

# CRCP Week II: Foundation | November 17 – 22, 2024

## Session Descriptions and Learning Objectives

Certified Regulatory and Compliance Professional (CRCP)<sup>®</sup> Program



**FINra**<sup>®</sup>

GEORGETOWN  
UNIVERSITY  
McDonough  
SCHOOL of BUSINESS  
EXECUTIVE EDUCATION



## Session Descriptions and Learning Objectives

This intensive week-long program is delivered in partnership with Georgetown University's McDonough School of Business. Taught by business and law school professors from Georgetown University and expert faculty drawn from other universities, financial industry professionals and securities industry regulators, this foundational program leverages case studies, lectures and interactive discussions to foster a broad understanding of the financial services industry and regulations. **Following are detailed descriptions and learning objectives for each Week II session.**

### SESSION 1 Complex Financial Products

Financial products are getting more complex with embedded leverage and derivative characteristics. Meanwhile, regulators are attempting to adapt to industry changes in which more investors are self-directed. This session explores the issues surrounding "complex" financial products and methods for complying with a changing regulatory trajectory.

#### Learning Objectives

After completing this session, you will be able to:

- explain what makes financial products "complex."
- explain the regulatory challenges complex products bring to regulators and regulated.
- appreciate the compliance challenges involved.
- apply your existing regulatory and compliance tool kit to new and complex products.

### SESSION 2 FINRA Arbitration and Disciplinary Proceedings

This session provides an overview of two distinct types of proceedings handled by FINRA: (i) FINRA Dispute Resolution's arbitration proceedings and (ii) FINRA Office of Hearing Officers' disciplinary and expedited proceedings.

#### Learning Objectives

After completing this session, you will be able to:

- describe the importance of arbitration and the role it plays in addressing industry disputes;
- understand and describe FINRA's arbitration procedures;
- appreciate the important role FINRA plays in disciplining its members and protecting investors;
- navigate the disciplinary and expedited hearing process; and
- understand the difference between arbitration proceedings and disciplinary proceedings.

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**SESSION 3**  
**White Collar Crimes**

This session will explore white collar crime by distinguishing civil securities fraud from criminal offenses, provide background and history to give the concepts context, and explore the legal structure of criminal securities laws. Throughout the session we will define elements of a variety of securities crimes, including exploring the criminal element of intent (mens rea), and the penalties incurred for violations.

**Learning Objectives**

After completing this session, you will be able to:

- understand the history and context for criminal securities laws;
- explore the structure of criminal securities laws; and
- explore the elements of a variety of securities crimes, including understanding the criminal intent needed to violate these laws.

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**SESSION 4**  
**Investment Adviser Regulation**

This session explores the regulation of investment advisers and how it differs from broker-dealer regulation. We cover the registration requirements under the Investment Advisers Act of 1940, and discuss the impact of recent and forthcoming regulatory initiatives for RIAs.

**Learning Objectives**

After completing this session, you will be able to:

- explain the definition of an investment adviser;
- explain state and federal investment adviser registration requirements;
- discuss the SEC's interpretation of RIA fiduciary duty including the standard of conduct; and
- appreciate issues affecting entities dually registered as broker-dealers and independent investment advisers.

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**SESSION 5**  
**Crowdfunding and Funding Portals**

This session provides an overview of the crowdfunding provisions in Title III of the Jumpstart Our Business Startups (JOBS) Act of 2012. The session also offers a summary of the SEC's Regulation Crowdfunding rules, as amended, and FINRA's rules for funding portals, highlighting the permissible activities of funding portals and contrasting their regulatory mandate with that of broker dealers; providing an overview of the SEC registration and membership application processes for entities seeking to register with the SEC as funding portals; and a summary of FINRA's risk monitoring and examination program.

**Learning Objectives**

After completing this session, you will be able to understand basic reasons for financial regulation, including:

- understand provisions of the JOBS Act as they relate to the crowdfunding registration exemption and securities crowdfunding intermediaries.
- understand the regulatory framework for registered funding portals, as contrasted with broker-dealers; and
- better identify the place of securities crowdfunding regulation in the spectrum of securities offering

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**SESSION 6****Municipal Securities Regulation**

This session provides an overview of the municipal securities markets, including regulatory structure, the lifecycle of a municipal bond and the obligations of municipal market professionals. The session also covers current topics related to municipal and other fixed-income securities, including fair pricing, mark-up disclosure, time of trade disclosures and one-minute trade reporting and the regulatory regime governing municipal advisors.

**Learning Objectives**

After completing this session, you will be able to:

- identify the municipal securities market regulatory structure, its participants, and their roles and responsibilities;
- summarize how municipalities decide to issue securities and the lifecycle of a municipal bond;
- understand broker-dealers' regulatory obligations with respect to the MSRB's rules on fair pricing, mark-up disclosure, time of trade disclosure and one-minute trade reporting; and
- recap current hot topics in the fixed-income market.

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**SESSION 7****Advanced Supervision: Remote Supervision**

This session provides an overview of developments in supervisory obligations in a hybrid environment, including amendments to FINRA Rule 3110 pertaining to the remote inspection pilot program and residential supervisory locations.

**Learning Objectives**

After completing this session, you will be able to:

- understand the environmental context from which supervisory practices and expectations were derived;
- understand the change in the supervisory landscape; and
- have a framework for thinking about how to define where work is done as part of ongoing rule modernizing efforts.

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**SESSION 8****Foreign Markets and Securities Regulation**

This session examines the global regulation of financial services and then focuses on the different types of financial regulatory structures around the world.

**Learning Objectives**

After completing this session, you will be able to:

- explain different financial regulatory approaches including "Twin Peaks" and a unitary regulatory authority;
- explain the role of international financial regulatory bodies including the FSB, IOSCO, and BCBS;
- explain extraterritorial impact of EU regulation on US including MiFID2 and ESG; and
- evaluate compliance challenges related to effecting securities transactions for international investors residing in/out of the U.S including Canada.

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**SESSION 9 & 10**  
**Anti-Money Laundering Regulations I & II**

These sessions provide an overview of the anti-money laundering (AML) compliance requirements of the Bank Secrecy Act/USA PATRIOT Act of 2001, and related laws and regulations governing money laundering and other types of financial crime. The sessions cover noteworthy cases and enforcement actions arising from AML Program deficiencies and the failure to detect and report potential suspicious activity.

**Learning Objectives**

After completing this session, you will:

- understand U.S. laws and regulations governing anti-money laundering (AML) and countering the financing of terrorism (CFT) requirements,
- understand strategies to identify and assess AML and related financial crime compliance risks,
- evaluate “Know-Your-Customer,” client due diligence and enhanced due diligence practices and standards; and
- understand the suspicious activity reporting framework, including identifying red flags of suspicious activity and reporting requirements.

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**SESSION 11**  
**SEC and FINRA Enforcement**

This session provides an overview of the SEC and FINRA enforcement process. Regulators, through the Enforcement Program, investigate a wide range of potential violations of the federal securities laws and regulations. Understanding how Enforcement operates and knowing regulatory priorities is essential for executives.

**Learning Objectives**

After completing this session, you will be able to:

- have a basic understanding of the regulatory framework for senior investor protection, with a particular focus on FINRA rules relating to trusted contact persons and temporary holds on disbursements or transactions; and
- understand potential red flags of financial exploitation as well as best practices for addressing these risks and meeting regulatory obligations.

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**SESSION 12**  
**Customer Protection Rule: Clearing and Custody**

This session provides an overview of the Customer Protection Rule, SEA Rule 15c3-3, including the rule’s background and rationale, and the mechanics of the segregation of customer assets. The session also covers Regulation SHO and the interrelationship between the buy-in requirements of Regulation SHO and the customer Protection Rule and touches on FINRA Uniform Practice Code Section 11800 (Close-out Procedures).

**Learning Objectives**

After completing this session, you will be able to:

- explain the requirements for possession and control and key problems and pitfalls;
- understand the background and rationale for Regulation SHO; and
- discuss how the Customer Protection Rule and Regulation SHO interrelate.

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**SESSION 13**  
**Crypto Assets**

This session explores how “crypto assets” such as “tokens” and “cryptocurrencies” may reshape the financial services industry. Topics include guidance related to custody of crypto asset securities, the application of existing rules and regulations as well as implications of Decentralized Finance (“DeFi”) applications.

**Learning Objectives**

After completing this session, you will be able to:

- articulate how crypto assets differ from traditional assets
- discuss the re-thinking of financial services occurring in the DeFi sector; and
- understand regulators’ approach to crypto oversight, including the ways oversight is similar and the ways in which it is different.

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**SESSION 14**  
**Cyber Security**  
**and Cyber-Enabled**  
**Fraud**

Through real-life scenarios, this session addresses fraud, intrusions, privacy, and data protection concerns with an in-depth focus on cybersecurity threats.

**Learning Objectives**

After completing this session, you will be able to:

- differentiate between cybersecurity and cyber-enabled fraud
- understand the overall threat landscape;
- identify adversarial motivations;
- recognize risk areas and avenues for attack;
- outline the importance mitigation strategies; and
- understand the relevant regulatory framework.

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**SESSION 15**  
**Artificial**  
**Intelligence (AI)**

Artificial intelligence (AI), including large language models (LLMs) and other generative AI (Gen AI) tools, present opportunities for the financial industry to enhance their products and services for investors and achieve operational and compliance efficiencies. This session provides an overview Generative AI & LLMs, covering risks and challenges and potential implications for a firm's regulatory obligations. The class will also discuss several different use cases in financial services.

**Learning Objectives**

After the completion of this course, you will be able to:

- explain the importance of data;
- understand the types and sources of data;
- understand the basics of Generative AI & LLMs;
- better identify risks, challenges & controls of using AI; and
- understand the role of Compliance in AI: Supervision & Governance.

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**SESSION 16**  
**Leadership:**  
**Negotiation Skills**  
**for Compliance**  
**Professionals**

In this highly interactive seminar, you will learn practical skills for negotiating with a range of internal and external stakeholders. Through dynamic simulations and exercises, you will develop strategies for identifying and overcoming barriers to agreement especially when interpersonal dynamics interfere. Whether you are navigating divergent mandates internally, coordinating with multiple state and federal regulators, or managing a negotiating team, this course will help you think more analytically and improve performance at all stages of negotiation from preparation to debrief.

**Learning Objectives**

After the completion of this course, you will be able to:

- systematically prepare for negotiations with stakeholders across sectors;
- manage conflict between internal business demands and compliance realities;
- effectively communicate legal requirements in the context of power differentials; and
- manage interpersonal barriers common to negotiation impasse.

**SESSION 17**  
**Leadership:  
Leading Teams  
and Managing  
Conflicts**

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This session is aimed at improving your ability to lead high performing teams, and to operate effectively within a senior leadership team. We will ask and answer the question: What makes the best teams tick and what can you do as a leader to increase the probability that your teams will excel?

Given that you probably have some significant experience working in (and perhaps leading) teams, this class will provide an evidence-based approach to:

- reinforce some of what you may already be doing (perhaps without knowing there was research to support your good gut instincts);
- help you to do new, performance-enhancing things with your teams that you haven't done before; and,
- correct some old habits that might be holding you and your teams back

**Learning Objectives**

After the completion of this course, you will:

- explore a practical, research-based model that accounts for 75% of teams' effectiveness and some key tactics to increase the odds your teams will be effective;
- apply the team effectiveness model to several sample teams;
- discuss how you can apply the model to your teams; and,
- identify immediate changes or next-steps for you to try with your teams.

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**SESSION 18**  
**Senior Investor  
Protection**  
(including  
Succession  
Planning)

This session examines the broker-dealer regulatory framework for senior investor protection, along with the benefits of succession planning for broker-dealers, registered representatives and their customers. In terms of senior investor protection, the session reviews relevant FINRA rules and other regulations and explores red flags from both firms' and regulators' perspectives and best practices. With respect to succession planning, the session also reviews the scope and types of succession plans, industry demographics and other catalysts, along with potentially relevant rules. This session will include interactive discussions on the evolving challenges in this space and how best practices have grown to address these challenges.

**Learning Objectives**

After the completion of this course, you will be able to:

- have a basic understanding of the regulatory framework for senior investor protection, with a particular focus on FINRA rules relating to trusted contact persons and temporary holds on disbursements or transactions;
- identify potential red flags of financial exploitation as well as best practices for addressing these risks and meeting regulatory obligations; and
- understand the importance of succession planning from both a regulatory and business perspective, effective practices in this area, and key rules that may be implicated by succession planning.

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CCSD-9322—11/24