

May 21, 2020

Via ELECTRONIC Mail (pubcom@finra.org)

Jennifer Piorko Mitchell  
Office of the Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington, DC 20006-1506

Re: Regulatory Notice 20-05: Continuing Education Program

Dear Ms. Mitchell:

Please accept this submission as MML Investors Services, LLC's ("MMLIS") comments in response to FINRA's Regulatory Notice 20-05: FINRA Requests Comment on a Proposal to Implement the Recommendations of the CE Council Regarding Enhancements to the Continuing Education Program for Securities Industry Professionals ("RN 20-05" or the "Notice").

MMLIS is MassMutual's retail broker-dealer and is headquartered in Springfield, Massachusetts. The firm's approximately 7,000 registered representatives offer a wide variety of investment products and services to retail clients, including mutual funds and variable products.

#### **Comment from the Firm**

In RN 20-05 FINRA requests comment on a proposal to implement the recommendations of the Securities Industry/Regulatory Council on Continuing Education ("CE Council") regarding enhancements to the Securities Industry Continuing Education Program ("CE Program").

MMLIS supports FINRA and the CE Council in their efforts to enhance the CE Program. MMLIS believes most of the enhancements under consideration are responsive to the needs of member firms. Please see MMLIS's responses to the nine (9) specific questions that were included at the end of the Notice and some additional comments.

#### Responses to Nine Specific Question

Question 1: Does focusing the Regulatory Element on rule changes and significant regulatory issues relevant to each registration category seem appropriate? Would this help distinguish the Regulatory Element from the Firm Element? Are there other topics that should be included within the Regulatory Element?

Response to Question 1: Yes, MMLIS believes that focusing the Regulatory Element on rule changes and significant regulatory issues relevant to each registration category seems appropriate and would help to distinguish the Regulatory Element from the Firm Element. Other topics that should be included, to a lesser extent, are those relating to (i) basic core industry knowledge, and (ii) ethics and professional responsibility.



Jennifer Piorko Mitchell

May 21, 2020

Page 2

Question 2: Would the transition to an annual Regulatory Element requirement or the focus on rule changes and significant regulatory issues relevant to each registration category disparately impact specific populations? If so, would the introduction of greater diversity in instructional formats and delivery modes alleviate any such potential impacts? Are there any other mitigations that FINRA should consider to address any such potential impacts?

Response to Question 2: MMLIS does not believe the transition to an annual Regulatory Element requirement or the focus on rule changes and significant issues relevant to each registration category would disparately impact specific populations. However, FINRA should consider any increased cost to associated persons who pay out of pocket to attend the required courses.

Question 3: FINRA is proposing possible enhancements to the CRD system and FinPro system to facilitate the transition to an annual Regulatory Element requirement. Would enhanced reporting and automated notification functions help mitigate the additional efforts required to monitor participation in, and completion of, an annual requirement? What other system enhancements would firms find helpful?

Response to Question 3: Yes, enhanced reporting and automated notification functions help mitigate the additional efforts required to monitor participation in, and completion of, an annual requirement. FINRA should ensure that the Firms can run reports at will that show the status of each of their associated persons. With respect to the notifications sent directly to associated persons, how often will these communications be sent? We will coordinate our communications to associates with these notifications. We note that FinPro sends communications to associated persons' personal email. This seems inconsistent with the general requirement to utilize firm supervised email addresses for business-related communications.

Question 4: Are member firms currently requiring all registered persons to complete Firm Element training? Does the express recognition of other training requirements, including the annual compliance meeting, towards satisfying the Firm Element training mitigate the potential burdens associated with extending the Firm Element to all registered persons?

Response to Question 4: We are not currently requiring all registered persons to complete Firm Element training. We do not believe extending the Firm Element requirement to all registered persons would benefit clients or the general investing public. The express recognition of other training requirements, including the annual compliance meeting, would help to mitigate the burden associated with extending the Firm Element requirement to all registered persons. Allowing firms to create a different curriculum for registered persons who work in the home office and do not interact with customers would help to mitigate this burden.

Question 5: Are the eligibility criteria for participation in the proposed program to maintain a qualification status for a terminated registration category appropriate? Is a participation time period of seven years sufficient? Should FINRA consider other options for eligibility or the length of time an individual can participate in the program?

Response to Question 5: We believe the eligibility criteria for participation in the proposed program to maintain a qualification status for a terminated registration category is appropriate and the participation time period of seven years is sufficient. We request clarification on what happens if a participant misses a cycle. What opportunities are there for a participant to avoid losing eligibility for the program and are there any exigent circumstances? We also request clarification on whether the proposed program to maintain a qualification status for a terminated



registration category will also apply to state requirements. We encourage FINRA to work with the states to achieve this result.

Question 6: In light of the proposed program to maintain a qualification status for a terminated registration category through continuing education, should FINRA eliminate the two-year qualification period?

Response to Question 6: We believe retaining the current two-year qualification period provides registered persons with appropriate flexibility. Registered persons may be uncertain of their future plans during the two-year period.

Question 7: Are there approaches other than the proposed changes that FINRA should consider?

Response to Question 7: At this time, MMLIS does not have feedback on alternative approaches.

Question 8: What other economic impacts, including costs and benefits, might be associated with the proposal? Who might be affected and how? Please provide estimates or estimated ranges for costs and benefits wherever possible.

Response to Question 8: FINRA should consider the cost (both monetary and time) to individual registered persons of complying with an annual Regulatory Element requirement. FINRA should also consider that the application of the Firm Element requirement to all registered persons will have a disparate impact on firms with large home office populations if home office registered persons are required to complete the same Firm Element curriculum as other registered persons. In addition, for firms that utilize third party systems to administer Firm Element, the extension of the requirement to all registered persons could lead to higher licensing fees.

Question 9: Would the proposal impose any other competitive impacts that FINRA has not considered.

Response to Question 9: Please see our response to Question 8.

#### Additional Comments

Publication Date of Regulatory Element Learning Topics. MMLIS requests that FINRA work with the CE Council to identify and publish the Regulatory Element learning topics for each coming year earlier than October 1. MMLIS begins its planning process for Firm Element training in late August and it would be helpful if these learning topics could be published before September 1.

Retroactive Application. When implemented, this rule should apply retroactively to anyone who became CE inactive less than three years ago. Alternatively, this rule should apply retroactively to anyone who is still within their 2 year exam expiration at the date of implementation.

Requirement to Document Basis for Failure to Complete Regulatory Element. For individuals who fail to complete the Regulatory Element by the end of the calendar year but subsequently complete it prior to being designated as CE inactive (that is, prior to January 15 of the next calendar year), the firm with which the individual is associated is required to document the basis for the individual's failure to complete the Regulatory Element by the end of the calendar year and retain such documentation. In addition to those for which firms typically request relief, are there acceptable and unacceptable bases? If there are, what are they? If not, what is the reason for this requirement?



Jennifer Piorko Mitchell

May 21, 2020

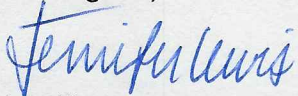
Page 4

Lead Time and Communication. In deciding upon an implementation date of changes to the CE Program, FINRA should be mindful that firms should be provided with as much lead time as possible. In addition, careful thought should be given to the ongoing communication plan, including how to reach individuals who are not associated with a firm.

**Conclusion**

MMLIS appreciates the opportunity to comment on the proposed changes. If you should have any questions regarding these comments, please do not hesitate to contact me.

Best regards,



Jennifer Lewis

Lead Counsel, Broker-Dealer and Investment Advisor Practice Group

[jenniferlewis3@massmutual.com](mailto:jenniferlewis3@massmutual.com)

(617) 897-3648