



COLORADO

Department of
Regulatory Agencies

Division of Securities

INVESTMENT ADVISER CONTINUING EDUCATION WEBINAR QUESTIONS FEBRUARY 7, 2024

These questions were generated during the Division of Securities initial Investment Adviser Continuing Education (IAR CE) webinar on February 7, 2024. Please let our office know if we missed your questions, if you have new questions, or if you need additional clarification.

General Information

- Colorado Securities Rule 51-4.4.1(IA) requires investment adviser representatives (IARs) licensed or required to be licensed in Colorado to complete 12 credits/hours of (IARCE or IAR CE) each year. The IAR CE courses must be given by an Authorized Provider.
- The 12 credits/hours of IAR CE shall include six credits/hours of Products and Practice and six credits/hours of Ethics and Professional Responsibility.
- IARs that renewed their license as of January 1, 2024, will be required to take 12 credits/hours of IAR CE by December 31, 2024.
- All course providers and IAR CE courses must be approved pursuant to the procedures and practices established by the North American Securities Administrators Association (NASAA).
- You will be required to take 12 credits/hours of IAR CE as long as you are licensed as an IAR in any state that has adopted the IAR CE rule.

PRODUCTS AND PRACTICE CATEGORY, THE ETHICS AND PROFESSIONAL RESPONSIBILITY CATEGORY, AND COURSE CREDITS

1. Describe the Products and Practice component.

Products and Practice content addresses an IAR's continuing education regarding financial products, investment features, and practices in the investment advisory industry.

2. Describe the Ethics and Professional Responsibility component.

The Ethics and Professional Responsibility content addresses an IAR's ethical and regulatory obligations.

3. What are some of the relevant topics for the Products and Practice and the Ethics and Professional Responsibility components?

Topics include, but are not limited to the following:

- New and emerging issues or products for the IAR in the financial services industry.
- Compliance issues arising from advertising.
- Changes and new developments in legislation, regulations, and rules.
- Fiduciary obligations and ethical practices - Acting in the clients' best interests, compensation, discretion, trading authority, conflicts of interest.
- Fraudulent, manipulative, and deceptive practices.
- Written Supervisory Procedures, Business Continuity Plan, Cybersecurity Procedures.

4. Colorado Rule 51-4.4.1(IA)(A.)(1.) requires that at least three hours of the Ethics and Professional Responsibility category cover the topic of ethics. How do we meet this ethics requirement?

If a course has been approved for Ethics and Professional Responsibility credit, content review has determined that half of the material in the course is related to an IAR's ethical responsibilities. Content is reviewed by NASAA's IAR CE team.

Please see NASAA's IAR CE Program Handbook information pertaining to course content management that identifies course content topics and explains guidelines for approving course curriculum for additional information. View [NASAA's IAR CE Program Handbook](#).

5. Does one credit of IAR CE equal one hour of instruction?

Pursuant to Colorado Rule 51-4.4.1(IA)(J.)(3.), a credit is a unit that contains at least 50 minutes of educational instruction.

If a course has been approved for three credits, it will represent a minimum of 150 minutes of educational instruction.

PROFESSIONAL DESIGNATIONS AND CERTIFICATIONS

6. **If professional certification CE schedules do not align to the calendar year-end reporting period required under the IAR CE rule, may we use CE credits we have completed for the professional certification continuing education cycle but may have been earned in 2023?**

No. You may not apply CE credits earned in 2023 to 2024 because the IAR CE requirement and the reporting period began on January 1, 2024, in Colorado and the rule does not have a provision authorizing the application of previously earned credits to current years prior to the rule becoming effective and the start of the IAR's initial reporting period.

7. **May I use continuing education credits/hours earned for my Certified Financial Planner (CFP) credential for my IAR CE requirement?**

Yes, if all the following are true:

- The IAR completes the credits of continuing education as a condition of maintaining the credential for the relevant reporting period.
- The credits of CE completed during the relevant reporting period are mandatory to maintain the credential.
- The CE content provided in the course is approved IAR Continuing Education Content.

8. **If I complete 12 hours of continuing education for my CFP credential, have I met the requirements for IAR CE?**

Probably not, but not impossible. As long as the 12 credits/hours of continuing CFP education are offered by an Authorized Provider and an Approved Instructor, the course content is approved by NASAA, the course content consists of six credits/hours of approved Products and Process plus six credits/hours of approved Ethics and Professional responsibility, and the 12 approved credits/hours are earned during the relevant reporting period you may be able to apply the CFP CE to your IAR CE requirement.

9. How does an investment adviser representative verify their CFP credit will apply to the IAR CE requirement?

The IAR will go to the NASAA website and review the list of Approved IAR CE providers and see if the CFP CE provider is on the list. See a [list of approved providers](#).

If the individual or the group providing the CFP credit are on the list of Authorized Providers, go to the Authorized Providers website or otherwise contact the approved CE provider and review their course catalogue to determine if the course you are interested in is an approved course for IAR CE.

DUALLY LICENSED INVESTMENT ADVISER REPRESENTATIVES AND REGISTERED REPRESENTATIVES/SALES REPRESENTATIVES

10. If I am dually licensed as an IAR and as a broker-dealer registered representative/sales representative and I have completed CE provided by the Financial Industry Regulatory Authority (FINRA), may I count my FINRA Regulatory Element continuing education towards my IAR CE requirement?

Yes, you may apply FINRA's Regulatory Element course towards the Products and Practice component of your IAR CE requirements so long as the FINRA CE content continues to meet certain baseline criteria as determined by NASAA, and the associated roster reporting fee of \$3 per credit is paid by either the firm or the IAR.

11. If I am dually licensed as an investment adviser representative and as a broker-dealer registered representative/sales representative, how do I report my FINRA CE Regulator Content to get credit for the courses?

Check with the appropriate contact at your broker-dealer to determine if the firm will report FINRA CE Regulator Content and pay the applicable reporting fee of \$18 (\$3 per credit hour times six credits) on your behalf. If your broker-dealer requires you to self-report, you will self-report your course completion through the Financial Professional Gateway (FinPro). If you are required to self-report, you will also be required to pay the applicable reporting fee of \$18, which is \$3 per credit hour times six credits, through FinPro.

Please note, there will be no refunds. In addition, if for any reason your reporting fee payment is not processed or is charged back you will not receive the corresponding IAR CE credits.

12. How do I transfer credits/hours from the FINRA CE Regulator Content to my IAR CE requirement?

An IAR who is also a registered broker-dealer registered representative/sales representative and who complies with FINRA's CE requirements can report the completion of their Regulatory Element CE to satisfy their requirement to complete six credits of Products and Practice content, the IAR will pay the associated \$18 through FinPro, unless the firm has opted to pay the fee for all its IARs.

To self-report the completion of FINRA CE, you will need to [log in to FinPro](#) and scroll to the [Continuing Education section](#), where there should be a header for IAR CE. Next to your Incomplete status, click the Apply Regulatory Element Credit link and follow the prompts to pay the reporting fee. Please note, your firm may opt to pay the fee for all its IARs.

View a [webcast on applying FINRA's regulatory element CE to IAR CE](#) through NASAA.

Please note, there will be no refunds. In addition, if for any reason your reporting fee payment is not processed or is charged back you will not receive the corresponding IAR CE credits.

REPORTING IAR CE FOR INDIVIDUALS THAT ARE NOT DUALY LICENSED AS INVESTMENT ADVISER REPRESENTATIVES/SALES REPRESENTATIVES

13. If I am not dually licensed as an investment adviser representative and a registered representative/sales representative, who reports my IAR CE Credit?

The course providers report course completion to FINRA, NASAA's vendor for program tracking. There is no need to directly report the completion of CE to your state securities regulator.

14. Is there a fee required when my CE courses are reported for IAR CE credit?

Yes, the IAR CE course reporting fee, also sometimes referred to as the roster fee, is \$3 per credit per person.

15. When are fees paid for IAR CE course reporting?

Fees are due upon submission. The course provider will submit the \$3 per credit when an IAR's completed course is submitted for credit. The course provider submits the course completion information to FINRA, the manager of NASAA's CE reporting database. After successful submission of the course roster, the system will generate the accompanying invoice for the roster fees to be paid by the course provider.

16. If I am a licensed investment adviser representative with my one-person licensed investment adviser firm, do I take the course and report successful course completion under my firm's Central Registration Depository (CRD)/ Investment Adviser Registration Depository (IARD) number or under my individual CRD/IARD number?

The IAR CE rule requires investment adviser representatives to take the IAR CE credits/hours, therefore, all IAR CE reporting will be made under your individual CRD/IARD number.

WHERE DO I FIND APPROVED IAR CE COURSE PROVIDERS AND IAR CE COURSES?

17. Where do I find providers approved/authorized to provide IAR CE content?

All providers must be approved prior to providing IAR CE courses. Go to the link provided, and you will find a list of Approved IAR CE Providers and links to their webpages. See [NASAA's Approved Provider](#) list. This webpage is updated as new CE providers are approved to provide IAR CE courses.

18. Where do I find courses approved for IAR CE?

IARs will need to go to an approved provider's webpage or otherwise contact the provider to find courses approved for IAR CE. The provider webpages typically provide information about the IAR CE approved content, including course catalogues and course costs.

19. Where do we get the list of approved courses?

There is not a list of approved courses. IARs will need to contact each approved provider directly to find out about the approved CE content they are offering and to verify if the approved CE content may be used to satisfy more than one continuing education requirement.

For example, the CE content may be used to satisfy continuing education requirements for Chartered Financial Analysts (CFA) and for IAR CE content.

20. What is the cost of IAR CE courses?

The cost of IAR CE courses vary. Some courses are offered free of charge and only require payment of the \$3 per credit/hour reporting/roster fee. IARs may be able to take a three credit/hour course for as little as \$20.00 or for as much as \$300.00.

21. What is the average number of credits/hours for an IAR CE course and how much time do they normally require?

The Division does not currently have access to this type of statistic. However, approved providers may create courses that will provide varying numbers of IAR CE credits/hours. Courses may provide as little as half of a credit to as much as six credits.

22. How to I verify the IAR CE credits have been reported to FINRA?

It is highly encouraged that each IAR create an account on FINRA's Financial Professional Gateway (FinPro) to maintain direct access to their securities registration information.

FinPro gives IARs a mechanism to view their CRD/IARD record, schedule qualification exams, apply Regulatory Element CE session towards the Products and Practice component of the IAR CE requirements, monitor IAR CE approved providers submission of completed IAR CE courses, and keep track of the professional's IAR CE transcript.

FinPro account users will need to create account credentials, including a user ID, password, and security challenge questions, as well as verify identity with Transunion to access the system.

You must use a supported browser to login. Supported browsers include Microsoft Edge, Chrome, Firefox, and Safari. FinPro cannot be accessed with Internet Explorer.

FINANCIAL PROFESSIONAL GATEWAY (FINPRO)

23. How do I get access to FinPro?

Create your FinPro account and access FinPro account creation resources and other Fin Pro information on [FINRA's website](#). See FinPro's [account creation guide](#) for additional guidance. Additionally, you can view FinPro's [New CE Platform User Guide](#).

24. Where do I find the IAR Continuing Education and the Applying FINRA's Regulatory Element CE to IAR CE webcasts on the NASAA website?

View NASAA's [IAR CE Program Information](#) webpage to access IAR CE Webcasts and Training.

INSURANCE AGENTS

25. If I am a licensed insurance agent/provider in the State of Colorado, will there be any opportunity for overlapping credit to cover both the IAR and insurance agent CE requirements?

There may be opportunities to take courses that would satisfy the IAR CE requirements and continuing education requirements for insurance agents. Insurance continuing education courses may apply to IAR CE requirements if the provider, the instructor, and the course have been approved by NASAA. Find more information on NASAA's [Approved Provider webpage](#).

INVESTMENT ADVISERS LICENSED IN MULTIPLE STATES

26. If my home state is Colorado, but both my firm and I have clients in Colorado, Massachusetts, and California, what requirements will I need to meet state by state?

The Model IAR CE rule contains a provision that allows the adopting state to recognize an investment adviser representative's home state as the primary regulatory authority regarding CE. IARs that are in compliance with a home state IAR CE rule that is as stringent as the non-home state IAR CE rule will be deemed to be in compliance with the non-home state IAR CE rules.

For example, if Colorado is your home state and you are required to be registered as an investment adviser representative in California and Massachusetts, as of January 1, 2024, you will be required to meet the IAR CE requirements of the Colorado rule.

Massachusetts has not adopted an IAR CE rule and California adopted an IAR CE Rule that is substantially similar to the NASAA Model IAR CE Rule and the Colorado IAR CE rule. The California Rule requires 12 credits, equally divided between the Products and Practice and Ethics and Professional Responsibility components and it requires the investment adviser representative home state to have continuing education requirements that are as stringent as the NASAA Model Rule on IAR CE, that is 12 credits, equally divided between the two elements.

Note, securities rules are subject to change.