

Information Notice

FINRA Reminds Registered Persons and Firms of Continuing Education Regulatory Element Annual Deadline

Summary

FINRA is providing information in this *Notice* to remind registered persons and firms of the new requirements regarding the Continuing Education (CE) Regulatory Element, including:

- ▶ this year's training assignments and completion deadline of **December 31, 2023**;
- ▶ the consequences of not completing required annual training and CE inactive status; and
- ▶ resources available to firms for facilitating compliance with the new annual Regulatory Element requirements.

Questions concerning this *Notice* should be directed to:

- ▶ Patricia Monterosso, Senior Director, Testing and Continuing Education Department, at (212) 858-4086 or Patricia.Monterosso@finra.org; or
- ▶ Nicole Lefort, Associate Director, Testing and Continuing Education Department, at (212) 858-5247 or Nicole.Lefort@finra.org.

Background

FINRA and other self-regulatory organizations (SROs) adopted important changes to their CE and registration rules to train registered persons more effectively.¹ Beginning January 1, 2023, FINRA Rule 1240 (Continuing Education) requires all registered persons to complete the Regulatory Element *annually* by December 31.² The amended rule also includes changes to the provisions relating to CE inactive status. Specifically, registered persons who fail to complete their Regulatory Element within the prescribed annual deadline of December 31 will be automatically designated as CE inactive by FINRA.

July 26, 2023

Suggested Routing

- ▶ Compliance
- ▶ Regulatory Element Contact Person(s)
- ▶ Registration and Continuing Education
- ▶ Registered Persons
- ▶ Senior Management
- ▶ Training

Key Topic(s)

- ▶ Annual Requirement
- ▶ Continuing Education
- ▶ Inactive Status
- ▶ Regulatory Element

Referenced Rules & Notices

- ▶ FINRA Rule 1240
- ▶ Regulatory Notice 21-41

Regulatory Element Training Courses and Deadline

The Regulatory Element is composed of online training courses on rule changes and other regulatory developments relevant to each registration category that a registered person holds. FINRA assigns courses to registered persons based on their active registrations and those courses are listed in, and must be completed through, their [FinPro \(Financial Professional Gateway\)](#) account. Along with their Regulatory Element course assignments for a particular year, FinPro provides individuals with information on the status of each course and a reminder of the course's due date.³ Dropping or adding a registration may result in a change to the assigned courses included in a learning plan.

To complete their CE requirements, registered persons must access assigned courses on the CE platform through their FinPro account.⁴ Each required course will have a launch link. Individuals are not required to complete either a single course or their entire learning plan (*i.e.*, all assigned courses) at once. If individuals exit a course before completing it, their progress will be saved. When they relaunch the course, they will be able to resume where they left off.

All assigned courses in the 2023 Regulatory Element are required to be completed by December 31, 2023. Firms may request that FINRA extend the time by which a registered person must complete the Regulatory Element for good cause shown.⁵

Support for FinPro and the CE platform is available during core business hours, Monday through Friday from 8 a.m. to 8 p.m. ET. Notice will be provided on FINRA's [Systems Status page](#) when the systems are unavailable.

CE Inactive Status

As noted above, registered persons who fail to complete their Regulatory Element by the annual deadline of December 31 will be automatically designated as CE inactive by FINRA.⁶

An individual designated CE inactive is prohibited from performing, or receiving compensation for, any activities requiring registration while they remain in a CE inactive status.⁷ Individuals who are designated as CE inactive must complete all their required annual Regulatory Element learning plans, including any annual Regulatory Element that becomes due during their CE inactive period, for the CE inactive designation to be removed.⁸

If an individual remains CE inactive for a two-year period, the individual's registration(s) will be administratively terminated by FINRA, and the individual will be required to requalify by taking and passing an appropriate examination or by obtaining an examination waiver to re-register with a member firm.⁹ This two-year period is calculated from the date on which an individual becomes CE inactive and it continues to run regardless of whether the individual's registrations are terminated before the end of the two-year period.¹⁰

Resources

Regulatory Element tools available to firms and individuals include:

FINRA Gateway Reports: Firms can find information on the annual CE obligations and statuses through the Reports section of [FINRA Gateway](#).¹¹ Several data points are available, and new data sets, report templates and feature enhancements are regularly added. The annual Regulatory Element templates can be customized in multiple ways, including filtering information, pinning columns, changing the order of columns and adding columns. Customized reports can be saved and exported as needed. Learn more about FINRA Gateway Reports on the [Annual CE Obligations](#) page.

CE Notifications and Tracking: Firms can enable an optional feature in FINRA Gateway's Firm Settings to send automated CE notifications to their registered persons. Once enabled, registered FinPro users will receive auto-generated email reminders about their Regulatory Element requirement on the specified dates selected by their firm(s).¹² Firms can also provide one or more email addresses for which they would like to receive copies of the delivered notifications. The notification may also include an indication of an earlier deadline set by the firm for individuals to complete their Regulatory Element courses. For more information about CE email notifications, see the [Firm Settings Guide](#).

Firms can track CE notifications with the Notifications Tracking Report in FINRA Gateway. This report includes the following data points: email addresses, email subject, date sent and the date an email was opened.

Annual Regulatory Element Learning Topics: By October of each year, the Regulatory Element learning topics for the coming year will be made available on FINRA.org. You can view a Regulatory Element learning plan assigned to a registration category or group of registration categories for a given calendar year by using the [learning topics](#) publication tool available on FINRA.org.

Endnotes

1. See [Regulatory Notice 21-41](#) (FINRA Amends Rules 1210 and 1240 to Enhance the Continuing Education Program for Securities Industry Professionals) (November 17, 2021).
2. This *Notice* addresses the CE Regulatory Element obligations relating to registered persons. Firms should be aware that effective January 1, 2023, individuals who are designated as eligible for a waiver pursuant to Rule 1210.09 (Waiver of Examinations for Individuals Working for a Financial Services Industry Affiliate of a Member) are also subject to an annual Regulatory Element requirement. See Rule 1240(a).
3. Firms have the option to set and require an earlier completion deadline for individuals to complete their Regulatory Element courses. Firms also have the option to send automated email notifications to their registered persons regarding an earlier completion deadline via the FINRA Gateway's [Firm Settings feature](#). If a firm sets an earlier completion deadline, it would not impact a registered person's CE inactive status. A registered person's CE inactive status is based on the December 31 completion deadline set forth in Rule 1240.
4. Registered persons must have a FinPro account to access assigned CE courses. See FINRA's [CE in FinPro](#) page (for additional information on how to create a FinPro account).
5. See Rule 1240(a)(2) (Failure to Complete). A firm may submit a written request, with supporting documentation, to FINRA to extend the time by which a registered person must complete the Regulatory Element. In such cases, upon a showing of good cause, FINRA would grant an extension of time for an individual to complete the required Regulatory Element. To request an extension of time for completing the Regulatory Element, firms must submit a Regulatory Element Learning Plan Extension Request Form to FINRA. The form and additional information regarding FINRA's policy on extensions of time for completion of the Regulatory Element are available on [FINRA's CE page](#). The completed form and supporting documentation should be emailed to: CandidateServices@finra.org.
6. See *id.*
7. See Rule 1240(a)(2). Such individuals, however, may receive trail or residual commissions resulting from transactions completed before the inactive status, unless the member firm with which they are associated has a policy prohibiting such trail or residual commissions.
8. See Rule 1240(a)(2).
9. See *id.*
10. See *id.*
11. Access to FINRA Gateway resources requires specific entitlement. Designated firm personnel should work with their firm's Super Account Administrator (SAA) to get entitlements and access to these tools.
12. Notifications will be sent to the email addresses provided by the users in their FinPro accounts.