

Chapter DFI-Sec 11

INVESTMENT ADVISER REPRESENTATIVE CONTINUING EDUCATION

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DFI-Sec 11.01 Definitions. (1) “Approved content” means any materials that are approved by NASAA for use by an authorized provider as part of an educational program for an IAR.

(2) “Authorized provider” means a person approved by NASAA to provide approved content.

(3) “Broker–dealer” has the meaning given in s. 551.102 (4), Stats.

(4) “Credit” means a unit of instruction in approved content that is at least 50 minutes long.

(5) “FINRA” means the Financial Industry Regulatory Authority.

(6) “Home state” means the state in which the IAR has its primary place of business.

(7) “IAR ethics and professional responsibility content” means approved content that addresses an IAR’s ethical and regulatory obligations.

(8) “IAR products and practice content” means approved content that addresses an IAR’s continuing skills and knowledge regarding financial products, investment features, and practices in the investment advisory industry.

(9) “Investment adviser representative” or “IAR” has the meaning given in s. 551.102 (16), Stats.

(10) “NASAA” means the North American Securities Administrators Association, its designee, or a designee of its Board of Directors.

(11) “Reporting period” means one 12–month period, as determined by NASAA, during which an IAR is required to meet the credit requirements specified in this chapter.

History: CR 21–057; cr. Register February 2022 No. 794, eff. 1–1–23.

DFI-Sec 11.02 IAR continuing education, reporting requirements. (1) An IAR who complies with the registration requirements under ss. 551.404 and 551.406, Stats., shall complete all of the following during the IAR’s reporting period:

(a) *IAR ethics and professional responsibility requirement.* At least six credits of IAR ethics and professional responsibility content, at least 3 of which shall be ethics content.

(b) *IAR products and practice requirement.* At least 6 credits of IAR products and practice content.

(2) An IAR’s initial reporting period begins on January 1 of the first calendar year beginning after the individual is required to comply with the registration requirements as described in ss. 551.404 and 551.406, Stats.

History: CR 21–057; cr. Register February 2022 No. 794, eff. 1–1–23; correction in (1) (b) made under s. 35.17, Stats., Register February 2022 No. 794.

DFI-Sec 11.03 Agent of FINRA—registered broker–dealer compliance. An IAR who is also registered as an agent of a FINRA member broker–dealer and who complies with FINRA’s continuing education requirements is in compliance with the products and practice requirement of s. DFI-Sec

11.02 (b) for each applicable reporting period if the FINRA continuing education content meets all of the following criteria:

(1) Focuses on compliance, regulatory, ethical, and sales practice standards.

(2) Is derived from state and federal investment advisory statutes, rule and regulations, securities industry rules and regulations, and accepted standards and practices in the financial services industry.

(3) Requires that its participants demonstrate proficiency in the subject matter of the educational materials.

History: CR 21–057; cr. Register February 2022 No. 794, eff. 1–1–23.

DFI-Sec 11.04 Credentialing organization continuing education compliance. An IAR who holds a professional designation that qualifies the IAR for an examination waiver under s. DFI-Sec 5.01 (4) (d) is in compliance with s. DFI-Sec 11.02 if all of the following are true:

(1) The IAR completes the credits of continuing education needed as a condition of maintaining the professional designation during the relevant reporting period.

(2) The credits of continuing education completed by the IAR during the relevant reporting period are mandatory to maintain the professional designation.

(3) The educational content provided by the credentialing organization during the relevant reporting period is approved content.

History: CR 21–057; cr. Register February 2022 No. 794, eff. 1–1–23.

DFI-Sec 11.05 IAR continuing education reporting. An IAR is responsible for ensuring that an authorized provider reports the completion of the IAR’s continuing education requirements described in s. DFI-Sec 11.02 to NASAA’s course reporting database hosted by FINRA. The division of securities may access an IAR’s continuing education status through FINRA.

History: CR 21–057; cr. Register February 2022 No. 794, eff. 1–1–23.

DFI-Sec 11.06 No carry–forward. An IAR who completes continuing education credits during a reporting period in excess of the amount required under s. DFI-Sec 11.02 may not carry forward excess credits to a subsequent reporting period.

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DFI-Sec 11.07 Failure to complete continuing education requirements; registration status. An IAR who fails to comply with this chapter by the end of a reporting period may renew in this state at the close of the calendar year, although the IAR will have the registration status of “CE Inactive,” and shall maintain that status until the IAR completes and reports all required IAR continuing education credits for all reporting periods as required by this rule. An IAR who remains in CE Inactive registration status at the close of the next calendar

year is not eligible for IAR registration or renewal of an IAR registration.

History: CR 21-057: cr. Register February 2022 No. 794, eff. 1-1-23.

DFI-Sec 11.08 Unregistered periods. An IAR who was previously registered under ss. 551.404 and 551.406, Stats., and became unregistered must complete all required IAR continuing education credits for all reporting periods that occurred between the time that the IAR became unregistered and the time that the individual registered again under ss. 551.404 and 551.406, Stats., unless the IAR takes and passes the examination described in s. DFI-Sec 5.01 (3) or receives an examination waiver as described in s. DFI-Sec 5.01 (4) in connection with the subsequent application for registration.

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DFI-Sec 11.09 Discretionary waiver. The administrator of the division of securities may waive any requirements of the rules in this chapter.

History: CR 21-057: cr. Register February 2022 No. 794, eff. 1-1-23.

DFI-Sec 11.10 Home state. An IAR registered or required to be registered in this state who is registered as an IAR in the IAR's home state is in compliance with the continuing education requirements in this chapter if all of the following are true:

(1) The continuing education requirements in the IAR's home state are at least as stringent as the requirements in this chapter.

(2) The IAR is in compliance with the IAR's home state's IAR continuing education requirements.

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