



July 22, 2022

Andrew Hartnett
CRD/IARD Steering Committee Chair
North American Securities Administrators Association
750 First Street, NE
Suite 1140
Washington, DC 20002

Dear Andrew:

The Securities Industry and Financial Markets Association (SIFMA)¹ appreciates the opportunity to comment on “Proposed NASAA Model Rules to Extend the Validity Periods of Certain Examinations.”

As you well know, becoming a registered securities professional requires a significant commitment of time, energy and resources. Qualification exams are central to this commitment and are an important means of demonstrating competency in the particular securities area or areas that people will work.

Life events, career changes, business reorganizations and economic downturns, however, may require a securities professional to be absent from registered functions for a period of time. FINRA Rules previously permitted certain registered individuals who were gone for two years or less to return to the industry without re-taking the qualification exam(s). It is our understanding that most NASAA members apply that same two-year qualification rule for state registration of broker-dealer (BD) agents and investment adviser representatives. (IARs). We also understand that most states do not incorporate this FINRA rule by reference but instead need to expressly modify their regulations if they want to be consistent with the revised FINRA Rule.

As you described, FINRA has recently modified its Rule to allow individuals to have up to five years to reregister after termination, upon meeting certain conditions. These conditions include completing annual Continuing Education through a newly established Maintaining Qualifications Program (MQP) and annually completing the Regulatory Element of CE for each registration

¹ SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

category they hold. SIFMA strongly supported this Rule modification, believing, like FINRA, that it provided important accommodations to registered persons “whose personal circumstances take them away from industry for a time.”

The NASAA Proposed Model would likewise extend the validity periods of certain examinations to align with the FINRA Rule changes. We strongly support this concept and encourage consistency and uniformity of these rules both for ease of use and to ensure they achieve their maximum intended benefit.

We understand that the proposed rules do not address or authorize any state IAR exam validity extension but that such an effort is currently under consideration. We encourage the development and adoption of that rule as well.

The NASAA proposal also references the creation of a NASAA Examination Validity Extension Program for operational and implementation purposes but does not detail how that program would work. We assume it is analogous to the MQP but would appreciate confirmation of that and the opportunity to provide input as that program is being developed.

We appreciate the opportunity to provide feedback and look forward to working with you as the program becomes operational. Please do not hesitate to contact me at 202-962-7411 if you have questions.

Sincerely,

A handwritten signature in black ink that reads "Kim Chamberlain". The signature is written in a cursive, flowing style.

Kim Chamberlain
Managing Director and Associate General Counsel
State Government Affairs
SIFMA