

IAR Continuing Education

On August 10, 2022, the South Carolina Attorney General issued [Order Number 22004](#), which sets out continuing education requirements for investment adviser representatives (IARs). These requirements went into effect January 1, 2023, which means all IARs registered in South Carolina as of January 1, 2023, must complete the required Continuing Education (CE) courses by December 31, 2023.

This new rule represents the culmination of years of work by the North American Securities Administrators Association (NASAA), its members (state securities regulators), and industry to develop a relevant and responsive IAR continuing education program. This CE program will promote heightened regulatory compliance while also helping investment adviser representatives better serve their clients by remaining knowledgeable of current regulatory requirements and best practices. The South Carolina IAR CE rule is substantially equivalent to the NASAA model rule.

To learn more about NASAA and its mission, please visit nasaa.org.

IAR CE Requirements

Each IAR will need to attain 12 CE credits each year to maintain their IAR registration. The 12 credits must include 6 credits of Products and Practices and 6 credits of Ethics and Professional Responsibility. The mandatory CE program will apply to all registered IARs of both state-registered and federal covered investment advisers. IARs will self-manage selecting and completing courses, which will enable them to tailor their CE to their interests and business models. Courses are offered by NASAA approved course providers, which can be found on NASAA's [website](#). The course vendor/provider will report course completion to FINRA, NASAA's vendor for program tracking.

Financial Professional Gateway (FinPro)

FINRA's Financial Professional Gateway ([FinPro](#)) provides individuals (current or former representatives) direct access to resources and tools to manage their securities registration information and a platform to monitor their continuing education requirements. The FinPro system has previously been available to broker-dealer agents, and its extension to IARs will provide them with a mechanism to view courses taken and the progress towards completion of their annual CE requirement. Since IARs are responsible for ensuring their CE vendor reports completion of CE, they may find FinPro useful for tracking and monitoring CE. There is no cost to set up a FinPro account.

Features of FinPro:

- Track and monitor CE
- View CRD record
- Schedule an exam
- Review/download last Form U5

An instructional guide to set-up a FinPro account can be accessed on FINRA's [website](#).

Additional FinPro questions? See [FinPro's list of FAQs](#).

FAQs

Who must comply with the IAR CE requirements?

Every IAR registered in South Carolina must comply with IAR CE requirements. The program applies to all registered IARs of both state-registered and federal covered investment advisers.

When do IARs need to begin complying with the IAR CE requirements?

IARs registered in South Carolina as of January 1, 2023, must begin taking CE courses in 2023, and obtain the required 12 credits by December 31, 2023.

When an individual registers for the first time as an IAR, they will not be subject to the CE requirements until the next calendar year. Similarly, if an IAR is registered only in states without a CE requirement and becomes registered in a CE state for the first time, the IAR will not need to comply with those CE requirements until the next calendar year. For example, if an IAR has not been registered in any states requiring CE and registers in South Carolina during 2023, that IAR will not begin complying with the CE rules until 2024. However, IARs who are already registered in an IAR CE state prior to registering in South Carolina must continue to complete their CE credit schedule for that calendar year. See “What if an IAR is registered in more than one state?” FAQ below.

How many credits/hours are required?

Beginning in 2023, IARs will need to obtain 12 CE credits each year to maintain their IAR registration.

The 12 credits must include:

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

Generally speaking, an IAR cannot receive credit more than once for the same course and must take care to avoid duplicate courses in subsequent years. (An exception to this is a course that is updated and receives a new course number.)

Where can IARs find a list of approved course providers?

To obtain credit, courses must be approved for the CE program. A list of approved providers can be found on the NASAA [website](#).

What if an IAR is registered in more than one state?

An IAR registered in more than one state must comply with the requirements of each state securities regulator. However, per Order Number 22004, an IAR is considered in compliance with South Carolina’s CE requirements as long as both of the following are met:

1. The IAR's home state (where the IAR has their principal office and place of business) has adopted IAR CE requirements that are at least as stringent as South Carolina's; and
2. The IAR is in compliance with their home state IAR continuing education requirements.

If an IAR already maintains CE credits for certain professional designations, can those be used to fulfill South Carolina's IAR CE requirements?

Yes, credits from CE courses taken to maintain professional designations can apply to the IAR CE program so long as the provider and course have been approved through Prometric for IAR CE purposes. Providers will likely promote the fact that certain courses qualify for IAR CE so IARs can look for courses that meet the CE requirements for both IAR CE and their professional designations.

For dually registered IARs, can the CE required by FINRA for BD agents be used to fulfill any of the CE requirements for IARs?

Yes. An IAR who is also a registered broker-dealer agent and who complies with FINRA's CE requirements is considered to be in compliance with the requirement to report six credits of Products and Practices content, so long as the FINRA CE content continues to meet certain baseline criteria as determined by NASAA and payment is made in CRD of a \$3 per credit reporting fee.

What if an IAR changes firms mid-year?

If an IAR begins taking courses during a calendar year, then changes firms mid-year, the credits completed before the switch will appear in the IAR's course transcript in CRD and will apply toward the annual CE requirement.

Are any IARs exempt from CE requirements based on factors such as length of experience and/or professional designations?

No. There are no exemptions or waivers available based on experience or other qualifications.

If an IAR terminates their registration and then seeks to re-register twenty-three months later, how will their IAR CE requirements be affected? Does the individual need to make up missed CE credits?

Yes. To re-register during the two year exam window, the IAR would need to complete any missed CE. For instance, if the IAR leaves the industry in December 2022 without completing the twelve hours of CE for 2022, and then attempts to re-enter in 2024, the IAR would need to complete (before becoming registered) twelve hours for 2022 and twelve hours for 2023. The twelve hours for 2024 would be due by December 31, 2024. The CE for 2022 and 2023 need not be completed within those years but can be done on a catch up basis in 2024. Alternatively, the IAR can re-take and pass the Series 65 or 66 in lieu of completing the missing CE.

What happens if an IAR does not complete the CE requirements in a timely manner?

If an IAR does not complete the CE requirement by the annual deadline, the IAR will pay the registration renewal fee and CRD will set their IAR CE status to "CE Inactive." Current CE status will also appear in the Investment Adviser Public Disclosure (IAPD) and BrokerCheck. Their IAR registration status in states participating in IAR CE will change to "Approved Pending IAR CE". The IAR can continue to do business, however, if CE is not completed by the end of the second year, the IAR will be unable to renew their registration and will be terminated for failing to complete CE.

If you have additional questions, please visit NASAA's [IAR CE webpage](#) or their [full list of FAQs](#); or call us at 803-734-9916.