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June 23, 2020

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

Dear Ms. Mitchell:

We are pleased to comment on the Regulatory Notice 20-05 regarding FINRA's proposal to Implement the Recommendations of the CE Council Regarding Enhancements to the Continuing Education Program for Securities Industry Professionals. We support FINRA's proposal to modernize the continuing education program and recognize the need to implement a more frequent cycle to facilitate other proposed matters.

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### **Regulatory Element**

We believe that narrowing the focus of the Regulatory Element to rule changes and significant regulatory issues is an appropriate focus. In addition, the relevance of topics should be more timely and based on registrations held. We would welcome the advanced publishing of Regulatory Element topics to ensure firms have adequate time to evaluate the Regulatory Element focus and the potential impact on the Firm Element training. We believe that the enhanced functionality of

FINRA systems will be critical in assisting firms with the added administrative burden of tracking and ensuring completion of an annual regulatory element requirement by a firm's registered representatives. We strongly disagree with the proposed 15-day grace period before a representative is considered CE inactive and believe this will increase the administrative tracking burden for firms.

### **Firm Element**

Improved guidance and resources, including any FINRA content catalogs and courses would be helpful; firms should be able to customize or tailor training models to align with their specific needs.

### **Maintaining Qualification**

We very much support an effort by FINRA to amend Rule 1240 to allow previously registered individuals to maintain their qualification status while away from the industry through continuing Regulatory Element participation. This would be similar to continuing education requirements in other professions (e.g., attorney or accountant continuing legal education) and could be accomplished online through FINRA's Regulatory Element program. This would be a welcome enhancement for those who terminate their licenses for a variety of reasons, including a career change, a life event or an organizational restructuring and wish to re-enter the industry more than two years from their termination date. Such a continuing education process would eliminate the burden for individuals to re-test if they have participated in this CE program. We do not believe that imposing restrictions or time limits is necessary as long as a candidate has completed the required continuing education, and firms should have the ability to assess candidate qualifications beyond the CE requirements.

### **Other Considerations**

While we applaud the effort to enhance the frequency and content of the Regulatory Element, we believe that there are several overlapping compliance requirements that may add to duplication and administrative challenges. By adding an annual Regulatory Element to a compliance calendar that already includes an annual Firm Element program and the annual compliance meeting, we would request that FINRA take a holistic approach and consider consolidating these requirements. Given the numerous compliance obligations, at times it is difficult to develop unique training plans and ensure completion of each obligation; a holistic approach would allow a firm to develop the appropriate training program based on their business model and permitted activities.

Lastly, we seek clarification as to whether or not FINRA has worked with state regulators to maintain state registrations beyond two-years.

Thank you for your time and consideration.

Sincerely,



Nanette K. Chern  
Chief Compliance Officer



Susan K. Moscaritolo  
Chief Compliance Officer