traded products.
<b>Ethical Decision Making for IARs</b>	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.
 <b>Ethical Practices of IARs</b>	Investment advisers are required to create a written code of ethics that sets forth standards of conduct that advisory personnel are expected to follow, but also addresses numerous conflicts of interest that must be addressed. Through the use of case studies and careful review of Regulation Best Interest, this course will provide an understanding of a adviser's obligations.

**The Ethics of Managing IRAs**

For so many investors who want to accumulate long-term assets, individual retirement accounts (IRAs) are the obvious choice. This course will examine the different types of IRAs, but will also consider the ethical requirements of financial professionals who recommend them.

**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 and Communication with the Public**

The prevalence of advisory firms promoting their businesses through advertising cannot be overlooked. This course will examine industry rules regarding the different forms of communication with the public and will provide case studies to increase understanding.

**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.

**IARs and Wrap Fee Accounts**

For some clients, being charge one fee for advisory service and transaction execution is appropriate. This course will examine these wrap fee account, specific required disclosures, and the emphasis on suitability determination.

**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 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. This course examines the steps that advisers must follow to be in compliance with custody rules.

**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 – 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.

**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.



<b>Market Manipulation</b>	Market manipulation can destroy investor confidence in the markets and damage a firm's reputation. This course will examine the different forms of manipulation and the different rules and provisions that have been established to combat it.
<b>Political Contributions by Investment Advisers</b>	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.
<b>Regulation Best Interest (Reg BI)</b>	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 <i>Fiduciary Interpretation</i> of the rule to clarify the duty that IAs owe to their clients.
<b>Social Media and Investment Advisers</b>	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.

Course Name	Description
<b>Alternative Investments</b>	To diversify their portfolios, many investors seek investments that provide uncorrelated returns and alternative investments can be the solution. Although alternative investments are generally, riskier than stocks or bonds, they provide an opportunity for higher returns. The course will examine DPPs, hedge funds, private equity, venture capital, and private debt.
<b>Basic Option Positions</b>	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).
<b>Complex Option Positions</b>	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.
<b>Digital Assets</b>	The term "digital asset" means anything that's stored digitally, is uniquely identifiable, and able to be used to realize value. This course will examine the different forms of digital assets, review the short history of these assets, and consider the ever-expanding regulatory environment.
<b>Equity Securities</b>	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.
<b>Exchange-Traded Funds (ETFs)</b>	For investors who want a mutual fund-like investment that allows for active trading, ETFs are perfect. This course covers the history and structure of different ETFs, the common fees and expenses, as well as the associated regulations.
 <b>Funding a Child's Education</b>	This course explores the different options that are available to meet a child's future educational needs. Coverage will include prepaid tuition plans, 529 savings plans, Coverdell ESAs, as well as accounts for minors.
 <b>IARs and Annuities</b>	This course closely examines the different types of annuities, but pays most of the attention to variable annuities. Details of how annuities work and the specific suitability requirements are included.

**IARs and Equity Options**

For those who are interested in learning how options work, this is the course to choose. This course will examine the risks and rewards of buying or selling call or put options. Additionally, details will be provided on some of the quantitative methods that investors use to value options.

**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.

**IARs and Real Estate Investing**

In an effort to diversify their investment portfolios, many investors turn to real estate-related assets. This course will examine real estate investment trusts (REITs) and real estate limited partnerships, but also some of the important registration requirements and exemptions associated with these securities.

**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.

**Life Insurance Products**

IARs are required to always act in their clients' best interests. To do so, the recommendation of a life insurance product may be necessary. This course will examine term insurance, permanent insurance, and variable life insurance. Because taxes can be such an important factor in financial planning for clients, the tax treatment of the different plans will also be explored.

**Municipal Bond Basics**

This course goes beyond simply comparing general obligation and revenue bonds by examining the process of analyzing a municipality's debt and the ratings assigned. An overview of tax benefits provided by municipal bonds and the unique tax implications created by their sale will also be covered.

**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.



<b>Retirement Plans 2.0</b>	Planning for retirement is one of the most important, yet challenging, things to do. This course will examine the different types of retirement plans and the required steps in the planning process. Using numerical examples, readers will gain an appreciation for all of the elements that go into assisting people with their retirement goals.
<b>Treasury Securities</b>	Many investors will reach a point at which they want safety and liquidity in their investments. When that happens, Treasury securities will become a focus. This course will describe the different Treasury securities, will examine the process used to issue them, and will review some of the more technical aspects of analyzing them.
<b>Understanding SEC Filings</b>	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.
<b>Variable Annuities 2.0</b>	Although often compared to mutual funds, variable annuities offer three features that are not found with mutual funds—tax-deferred earnings, a death benefit, and annuity payouts that can provide guaranteed income for life. These features and details related to the structure and tax treatment of annuities will be examined in this course.