

that the examination is not necessary or appropriate in the public interest or for the protection of investors. [Eff 6/30/08; comp NOV 18 2023] (Auth: HRS §§485A-404, 485A-406, 485A-412, 485A-606) (Imp: HRS §§485A-404, 485A-406)

§16-39-454 Post-effective requirements. (a)

Every applicant and every registrant shall promptly file with the commissioner any and all amendments necessary to keep the information previously reported on the applicant's or registrant's Form U-4 current and accurate. If the Form U-4 being amended was filed with the commissioner through the CRD or IARD, any amendment to the Form U-4 may also be filed through the CRD or IARD.

(b) Upon the receipt of the amendment, the commissioner may request additional information from the applicant or registrant to determine whether the applicant's application should be denied, or the registrant's registration should be suspended or revoked. [Eff 6/30/08; comp NOV 18 2023] (Auth: HRS §§485A-411, 485A-606) (Imp: HRS §§485A-404, 485A-409, 485A-411)

§16-39-454.5 Continuing education requirements.

(a) Investment adviser representative continuing education. Every investment adviser representative registered under chapter 485A, HRS, must complete the following IAR continuing education requirements each Reporting Period:

- (1) IAR Ethics and Professional Responsibility Requirement. An investment adviser representative must complete six Credits of IAR Regulatory and Ethics Content offered by an Authorized Provider, with at least three Credits covering the topic of ethics; and
- (2) IAR Products and Practice Requirement. An investment adviser representative must

complete six Credits of IAR Products and Practice Content offered by an Authorized Provider.

(b) Agent of FINRA-registered broker-dealer compliance. An investment adviser representative who is also registered as an agent of a FINRA member broker-dealer and who complies with FINRA's continuing education requirements is considered to be in compliance with the subrule (a)(2) IAR Products and Practice Requirement for each applicable Reporting Period so long as the FINRA continuing education content meets all of the following baseline criteria as determined by NASAA:

- (1) The continuing education content focuses on compliance, regulatory, ethical, and sales practices standards;
- (2) The continuing education content is derived from state and federal investment advisory statutes, rules and regulations, securities industry rules and regulations, and accepted standards and practices in the financial services industry; and
- (3) The continuing education content requires that its participants demonstrate proficiency in the subject matter of the educational materials.

(c) Credentialing organization continuing education compliance. Credits of continuing education completed by an investment adviser representative who was awarded and currently holds a credential that qualifies for an examination waiver under section 16-39-453 complies with subsection (a)(1) and (a)(2) provided all of the following are true:

- (1) The investment adviser representative completes the credits of continuing education as a condition of maintaining the credential for the relevant Reporting Period;
- (2) The credits of continuing education completed during the relevant Reporting Period by the investment adviser

representative are mandatory to maintain the credential; and

- (3) The continuing education content provided by the credentialing organization during the relevant Reporting Period is Approved IAR Continuing Education Content.

- (d) IAR continuing education reporting. Every investment adviser representative is responsible for ensuring that the Authorized Provider reports the investment adviser representative's completion of the applicable IAR continuing education requirements.

- (e) No carry-forward. An investment adviser representative who completes Credits of continuing education in excess of the amount required for the Reporting Period may not carry forward excess credits to a subsequent Reporting Period.

- (f) Failure to complete or report. An investment adviser representative who fails to comply with this rule by the end of a Reporting Period will renew as "CE Inactive" at the close of the calendar year in this state until the investment adviser representative completes and reports all required IAR continuing education Credits for all Reporting Periods as required by this rule. An investment adviser representative who is CE inactive at the close of the next calendar year is not eligible for investment adviser representative registration or renewal of an investment adviser representative registration.

- (g) Discretionary waiver by the Commissioner. The Commissioner may, in the Commissioner's discretion, waive any requirements of this rule.

- (h) Home state. An investment adviser representative registered or required to be registered in this state who is registered as an investment adviser representative in the individual's Home State is considered to be in compliance with this rule provided that both of the following are true:

- (1) The investment adviser representative's Home State has continuing education requirements that are at least as stringent as the NASAA Model Rule on Investment Adviser Representative Education; and

(2) The investment adviser representative is in compliance with the Home State's investment adviser representative continuing education requirements.

(i) Unregistered periods. An investment adviser representative who was previously registered under the Act and became unregistered must complete IAR continuing education for all reporting periods that occurred between the time that the investment adviser representative became unregistered and when the person became registered again under the Act unless the investment adviser representative takes and passes the examination or receives an examination waiver as required by section 16-39-453 in connection with the subsequent application for registration.

(j) Definitions. As used in this section:

"Act" means the Hawaii Uniform Securities Act (2008), codified at Chapter 485A, of the Hawaii Revised Statutes.

"Approved IAR Continuing Education Content" means the materials, written, oral, or otherwise that have been approved by NASAA or its designee and which make up the educational program provided to an investment adviser representative under this rule.

"Authorized Provider" means a person that NASAA or its designee has authorized to provide continuing education content required by this rule.

"Credit" means a unit that has been designated by NASAA or its designee as at least fifty minutes of educational instruction.

"FINRA" means the Financial Industry Regulatory Authority.

"Home State" means the state in which the investment adviser representative has its principal office and place of business.

"IAR Ethics and Professional Responsibility Content" means Approved IAR Continuing Education Content that addresses an investment adviser representative's ethical and regulatory obligations.

"IAR Products and Practice Content" means Approved IAR Continuing Education Content that

addresses an investment adviser representative's continuing skills and knowledge regarding financial products, investment features, and practices in the investment advisory industry.

"Investment adviser representative" or "IAR" means an individual who meets the definition of "investment adviser representative" under the Act and an individual who meets the definition of "investment adviser representative" under section 485A-102, HRS.

"NASAA" means the North American Securities Administrators Association or a committee designated by its Board of Directors.

"Reporting Period" means one twelve-month period as determined by NASAA. An investment adviser representative's initial Reporting Period with this state commences the first day of the first full Reporting Period after the individual is registered or required to be registered with this state. [Eff and comp 2023] (Auth: HRS §§485A-406, 485A-411, 485A-606) (Imp: HRS §§485A-406, 485A-411, 485A-606)

§16-39-455 Expiration, renewal, termination of registration. (a) All registrations shall automatically expire on December 31 of each year (unless sooner terminated in accordance with chapter 485A, HRS, and this chapter) and shall be renewed as provided in this section.

(b) An investment adviser shall be responsible for renewing the registration of its investment adviser representatives at the time the investment adviser renews its registration.

(c) An application for renewal registration shall not be considered filed until the investment adviser submits the following:

- (1) The renewal fee set forth in section 16-39-103; and
- (2) A copy of all amendments to Form U-4 of all such investment adviser representatives if