Firm Element Training
New for 2016

RegEd

New for 2016 Firm Element Courses

Introduction to the Volcker Rule (882): The law known as "the Volcker Rule" is part of the Dodd-Frank Wall Street Reform and Consumer Protection Act. In broad terms, the law prohibits bank-affiliated broker-dealers and other banking entities - subject to certain exceptions - from proprietary trading and from owning a hedge fund. The final Volcker Rule, adopted jointly by five federal agencies including the SEC, became effective in 2015. This course provides an overview of the final rule, including prohibited activities and their exceptions.

Continuing Education for the Series 99 Operations Professional (883): Series 99 Operations Professionals are subject to the same continuing education requirements as “front office” staff in recognition of the fact that people who perform ‘‘back office’’ functions—such as recordkeeping, trade confirmation, transaction settlement, internal auditing, and securities lending operations—play key roles that are integral to a broker-dealer’s ability to comply with its responsibilities under the federal securities laws and SRO rules. This course is intended to reinforce such professionals’ knowledge of compliance issues applicable to Series 99 covered functions.

FINRA’s New Equity and Debt Research Rules (884): In 2015, FINRA adopted a new consolidated equity research rule, FINRA Rule 2241, which contains significant differences from the former rules. It also adopted an entirely new debt research rule, FINRA Rule 2242. This course discusses both rules, addresses the changes on the equity research side and points up the similarities and differences between the equity and debt research rules.

The JOBS Act—Regulation A+ and Regulation Crowdfunding (885): This course reviews the major provisions of the JOBS Act, some of the significant early rules implementing the act and, in particular, two significant sets of rules adopted in 2015: Amended Regulation A (commonly referred to as Regulation A+), which enables smaller companies to sell up to $50 million of securities in a 12-month period without registration, subject to eligibility, disclosure and reporting requirements; and the final crowdfunding rules that permit companies to offer and sell equity securities without registration to non-accredited investors.

2016 Supervision Update: Focus on Heightened Supervision (22AU16): This year’s supervisory update focuses on heightened supervision: when should it be considered and what practices constitute effective heightened supervision. Guidance is drawn from regulatory notices and recent enforcement actions. The discussion includes not only heightened supervision of individual registered representatives, but also regarding complex products, and—in certain cases—even customers.

2016 Municipal Securities Training (20AU16): In late 2015, the Municipal Securities Rulemaking Board (MSRB) issued its highly anticipated *Implementation Guidance on MSRB Rule G-18 on Best Execution*. This course discusses that Guidance in detail and addresses other municipal securities regulatory developments in 2015, including significant enforcement proceedings. The course is intended to satisfy the requirements of amended MSRB Rule G-3, which requires persons who “regularly engage in or supervise municipal securities activities”—whether or not they have direct customer contact—to participate in annual training on municipal securities issues.

2016 Anti-Money Laundering Update (35AU16): This year's update reviews basic AML concepts and requirements, identifies red flags of suspicious activity, provides an interactive scenario involving suspicious activity in a customer account, and discusses the U.S. Treasury's 2015 National Money Laundering Risk Assessment, including the greatest risks to broker-dealers and how to avoid them.

Fee Selection and Reverse Churning (888): The placing of customer assets in a fee-based account solely to collect advisory fees while providing little investment advice or other services is a discredited practice generally referred to as "reverse churning." The significant growth of assets in fee-based accounts has caused FINRA and the SEC to make the detection and elimination of such activity a focus of their examinations. This course will look at the considerations that should enter into a suitable customer recommendation to enter into a fee-based account arrangement.

Interest Rate-Sensitive Securities (886): Although virtually all securities are impacted by interest rates, certain products—generally referred to as "interest rate-sensitive securities"—experience a far greater impact on their value when interest rates increase or decrease. This course examines the basic nature of various interest rate-sensitive securities and discusses factors that should be considered before recommending a product or strategy to mitigate the potential loss of asset value resulting from an interest rate increase.

Sales Charge Discounts and Waivers (887): Certain types of investment products routinely offer sales charge discounts and waivers based on the amount of investment or type of customer. This course will consider the discounts and waivers for which customers purchasing mutual funds, unit investment trusts and non-traded REITs may be eligible and the responsibilities of firms and RRs in ensuring that such customers are given the applicable discounts and/or waivers.

The Best Interest Contract Exception under the DOL Fiduciary Rule (889): The expansion of who is a "fiduciary" under the new rule issued by the Department of Labor regarding investment advice to retirement investors, including IRA owners, forces most broker-dealers to make a major decision: whether or not to take advantage of the "Best Interest Contract Exemption" (the "BIC Exemption"), the new rule's chief exemption that requires the broker-dealer and the registered representative to adhere to certain "impartial conduct standards" (which are discussed in detail), and requires the firm to commit to major undertakings, in some instances in a written contract. This course analyzes the requirements of the BIC Exemption.

Cybersecurity II: This course is an update on cybersecurity best practices following RegEd's initial comprehensive course issued in 2014. *Coming Soon*

The DOL Rule: When Do You Become a "Fiduciary"? (890): The consequences of being a "fiduciary" under the new rule from the Department of Labor are significant, including a prohibition against receiving commissions or other variable compensation. It is thus critical to know whether, and under what circumstances, you could be deemed to be a "fiduciary." This course look at what circumstances, and what communications, cause you to become a "fiduciary" under the Rule. *Coming Soon*

Prohibited Transaction Exemptions Under the DOL Rule (892): Under the new rule from the Department of Labor, fiduciaries—who include broker-dealers and registered representatives who advise retirement investors—may not receive commissions or other variable compensation unless a "prohibited transaction exemption" (PTE) applies. This course looks at the primary PTEs, including the Best Interest Contract Exemption (which, because of its complexity, is also the subject of a separate course). *Coming Soon*

What's the Difference between the FINRA Standard and the New DOL "Fiduciary" Standard? (891): The new rule from the Department of Labor significantly expands the scope of persons and financial institutions who are "fiduciaries." Fiduciaries are prohibited from receiving commissions or other variable compensation unless a "prohibited transaction exemption" (PTE) applies. But to proceed under a PTE, you must still adhere to certain "impartial conduct standards" under the new DOL rule. This course looks at those "impartial conduct standards" and compares them to the FINRA standard applicable to non-retirement investors. It also offers some best practices for complying with the "impartial conduct standards." *Coming Soon*

Wholesaler Conflicts of Interest: Wholesalers of financial products—primarily mutual funds and insurance products—often provide important information to firms, RRs and advisers. That information may relate to key product features and benefits and/or the application of their products to meet customer needs. However, when compensation varies between products offered by wholesalers the differences may create a conflict of interest for associated persons when dealing with customers. This course considers the source of, and guides to resolving, wholesaler-related conflicts of interest from both the wholesaler's perspective and the perspective of firms and registered representatives recommending their products. *Coming Soon*

Note: As in past years, most of these Firm Element courses will also be available in ACMOD format.