

May 29, 2020

Submitted electronically to pubcom@finra.org
Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

Re: FINRA Regulatory Notice 20-05, FINRA Requests Comment on Proposal to Implement the Recommendations of the CE Council Regarding to the Continuing Education Program for Securities Industry Professionals

Dear Ms. Mitchell:

LPL Financial LLC (“LPL”) appreciates the opportunity to provide comments in response to the Financial Industry Regulatory Authority’s (“FINRA”) Regulatory Notice 20-05¹. LPL commends FINRA and the Securities Industry/Regulatory Council on Continuing Education (“CE Council”) for their ongoing efforts to enhance and improve the Continuing Education Program (“CE Program”).

I. Overview of LPL

LPL is a diversified financial services company and is dually registered with the SEC as a broker-dealer and investment advisor. We serve more than 16,000 independent financial professionals and over 800 financial institutions by providing them with the technology, research, clearing and compliance services, and practice management programs they need to create and grow thriving practices. LPL enables them to provide objective guidance to millions of American families seeking wealth management, retirement planning, financial planning and asset management solutions.

We believe that objective financial guidance is a fundamental need for everyone. We enable our financial professionals to focus on what they do best, which is to create the personal, long-term relationships that are the foundation for turning life’s aspirations into financial realities. We do that through a singular focus on providing our advisors with the front-, middle-, and back-office support they need to serve their clients. LPL and its affiliates have more than 4,300 full-time employees supporting our associated financial professionals.

II. Support for the comments submitted on RN 20-05 by the Securities Industry and Financial Markets Association’s (“SIFMA”) letter dated April 22, 2020

LPL would like to express support for the comments written by SIFMA in their letter submitted on April 22, 2020. SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets.

Specifically, LPL supports SIFMA’s recommendations on the Regulatory Element and the Firm Element of the CE Program. By creating tailored content for each registration category, FINRA is recognizing that individuals can participate in the Regulatory Element of the CE Program in a way that maximizes learning content while recognizing different styles of learning. We further support SIFMA’s belief that there should be a cap on the number of modules taken per year and a consideration of the time needed to complete different modules.

¹ See Regulatory Notice 20-50, *FINRA Requests Comment on Proposed to Implement the Recommendations of the CE Council Regarding to the Continuing Education Program for Securities Industry Professionals*.

Recognizing that other training requirements, including those related to AML compliance and an annual compliance meeting would serve towards satisfying an individual's Firm Element requirement is a laudable tenet of the proposal. We would like to reiterate SIFMA's concerns with the expansion of the Firm Element from Registered Persons to "covered persons". This expansion will lead to unnecessary costs for firms with little benefit to the overall job responsibilities of the expanded employee pool. LPL supports the additional Firm Element proposals, including the development of a continuing education content catalog and improving guidance and resources.

III. Proposed amendments to FINRA Rule 1240

LPL would like to state our support for proposed amendments to FINRA Rule 1240, which would allow previously registered individuals to maintain qualification through continuing education. We believe that the proposed amendments would provide many individuals with the opportunity to continue their career in the securities industry without presenting risk to established investor protections. Currently, individuals who are forced to stop working because of life and economic circumstances lose the ability to maintain their qualifications and must retake the appropriate examination to reenter the workforce when they are ready to do so.

The proposed amendments would greatly reduce the unnecessary barriers to reentry for previously registered persons. The existing requirement that persons who have not been registered for two years need to requalify for registration by taking and passing the appropriate qualification examination can prove to be a significant challenge for those who have been away from the industry for an extended period of time. This requirement can unfairly affect women and others with childcare responsibilities, who may need to take time off to care for children if they do not have access to childcare. If their circumstances force them to be out of the workforce for more than two years, these individuals might be less likely to reenter the financial services sector and seek employment in a different field. LPL believes that the financial services industry is stronger when there is a wider universe of participants and that the proposed program levels the playing field for all to have a career in financial services while maintaining a meaningful family life.

FINRA's proposal to establish a new continuing education program for these individuals, with the stipulation that they were registered for at least one year, displays FINRA's commitment to fostering diversity and inclusion in the securities industry. Allowing individuals to maintain their CE status enables them to continue to expand their knowledge base and remain engaged, encouraging them to return work to work when they are able. For these reasons, LPL strongly supports the amendments to Rule 1240.

IV. Conclusion

LPL very much appreciates the opportunity to comment on RN 20-05 and FINRA's consideration of our views. We are strongly in favor of the updates to the CE program and believe they will create an enhanced program for all participants. If you have any questions regarding this letter, please do not hesitate to contact me.

Sincerely,



Michelle Oroschakoff
Chief Legal Officer