

Notice to Members

DECEMBER 2003

SUGGESTED ROUTING

Continuing Education
Legal & Compliance
Registration
Senior Management

KEY TOPICS

Regulatory Element

INFORMATIONAL

Continuing Education

Regulatory Element of Continuing Education Fee to be Reduced from \$65 to \$60; **Effective Date: January 1, 2004**

Executive Summary

Effective January 1, 2004, the fee for the Regulatory Element of Continuing Education will be reduced from \$65 to \$60. The fee reduction applies to all three Regulatory Element programs: the S201 for Supervisors, the S106 for Series 6 Representatives, and the S101 General Program for all other registrations. Firms that participate in in-firm delivery of the Regulatory Element will continue to receive a \$3 credit to their CRD account for the in-firm deliveries they make.

Questions/Further Information

Questions about this *Notice* may be directed to John Linnehan, Director, Continuing Education, NASD, at (240) 386-4684.

Background

The Regulatory Element, a computer-based education program that helps ensure that registered persons are kept up-to-date on regulatory, compliance, and sales practice matters in the industry, is a component of the Securities Industry Continuing Education Program (Program) under NASD Rule 1120. Member firms currently pay \$65 each time one of their registered persons participates in the Regulatory Element. The Securities Industry/Regulatory Council on Continuing Education (Council)¹ was organized in 1995 to facilitate cooperative industry/regulatory coordination of the administration and future development of the Program in keeping with applicable industry regulations and changing industry needs. It is the Council's

responsibility to maintain the Program on a revenue-neutral basis while maintaining adequate reserves. In its annual financial review, the Council determined that Program reserves would remain adequate over the next two years if the fee for a Regulatory Element session were reduced by \$5. As such, at its December 2003 meeting, the Council unanimously supported a recommendation to the SROs to reduce the Regulatory Element fee to \$60, effective January 1, 2004. This is the second reduction in fees since the Program began in 1995. The first was a reduction of \$10 in 1999.

Endnote

- 1 The Council consists of 20 individuals, six of whom represent self-regulatory organizations (the American Stock Exchange LLC; the Chicago Board Options Exchange, Inc.; the Municipal Securities Rulemaking Board; NASD; the New York Stock Exchange, Inc.; and the Philadelphia Stock Exchange, Inc.) and 14 who represent the industry. Its roles include recommending and

helping develop specific content and questions for the Regulatory Element, defining minimum core curricula for the Firm Element component of the Program, and developing and updating information about the Program for industry-wide dissemination.