



SEC

OFFICE of INVESTOR
EDUCATION and ADVOCACY

SEC-NASAA INVESTOR BULLETIN

Making Sense of Financial Professional Titles

The Securities and Exchange Commission's (SEC) Office of Investor Education and Advocacy and the North American Securities Administrators Association (NASAA) are jointly issuing this Investor Bulletin to help investors better understand the titles used by financial professionals. The requirements for obtaining and using these titles vary widely, from rigorous to nothing at all. To use certain titles, a financial professional may need to pass exams, meet ethical standards, have relevant work experience, and undertake continuing education. Other titles, however, may be obtained with little time, effort, and experience.

Neither the SEC nor NASAA endorses any financial professional titles. We encourage you to look beyond a financial professional's title to determine whether he or she can provide the type of financial services or products you need.

Registration or Licensing Status of Financial Professionals

Financial professional titles and licenses are not the same. A financial professional may use various titles whether or not he or she is registered or licensed with a regulatory authority. Financial professionals that are registered as a broker-dealer or investment adviser have obtained registrations and licenses granted by federal or state regulatory authorities. Working with a financial

professional who is registered with or licensed by federal or state authorities affords you certain legal protections.

The same financial professional may register in more than one capacity. For example, many financial professionals register as both a registered representative with a broker-dealer firm and an investment adviser. Also, a financial professional selling some insurance products, such as variable annuities, may be regulated as both a registered representative of a broker-dealer and an insurance agent. Insurance agents are subject to state insurance laws and are regulated by state insurance regulators.

Use of Titles by Financial Professionals

Do not rely solely on a title to determine whether a financial professional has the expertise that you need— find out what the title means and what the financial professional did to obtain it.

Some titles are granted by private organizations, such as a trade group. While some private groups that grant titles may provide a method for you to complain about one of their members and can discipline a member for misconduct, there are other groups that do not take complaints or discipline their members.

Still other titles may be simply purchased, or even made up by financial professionals hoping to imply that they have certain expertise or qualifications; **such titles are generally marketing tools and are not granted by a regulator**. As with any title, you should verify a financial professional is really qualified to advise you. See “*How to Check on the Financial Professional’s Title*” below for more information.

How to Check on the Financial Professional’s Title

If a financial professional tells you that he or she has a certain professional title ask questions. Some questions you can ask include:

- Who awarded your title?
- What are the training, ethical, and other requirements to receive the title?
- Did you have to take a course and pass a test?
- Does the designation require a certain level of work experience or education?
- To maintain the designation, are you required to take refresher courses?
- How can I verify your standing with this organization?

Investment advisers are required to provide to their customers a brochure about their employees. If an employee lists a professional title, the brochure supplement must include an explanation of the minimum qualifications required for this professional title.

You may also learn about financial professional titles online at the Financial Industry Regulatory Authority’s (FINRA) website page, “Understanding Investment Professional Designations” available at: <http://apps.finra.org/DataDirectory/1/prodesignations.aspx>. This website provides information such as:

- A description of the education and experience requirements for certain titles; and
- Information about the organizations granting certain titles, including information about continuing education requirements, public disciplinary or investor complaint processes, if any, and tools to check the status of a financial professional.

Like the SEC and state securities regulators (NASAA), FINRA does NOT grant, approve or endorse any professional designation.

Professional organizations also may offer information online about the titles that they grant. In some cases, the granting organization’s website may allow you to verify that a person has earned a certain title. For example, the website of the Certified Financial Planner Board of Standards (www.cfp.net) allows visitors to search for CFP professionals to verify CFP certification.

Even after checking, it may not be clear to you whether a title represents relevant expertise, a marketing tool, or something else. That’s why you should always check the financial professional’s background, rather than relying solely on the professional’s title.

To do your own online research about a broker’s or investment adviser’s professional qualifications, experience, education, and any disciplinary history, visit:

- The [SEC’s Investment Adviser Public Disclosure website](http://www.adviserinfo.sec.gov) at: www.adviserinfo.sec.gov, or
- [BrokerCheck](http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/), a FINRA website at: www.finra.org/Investors/ToolsCalculators/BrokerCheck/.
- Your state’s securities regulator can also provide all of this information to you and help you understand how to interpret the information. To find your state’s securities regulator, go to the [NASAA website](http://www.nasaa.org/about-us/contact-us/contact-your-regulator/) at www.nasaa.org/about-us/contact-us/contact-your-regulator/.

Key Questions You Should Consider Asking a Financial Professional About Financial Professional Titles

General questions

- ✓ Are you employed by a registered broker-dealer? If yes, use FINRA's BrokerCheck website, available at www.finra.org/Investors/ToolsCalculators/BrokerCheck, to find out about the financial professional's qualifications, experience, education, and disciplinary history.
- ✓ Are you employed by a registered investment adviser? If yes, are you registered with a state securities regulator or the SEC? If the financial professional is registered with the SEC, use the SEC's Investment Adviser Public Disclosure website, available at www.adviserinfo.sec.gov, to find out about the financial professional's registrations, qualifications, experience, education, and disciplinary history.
- ✓ Are you or your firm registered with a state securities regulator? If so, contact that regulator to find out where you can find out about the financial professional's registrations, qualifications, experience, education, and disciplinary history. A list of state securities regulators is available on the North American Securities Administrators Association website at <http://www.nasaa.org/about-us/contact-us/contact-your-regulator/>.
- ✓ Are you or your firm registered with any other state or federal regulator? If so, contact that regulator to find out about the financial professional's registrations, qualifications, experience, education, and disciplinary history.

Questions regarding specific financial professional titles

- ✓ What is the name of the organization that awards the financial professional title?
- ✓ What are the training, ethical, and other requirements to receive the financial professional title?
- ✓ Did you have to take a course and take a test?
- ✓ Does the financial professional title require a certain level of work or educational experience?
- ✓ To maintain the financial professional title, are you required to attend periodic continuing education courses?
- ✓ Confirm any information the financial professional provides you regarding his or her financial professional title. This information may be available on the website of the organization that awards the financial professional title, or you may also check FINRA's website page "Understanding Investment Professional Designations" available at <http://apps.finra.org/DataDirectory/1/prodesignations.aspx>.
- ✓ Contact the organization issuing the financial title to confirm that the financial professional is currently authorized to use the title and to determine if they have any disciplinary history.

For More Information

See the SEC Investor Bulletin: “[Top Tips for Selecting a Financial Professional](#)” at: www.sec.gov/investor/alerts/ib_top_tips.pdf.

See the NASAA Alert: “[Informed Investor Advisory: Financial Service Providers](#)” at www.nasaa.org/22870/informed-investor-advisory-financial-service-providers/.

To learn more about a particular professional designation, visit FINRA’s “[Understanding Investment Professional Designations](#)” at: <http://apps.finra.org/DataDirectory/1/prodesignations.aspx>.

To learn more about financial planners, including investment adviser, broker-dealer, and insurance agent laws and regulations, see the Government Accountability Office’s Report *Regulatory Coverage Generally Exists for Financial Planners, but Consumer Protection Issues Remain* at: www.gao.gov/products/GAO-11-235.

For more investor educational information, visit the SEC and NASAA’s respective websites for individual investors at: www.investor.gov and www.nasaa.org/investor-education.

NASAA model rule on the use of senior-specific certification and professional designations at: www.nasaa.org/wp-content/uploads/2011/07/3-Senior_Model_Rule_Adopted.pdf.

The Office of Investor Education and Advocacy has provided this information as a service to investors. It is neither a legal interpretation nor a statement of SEC policy. If you have questions concerning the meaning or application of a particular law or rule, please consult with an attorney who specializes in securities law.

