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# A BILL FOR AN ACT

RELATING TO REGULATION BY THE DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 431:10D-622, Hawaii Revised Statutes,  
2 is amended by amending the definition of "comparable standards"  
3 to read as follows:

4           ""Comparable standards" means:

5           (1) With respect to broker-dealers and registered  
6           representatives of broker-dealers, applicable United  
7           States Securities and Exchange Commission and  
8           Financial Industry Regulatory Authority rules  
9           pertaining to best interest obligations and  
10          supervision of annuity recommendations and sales,  
11          including but not limited to Regulation Best Interest,  
12          title 17 Code of Federal Regulations section  
13          240.151-1, and any amendments or successor regulations  
14          thereto; provided that if a broker-dealer or  
15          registered representatives of a broker-dealer is  
16          subject to a more restrictive standard than required



1           by the Regulation Best Interest, the more restrictive  
2           standard shall apply;

3           (2) With respect to investment advisers registered under  
4           federal or state securities laws or investment adviser  
5           representatives, the fiduciary duties and all other  
6           requirements imposed on the investment advisers or  
7           investment adviser representatives by contract or  
8           under the Rules and Regulations, Investment Company  
9           Act of 1940, title 17 Code of Federal Regulations part  
10          270, or applicable state securities law, including but  
11          not limited to the Form ADV and interpretations; and

12          (3) With respect to fiduciaries or plan fiduciaries, the  
13          duties, obligations, prohibitions, and all other  
14          requirements attendant to [~~such~~] that status under the  
15          Employee Retirement Income Security Act of 1974, P.L.  
16          93-406, or the Internal Revenue Code of 1986, as  
17          amended, and any amendments or successor statutes  
18          thereto."

19          SECTION 2. Section 485A-411, Hawaii Revised Statutes, is  
20          amended by amending subsection (i) to read as follows:



1           "(i) A rule adopted or order issued under this chapter may  
2 require an individual registered under sections 485A-402 or  
3 485A-404 to participate in a continuing education program  
4 approved by the Securities and Exchange Commission and  
5 administered by a self-regulatory organization or, in the  
6 absence of such a program, a rule adopted or order issued under  
7 this chapter may require continuing education for an individual  
8 registered under section 485A-404[-]; provided that up to twelve  
9 hours of annual continuing education completed during a year to  
10 satisfy another licensing requirement administered by the  
11 department may be used to satisfy the annual continuing  
12 education requirement under this subsection for the same year."

13           SECTION 3. This Act does not affect rights and duties that  
14 matured, penalties that were incurred, and proceedings that were  
15 begun before its effective date.

16           SECTION 4. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.



# H.B. NO. 1743

1 SECTION 5. This Act shall take effect on July 1, 2024.

2

INTRODUCED BY:



JAN 18 2024



# H.B. NO. 1743

**Report Title:**

DCCA; Broker-dealer; Regulation Best Interest; Continuing Education; Investment Advisor Representatives

**Description:**

Requires that if a broker-dealer is subject to a more restrictive standard than under the federal Regulation Best Interest standard, the more restrictive standard shall apply. Allows certain investment advisor representatives to use other continuing education hours to satisfy continuing education requirements.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

