

**STATE OF MINNESOTA
DEPARTMENT OF COMMERCE**

In re: Investment Adviser Representative
Continuing Education Requirement

ORDER PURSUANT TO MINNESOTA
STATUTES § 80A.61(e)

Based upon the authority granted by Minnesota Statutes § 80A.61(e), Commissioner of Commerce Grace Arnold (“Commissioner”) does hereby issue this Order:

Whereas, the North American Securities Administrators Association (NASAA) adopted a model rule setting parameters for an investment adviser representative (IAR) continuing education program to be implemented by individual states; and

Whereas, Minn. Stat. § 80A.61(e) provides that the Commissioner may issue an order imposing other conditions for the registration of investment adviser representatives so long as the conditions are not inconsistent with the National Securities Markets Improvement Act of 1996; and

Whereas, issuing this Order is not inconsistent with the National Securities Markets Improvement Act of 1996; and

Whereas, this Order is in the public interest and will operate for the protection of investors.

NOW, THEREFORE, I HEREBY ORDER THAT:

1. **IAR Continuing Education Requirement.** Beginning January 1, 2025, every investment adviser representative registered under the Act must complete the following IAR continuing education requirements each Reporting Period:

- a. IAR Ethics and Professional Responsibility Requirement. Six (6) Credits of IAR Regulatory and Ethics Content offered by an Authorized Provider, with at least three (3) hours covering the topic of ethics; and
- b. IAR Products and Practice Requirement. Six (6) Credits of IAR Products and Practice Content offered by an Authorized Provider.

2. **Agent of FINRA-Registered Broker-Dealer Compliance.** An investment adviser representative who is also registered as an agent of a FINRA member broker-dealer and who complies with FINRA’s continuing education requirements shall be deemed in compliance with the Paragraph (1)(b) IAR Products and Practice Requirement for each applicable Reporting Period so long

as FINRA continuing education content meets all of the following baseline criteria as determined by NASAA:

- a. The continuing education content focuses on compliance, regulatory, ethical, and sales practices standards;
- b. The continuing education content is derived from state and federal investment adviser statutes, rules and regulations, securities industry rules and regulations, and accepted standards and practices in the financial services industry; and
- c. The continuing education content requires that its participants demonstrate proficiency in the subject matter of the educational materials.

3. **Credentialing Organization Continuing Education Compliance.** Credits of continuing education completed by an investment adviser representative who was awarded and currently holds a credential that qualifies for an examination waiver under Minnesota Rules, part 2876.4120 complies with Paragraph (1)(a) and (1)(b) of this Order provided all of the following are true:

- a. The investment adviser representative completes the Credits of continuing education as a condition of maintaining the credential for the relevant Reporting Period;
- b. The Credits of continuing education completed during the relevant Reporting Period by the investment adviser representative are mandatory to maintain the credential; and
- c. The continuing education content provided by the credentialing organization during the relevant Reporting Period is Approved IAR Continuing Education Content.

4. **IAR Continuing Education Reporting.** Every investment adviser representative must ensure that the Authorized Provider reports the investment adviser representative's completion of the applicable IAR continuing education requirements.

5. **No Carry-Forward.** An investment adviser representative who completes Credits of continuing education in excess of the amount required for the Reporting Period cannot carry forward excess Credits to a subsequent Reporting Period.

6. **Failure to Complete or Report.** An investment adviser representative who fails to comply with this Order by the end of a Reporting Period will renew as "CE Inactive" at the close of the calendar year in Minnesota until the investment adviser representative completes and reports all

required IAR continuing education Credits for all Reporting Periods as required by this Order. An investment adviser who is CE Inactive at the close of the next calendar year is not eligible for investment adviser representative registration or renewal of an investment adviser representative registration.

7. **Home State.** An investment adviser representative registered or required to be registered in this state who is registered as an investment adviser representative in the individual's Home State shall be deemed in compliance with this Order provided that both of the following are true:

- a. The investment adviser representative's Home State has continuing education requirements that are at least as stringent as the NASAA Model Rule on Investment Adviser Representative Continuing Education; and
- b. The investment adviser representative is in compliance with the Home State's investment adviser representative continuing education requirements.

8. **Unregistered Periods.** An investment adviser representative who was previously registered under the Act and became unregistered must complete IAR continuing education for all reporting periods that occurred between the time that the investment adviser representative became unregistered and when the person became registered again under the Act unless the investment adviser representative takes and passes the examination, receives an examination waiver as required by Minnesota Rules, part 2876.4120, or is otherwise exempt from the examination requirements pursuant to an order issued by the Department, in connection with the subsequent application for registration.

9. **Definitions.** As used in this Order, the following terms mean:

- i. "Act" means the Minnesota Securities Act as found in Minnesota Statutes Chapter 80A.
- ii. "Approved IAR Continuing Education Content" means the materials, written, oral, or otherwise that have been approved by NASAA or its designee and which make up the educational program provided to an investment adviser representative under this Order.
- iii. "Authorized Provider" means a person that NASAA or its designee has authorized to provide continuing education content required by this Order.
- iv. "Credit" means a unit that has been designated by NASAA or its designee as

at least 50 minutes of educational instruction.

- v. “FINRA” means the Financial Industry Regulatory Authority.
- vi. “Home State” means the state in which the investment adviser representative has its principal office and place of business.
- vii. “IAR Ethics and Professional Responsibility Content” means Approved IAR Continuing Education Content that addresses an investment adviser representative’s ethical and regulatory obligations.
- viii. “IAR Products and Practice Content” means Approved IAR Continuing Education Content that addresses an investment adviser representative’s continuing skills and knowledge regarding financial products, investment features, and practices in the investment advisory industry.
- ix. “Investment adviser representative” or “IAR” means an individual who meets the definition of “investment adviser representative” under the Act or an individual who meets the definition of “investment adviser representative” under 17 C.F.R. 275.203A-3.
- x. “NASAA” means the North American Securities Administrators Association, or a committee designated by its Board of Directors.
- xi. “Reporting Period” means one twelve-month (12) period as determined by NASAA. An investment adviser representative’s initial Reporting Period with Minnesota commences the first day of the first full Reporting Period after the individual is registered or required to be registered in Minnesota.

This Order shall be effective upon the signature of the Commissioner.

GRACE ARNOLD
Commissioner of Commerce



MICHAEL CROW
Senior Director of Financial Institutions Division
Dated: 9/3/2024