

## Rule 341A. Continuing Education For Registered Persons

**(a) Regulatory Element**—No member or member organization shall permit any registered person to continue to, and no registered person shall continue to, perform duties as a registered person, unless such person has complied with the continuing education requirements of Section (a) of this Rule.

Each registered person shall complete the Regulatory Element of the continuing education program on the occurrence of their second registration anniversary date and every three years thereafter, or as otherwise prescribed by the Exchange. On each occasion, the Regulatory Element must be completed within one hundred twenty days after the person's registration anniversary date. A person's initial registration date, also known as the "base date", shall establish the cycle of anniversary dates for purposes of this Rule. The content of the Regulatory Element of the program shall be determined by the Exchange for each registration category of persons subject to the rule.

- (1) **Required Programs**—For purposes of this Rule 341A(a), the following Regulatory Elements are required: the S201 for registered principals and supervisors; the S106 for persons registered only as Investment Company Products/Variable Contracts Limited Representatives; the S501 for persons registered only as Proprietary Traders; and the S101 for all other registered persons.
- (2) **Failure to complete**—Unless otherwise determined by the Exchange, any registered persons who have not completed the Regulatory Element of the program within the prescribed time frames will have their registration deemed inactive until such time as the requirements of the program have been satisfied. Any person whose registration has been deemed inactive under this Rule shall cease all activities as a registered person and is prohibited from performing any duties and functioning in any capacity requiring registration.

The Exchange may, upon application and a showing of good cause, allow for additional time for a registered person to satisfy the program requirements.

- (3) **Disciplinary Actions**—Unless otherwise determined by the Exchange, a registered person will be required to re-take the Regulatory Element of the program and satisfy all of its requirements in the event such person:
  - (i) becomes subject to any statutory disqualification as defined in Section 3(a)(39) of the Securities Exchange Act of 1934,
  - (ii) becomes subject to suspension or to the imposition of a fine of \$5,000 or more for violation of any provision of any securities law or regulation, or any agreement with or rule or standard of conduct of any securities governmental agency, securities self-regulatory organization, or as imposed by any such regulatory or self-regulatory organization in connection with a disciplinary proceeding; or
  - (iii) is ordered as a sanction in a disciplinary action to re-take the Regulatory Element by any securities governmental agency or securities self-regulatory organization.

The re-taking of the Regulatory Element shall commence with participation within one hundred and twenty days of the registered person becoming subject to the statutory disqualification, in the case of (i) above, or the disciplinary action becoming final, in the case of (ii) or (iii) above. The date the disciplinary action becomes final shall be treated as such person's new base date.

- (4) **In-Firm Delivery of the Regulatory Element**—Members and member organizations will be permitted to administer the continuing education Regulatory Element program to their registered persons by instituting an in-firm program acceptable to the Exchange.

### The following procedures are required:

- (A) **Principal/Officer In-Charge.** The firm has designated a principal/officer-in-charge to be responsible for the in-firm delivery of the Regulatory Element.
- (B) **Site Requirements:**

- (i) The location of all delivery sites will be under the control of the firm.
- (ii) the Delivery of Regulatory Element continuing education will take place in an environment conducive to training. (Examples: a training facility, conference room or other area dedicated to this purpose would be appropriate. Inappropriate locations would include a personal office or any location that is not or cannot be secured from traffic and interruptions.)
- (iii) Whenever multiple delivery terminals are placed in one room, adequate separation between terminals will be maintained.

(C) **Technology Requirements.** The communication links and firm delivery computer hardware must comply with standards defined by the exchange by the Exchange or its designated vendor.

(D) **Supervision**

- (i) The firm's written supervisory procedures must contain the procedures implemented to comply with requirements of in-firm delivery of the Regulatory Element continuing education.
- (ii) The firm's supervisory procedures must identify the principal/officer-in-charge designated pursuant to paragraph (A) above and contain a list of individuals authorized by the firm to serve as proctors.
- (iii) Firm locations for delivery of the Regulatory Element continuing education will be specifically listed in the firm's written supervisory procedures.

(E) **Proctors.**

- (i) All sessions will be proctored by an authorized person during the entire Regulatory Element continuing education session. Proctors must be present in the session room or must be able to view the person(s) sitting for Regulatory Element continuing education through a window or by video monitor.
- (ii) The individual responsible for proctoring at each administration will sign a certification that required procedures have been followed, that no material from Regulatory Element continuing education had been reproduced, and that no candidate received any assistance to complete the session. Such certification may be part of the sign-in log required under paragraph (F) below.
- (iii) Individuals serving as proctors must be persons registered with an SRO and supervised by the designated principal/officer-in-charge for purposes of in-firm delivery of the Regulatory Element continuing education.
- (iv) Proctors will check and verify the identification of all individuals taking Regulatory Element continuing education.

(F) **Administration**

- (i) All appointments will be scheduled in advance using the procedures and software specified by the Exchange to communicate with the Exchange's system and designated vendor.
- (ii) The firm/proctor will conduct each session in accordance with administrative appointment scheduling procedures established by the Exchange or its vendor.
- (iii) A sign-in log will be maintained at the delivery facility. Logs will contain the date of each session, that required identification was checked, the sign-in time, the sign-out time, and the name of the individual proctoring the session. Such logs are required to be maintained pursuant to SEC Rules 17a-3 and 17a-4.
- (iv) No material will be permitted to be utilized for the session nor may any session-related material be removed.
- (v) Delivery sites will be made available for inspection by the SROs.
- (vi) Before commencing in-firm delivery of the Regulatory Element continuing education, members are required to file with their Designated Examining Authority ("DEA"), a letter of attestation (\*as specified below) signed by a principal/officer-in-charge executive officer or executive representative, attesting to the establishment of required

procedures addressing principal/officer-in-charge, supervision, site technology proctors and administrative requirements. Letters filed with Exchange should be sent to NYSE MKT LLC, Attn: Office of General Counsel, 20 Broad Street, New York, New York, 10005.

*Letter of Attestation for In-Firm Delivery of Regulatory Element Continuing Education*

*[Name of member or member organization] has established procedures for delivering Regulatory Element continuing education on its premises. I have determined that these procedures are reasonably designed to comply with SRO requirements pertaining to in-firm delivery of Regulatory Element continuing education, including such procedures have been implemented to comply with principal/officer in-charge, supervision, site, technology, proctors, and administrative requirements.*

*Signature:*

*Printed Name:*

*Title: [Must be signed by a Principal Executive Officer (or Executive Representative) of the Member Organization.]*

**(b) Firm Element**

**(1) Persons Subject to the Firm Element**—The requirements of Section (b) of this Rule shall apply to any registered Proprietary Trader and any registered person who has direct contact with customers in the conduct of the member's or member organization's securities sales, trading or investment banking activities, and to the immediate supervisors of such persons (collectively, "covered registered persons").

**(2) Standards**

(i) Each member and member organization must maintain a continuing and current education program for its covered registered persons to enhance their securities knowledge, skills and professionalism. At a minimum, each member and member organization shall at least annually evaluate and prioritize its training needs and develop a written training plan. The plan must take into consideration the member's or member organization's size, organizational structure, and scope of business activities, as well as regulatory developments and the performance of covered registered persons in the Regulatory Element. If a member's analysis determines a need for supervisory training for persons with supervisory responsibilities, such training must be included in the member's training plan.

(ii) Minimum Standards for Training Programs—Programs used to implement a member's or member organization's training plan must be appropriate for the business of the member or member organization and, at a minimum, must cover the following matters concerning securities products, services and strategies offered by the member or member organization:

- a. General investment features and associated risk factors;
- b. Suitability and sales practice considerations; and
- c. Applicable regulatory requirements.

(iii) Administration of Continuing Education Program—Each member and member organization must administer its continuing education program in accordance with its annual evaluation and written plan and must maintain records documenting the content of the programs and completion of the programs by covered registered persons.

**(3) Participation in the Firm Element**—Covered registered persons included in a member's or member organization's plan must take all appropriate and reasonable steps to participate in continuing education programs as required by the member or member organization.

**(4) Specific Training Requirements**—The Exchange may require a member or member organization, either individually or as part of a larger group, to provide specific training to its covered registered persons in such areas the Exchange deems appropriate. Such a requirement may stipulate the class of covered registered persons for which it is applicable, the time period in which the requirement must be satisfied and, where appropriate, the actual training content.

**Adopted.**

February 8, 1995.

**Amendments.**

March 3, 1998

August 28, 2001 (Amex-2001-61).

November 10, 2004 (Amex-2004-089).

September 29, 2008 (Amex-2008-62).

May 14, 2012 (NYSEAmex-2012-32).

October 2, 2013 (NYSEMKT-2013-77).

**••• Commentary -----**

**.01** For purposes of this Rule, the term "registered person" means any member, allied member, registered representative or other person registered or required to be registered under Exchange rules, but does not include any such person whose activities are limited solely to the transaction of business on the Floor with members or registered broker-dealers.

**.02** For purposes of this Rule, the term "customer" means any natural person or any organization, other than a registered broker or dealer, executing transactions in securities or other similar instruments with or through, or receiving investment banking services from, a member or member organization.

**.03** Any registered person who has terminated association with a registered broker or dealer and who has, within two years of the date of termination, become reassociated in a registered capacity with a registered broker or dealer shall participate in the Regulatory Element of the continuing education program at such intervals that may apply (second registration anniversary and every three years thereafter) based on the initial registration, also known as the "base date", anniversary date, rather than based on the date of reassociation in a registered capacity.

Any former registered person who becomes reassociated in a registered capacity with a registered broker or dealer more than two years after termination as such will be required to satisfy the program's requirements in their entirety (second registration anniversary and every three years thereafter) based on the most recent registration date.

**.04** Any registration that is deemed inactive for a period of two calendar years pursuant to section (a)(2) of this Rule for failure of a registered person to complete the Regulatory Element, shall be terminated. A person whose registration is so terminated may become registered only by reapplying for registration and satisfying applicable registration and qualification requirements of Exchange rules.

-----

**Adopted.**

February 8, 1995.

**Amendments.**

March 3, 1998.

November 10, 2004 (Amex-2004-089).