
Addendum: for use with the Series 52 and 53 online courses per a regulatory update. Qualification exams are expected to be updated to reflect these changes on 1/1/2023.

Continuing Education – Regulatory Element and Firm Element (MSRB Rule G-3)

Effective January 1, 2023, firms must comply with the amended MSRB Rule G-3, which modified the Continuing Education (CE) obligations – Regulatory Element and Firm Element – for broker/dealers and municipal securities dealers, bringing them into alignment with recent SEC-approved amendments to FINRA's rules. Note that this **does not apply to municipal advisors**.

The compliance dates are as follows:

- Firms are required to comply with the Regulatory and Firm Element requirements by **January 1, 2023**.
- Representatives and principals have until **December 31, 2023**, to meet their annual obligation to complete the **Regulatory Element**.
- Each covered person, registering in a representative or principal registration category for the *first time* on or after January 1, 2023, must complete the Regulatory Element for each applicable registration category by December 31 of the subsequent calendar year, following the calendar year in which the person becomes registered, and by December 31 every year, thereafter.

The MSRB Rule G-3 amendment contains the following key changes:

- Regulatory Element transitions to an **annual** requirement for each dealer qualification category;
- Firm Element applies to **all registered persons**;
- Firms are allowed to consider other **outside training programs** toward satisfying the Firm Element requirement; and
- Previously registered eligible individuals, who have left the industry on a temporary basis, are permitted to maintain their qualifications through Continuing Education for up to **5 years**.

MSRB Rule G-3 – Summary of Rule Changes:

	NEW AMENDMENT	PREVIOUS RULE (PRIOR TO AMENDMENT)
REGULATORY ELEMENT:		
Transition to Annual Requirement	Must be completed annually by December 31 of each calendar year	Had to be completed 2 years after the initial registration date, and every 3 years thereafter
Failure to Complete within Required Time Frames	Dealers are required to make a written request for an extension of time and provide supporting documentation.	Registrations became inactive until requirements were met. If inactive for 2 years, a registration was administratively terminated; the qualification requirements had to be satisfied prior to a person's registration being reactivated.
Reassociation	Persons who are re-registering are required to complete the Regulatory Element for the registration category annually by December 31 of each calendar year. Applies to individuals who are registered or in the process of registering as a representative or principal.	Any registered person who had terminated association with a dealer and became reassociated in a registered capacity, within 2 years, had to participate in the Regulatory Element at the required intervals based on the person's initial registration anniversary date. Former registered persons who became reassociated with a dealer in a registered capacity after 2 years were required to satisfy CE requirements in their entirety based on the most recent registration date.

	NEW AMENDMENT	PREVIOUS RULE (PRIOR TO AMENDMENT)
FIRM ELEMENT:		
Training Program	<p>The amendment eliminates specific subject matters for the Firm Element and has deleted the specific topics.</p> <p>The amendment extends Firm Element training requirements to all registered persons — not just "covered registered persons."</p> <p>As under the previous rule, in developing a written training program, dealers must consider the size of the firm, organizational structure, scope of business activities, and regulatory developments, and the performance of covered registered persons in the Regulatory Element.</p>	<p>Minimum required standards for training programs with respect to municipal securities products, services, and strategies offered by the dealer included</p> <p>General investment features and associated risk factors; Suitability and sales practice considerations; and Applicable regulatory requirements.</p> <p>A dealer may be required to provide specific training to its covered persons.</p>
Outside Training and Credentialing Programs	<p>Dealers may count their Anti-Money Laundering Compliance Program training toward satisfying the Firm Element for registered persons.</p> <p>In addition, annual compliance training — Annual Compliance Meeting — may satisfy the Firm Element requirements.</p>	No previous rule

Maintaining Qualifications	Participation in the CE program administered by FINRA enables a person, who has temporarily left the industry, to maintain their qualifications for 5 years .	A person had no ability to maintain qualifications after the 2-year expiration, but instead was required to requalify by passing the applicable qualification examinations, or by obtaining a waiver.
Financial Services Affiliate Waiver Program (FSAFWP)	Individuals can no longer become designated as FSAWP eligible, but instead, can transition to the new CE program that allows them to maintain their qualifications by meeting the annual requirements.	FSAFWP provided an exception to the requalification by examination requirement to individuals working for a financial services industry affiliate of a dealer who met specified qualifications.