

STATE OF NEW YORK

3695

2025-2026 Regular Sessions

IN ASSEMBLY

January 30, 2025

Introduced by M. of A. WEPRIN -- read once and referred to the Committee on Banks

AN ACT to amend the financial services law, in relation to a compliance officer or compliance practitioner license

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The financial services law is amended by adding a new article 10 to read as follows:

ARTICLE 10

COMPLIANCE OFFICER OR COMPLIANCE PRACTITIONER LICENSE

Section 1001. Definitions.

6 1002. Applicability; license.

7 1003. License application.

8 1004. Written examination.

9 1005. Temporary license.

10 1006. Fees.

11 1007. License term; renewal.

12 1008. Continuing education requirements.

13 1009. Rules and regulations; authority of the superintendent.

14 § 1001. Definitions. For purposes of this article:

15 (a) "compliance" shall mean: (1) drafting, evaluating, applying
16 compliance or regulatory policies and procedures; (2) designing, assess-
17 ing or implementing compliance or regulatory controls or systems; and
18 (3) supervising, surveilling, monitoring, reviewing, testing or report-
19 ing non-compliance or misconduct. For purposes of this article, compli-
20 ance tasks, duties and functions shall be performed only by an individ-
21 ual licensed or otherwise authorized to perform such tasks, duties or
22 functions under the title of compliance officer, regulatory officer,
23 compliance supervisor, compliance practitioner, compliance analyst,
24 compliance consultant, compliance counsel, compliance advisor, regulato-
25 ry officer, regulatory manager, regulatory supervisor, regulatory prac-

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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1 titioner, regulatory analyst, regulatory consultant, regulatory counsel
2 or regulatory advisor.

3 (b) "financial industry" and "financial services industry" shall not
4 include any portion of the financial industry or financial services
5 industry involving annuities.

6 § 1002. Applicability; license. The superintendent may issue a compli-
7 ance officer or compliance practitioner license to any individual who is
8 trustworthy and competent to act as a compliance officer or compliance
9 practitioner in such manner as to safeguard the interests of the people
10 of this state and who has complied with all of the requirements set
11 forth in this article. The holder of a license under this section may
12 act as a compliance officer or compliance practitioner without any other
13 additional license. Every applicant for a license under this section
14 shall be twenty-one years of age or over at the time of the issuance of
15 such license.

16 § 1003. License application. (a) Before a compliance officer or
17 compliance practitioner license or renewal thereof shall be issued by
18 the superintendent, an applicant shall file in the office of the super-
19 intendent a written application for such license or renewal thereof.
20 Such application shall be in the form and contain information that the
21 superintendent prescribes.

22 (b) An individual signing such application shall, simultaneous with
23 such application, submit to the superintendent fingerprints of such
24 individual's two hands recorded in such manner as may be specified by
25 the superintendent or such superintendent's authorized representative.
26 Before approving such application, it shall be the duty of the super-
27 intendent or such superintendent's authorized representative to compare
28 such fingerprints with fingerprints filed with the division of criminal
29 justice services. Such fingerprints may also be submitted to the federal
30 bureau of investigation for a national criminal history record check.

31 (c) No such license shall be issued to any individual who has ever
32 been convicted of a felony, or of any crime or offense involving fraudu-
33 lent or dishonest practices nor shall a compliance officer or practi-
34 tioner licensed under this article be employed if such individual has
35 ever been convicted of a felony, or of any such crime or offense.

36 (d) Nothing contained in this section shall prevent the employment of
37 a compliance officer or compliance practitioner or the issuance of a
38 license to any individual who, subsequent to such individual's
39 conviction, shall have received executive pardon therefor removing such
40 disability, or who has received a certificate of relief from disabili-
41 ties or a certificate of good conduct pursuant to article twenty-three
42 of the correction law to remove the disability under this article
43 because of such conviction or previous license revocation occasioned
44 thereby.

45 § 1004. Written examination. (a) The superintendent shall in order to
46 determine the trustworthiness and competency to act as a compliance
47 officer or compliance practitioner of each individual applicant for such
48 license, except in the case of a renewal license, require every such
49 individual to take and pass, to the satisfaction of the superintendent,
50 a personal written examination. No individual shall be deemed qualified
51 to take the examination without having demonstrated by evidence satis-
52 factory to the superintendent the following minimum qualifications: (1)
53 two years' experience in the financial industry, if the applicant
54 possesses a bachelors degree from an accredited school of higher educa-
55 tion, with involvement in regulatory oversight, compliance training or
56 other experience considered sufficient by the superintendent, or if the

1 applicant possesses a minimum of five years' practical experience in the
2 financial services industry with an involvement in regulatory oversight,
3 compliance training or other experience considered sufficient by the
4 superintendent; and (2) the applicant successfully completed thirty-five
5 hours of formal training in a course, program of instruction, or semi-
6 nars approved by the superintendent.

7 (b) The superintendent may prescribe the types of written examinations
8 according to the kinds of compliance issues the applicant may be
9 subjected to in the course of such applicant's duties.

10 (c) The superintendent may, in such superintendent's discretion and on
11 such terms as such superintendent prescribes, dispense with such exam-
12 ination in the case of any applicant who shall previously have held a
13 position of compliance officer or compliance practitioner for a minimum
14 period of five years prior to the effective date of this article;
15 provided, further that the applicant applies within two years following
16 the date of termination of such license.

17 (d) An individual who at any time served with the armed forces of the
18 United States, and who immediately prior to entering such military
19 service had been continuously engaged in bona fide operation in this
20 state as a compliance officer or compliance practitioner for a period of
21 five years, may within one year after termination of such military
22 service file with the superintendent an application in such form as such
23 superintendent prescribes, and upon the payment of the requisite license
24 fee be licensed by the superintendent as a compliance officer or compli-
25 ance practitioner without being required to take and pass such examina-
26 tion.

27 (e) The superintendent may exempt from the written examination
28 requirement an applicant who holds a license or certificate to practice
29 compliance issued to them upon examination, accredited and administered
30 by a regulatory compliance accreditation agency in any other state or
31 political subdivision of the United States or other country provided the
32 applicant's qualifications met the requirements in this state at the
33 time such license was issued and that jurisdiction recognizes recipro-
34 city of the validity of a license issued from the state of New York.

35 (f) The superintendent shall exempt from the written examination
36 requirement any official or employee of a government unit, agency or
37 instrumentality who is responsible for performing compliance tasks,
38 duties or functions as part of such official or employee's official
39 duties with such governmental unit, agency or instrumentality.

40 § 1005. Temporary license. (a) An individual who has had at least five
41 years' experience as a compliance officer or compliance practitioner in
42 a financial services industry and has made application for a license as
43 a compliance officer or compliance practitioner in New York may file
44 with the superintendent, in such form as the superintendent prescribes,
45 a written application for a temporary permit to perform the duties as
46 prescribed herein as a compliance officer or compliance practitioner
47 during the pendency of the application.

48 (b) Notwithstanding any provision contained in section one thousand
49 four of this article, an applicant for a temporary license shall be
50 required to take and pass a personal written examination in accordance
51 with subsection (a) of section one thousand four of this article. If
52 satisfied that the individual applying for such temporary permit has in
53 all other respects met the requirements of this article with respect to
54 the licensing of a compliance officer or compliance practitioner and is
55 qualified by training and experience as an employee of a financial
56 service provider or other financial industry related entity as a compli-

1 ance officer or compliance practitioner, the superintendent shall issue
2 such temporary permit to be effective for such period of time as the
3 superintendent may specify therein but, in no event, for a period in
4 excess of one hundred twenty days.

5 (c) The superintendent may summarily suspend or revoke any temporary
6 permit issued pursuant to this section upon ten days' notice in writing
7 to the temporary permittee of the superintendent's intention to do so.

8 § 1006. Fees. (a) At the time of application for every compliance
9 officer or compliance practitioner license and for every renewal there-
10 of, there shall be paid to the superintendent by each applicant a fee of
11 seventy-five dollars for each year or fraction thereof in which a
12 license shall be valid. Upon payment of such fee and the superinten-
13 dent's issuance of such license or renewal thereof, such license shall
14 also be valid for any one or more of the various licenses issued by the
15 superintendent for the licensing period or fraction thereof covered by
16 such payment.

17 (b) No license fee shall be required of any individual who served as a
18 member of the armed forces of the United States at any time and who
19 shall have been discharged, under conditions other than dishonorable, in
20 a current license period, for the duration of such period.

21 (c) Every individual applying to take a written examination shall at
22 the time of application pay to the superintendent, or at the discretion
23 of the superintendent, directly to any organization that is under
24 contract to provide examination services, a non-refundable examination
25 fee in an amount which is equal to the actual documented administrative
26 expense. If, however, the applicant should withdraw such applicant's
27 application or the superintendent should deny such applicant's applica-
28 tion before the license applied for is issued, the superintendent may
29 refund the fee paid by the applicant for the license applied for,
30 excepting any examination fees required pursuant to this subsection.

31 (d) The superintendent may issue a replacement for a current license
32 which has been lost or destroyed. Before such replacement license shall
33 be issued, there shall be on file in the office of the superintendent a
34 written application for such replacement license, affirming under penal-
35 ty of perjury that the original license has been lost or destroyed,
36 together with a fee of fifteen dollars.

37 § 1007. License term; renewal. (a) Every compliance officer license
38 and compliance practitioner license issued pursuant to this section
39 shall be for a term expiring on the thirty-first day of December of even
40 numbered years, and may be renewed for the ensuing two calendar years
41 upon the filing of an application in conformity with section one thou-
42 sand three of this article. In the case of a license issued to a new
43 applicant, the superintendent may issue a license for a term of more
44 than two years, provided however, such term shall not exceed thirty
45 months.

46 (b) If an applicant for a renewal license shall have been filed with
47 the superintendent by December thirty-first of the year of expiration,
48 the license sought to be renewed shall continue in full force and effect
49 either until the issuance by the superintendent of the renewal license
50 applied for or until five days after the superintendent shall have
51 refused to issue such renewal license and shall have given notice of
52 such refusal to the applicant.

53 (c) If such refusal is based on any grounds other than failure to pass
54 a written examination and if the applicant shall within thirty days
55 after such notice is given, notify the superintendent of their request
56 for a hearing on such refusal, the superintendent shall within a reason-

1 able time after receipt of such notice grant such a hearing, and such
2 superintendent may, in such superintendent's discretion, reinstate such
3 license.

4 § 1008. Continuing education requirements. (a) The continuing educa-
5 tion requirements set forth in this section shall apply to all resident
6 and non-resident compliance officer or compliance practitioner licen-
7 sees, including any individual previously licensed whose license was not
8 in effect on the effective date of this article and who subsequently
9 obtains a license pursuant to the provisions of this article.

10 (b) During each biennial licensing period, a compliance officer or
11 compliance practitioner licensee shall satisfactorily complete courses
12 or programs of instruction or attend seminars as may be approved by the
13 superintendent equivalent to thirty-six credit hours of instruction.

14 (c) A licensee may use accumulated continuing education credits to
15 meet the requirement so long as the education credits are certified as
16 such by the superintendent and are approved by a regulatory compliance
17 accreditation agency or any other licensing authority within the finan-
18 cial services industry as a commensurate course of study in the finan-
19 cial industry pertaining to compliance and ethics.

20 (d) The following courses or programs of instruction, if successfully
21 completed, shall be deemed to meet the superintendent's standards for
22 continuing education:

23 (1) Courses or programs of instruction or seminars, approved as to
24 method and content by the superintendent covering portions of principle
25 branches of the finance industry related to the kinds of subjects
26 covered by the compliance officer or compliance practitioner license,
27 including but not limited to compliance regulation, law and practice,
28 regulatory examinations, regulatory enforcement proceedings, and liti-
29 gation, provided that:

30 (A) Such courses or programs shall be given by an accredited associ-
31 ation, degree conferring college or university whose curriculum is
32 registered with the education department at the time the individual
33 takes the course, whether such course is given as part of such curric-
34 ulum or separately, or by any other institution, association, trade
35 association or employer, which maintains equivalent standards of
36 instruction and which shall have been approved for such purpose by the
37 superintendent;

38 (B) The number of credit hours assigned to each course or program of
39 instruction shall be determined by the superintendent; and

40 (2) Continuing education as required by the state in which a non-resi-
41 dent resides and maintains an office, provided the superintendent deems
42 such requirements equivalent to New York continuing education require-
43 ments; provided, further, that if the state in which the non-resident
44 licensee resides and maintains an office does not have continuing educa-
45 tion requirements, or if the superintendent does not deem such require-
46 ments equivalent, the licensee must satisfy New York's continuing educa-
47 tion requirements.

48 (e) An individual who teaches an approved course of instruction or who
49 lectures at an approved seminar, and who is subject to these continuing
50 education requirements shall be granted the same number of credit hours
51 as would be granted to an individual taking and successfully completing
52 such course, seminar or program, provided that such credit hours shall
53 be credited only once for each approved course during any biennial
54 licensing period.

55 (f) Every individual subject to the continuing education requirements
56 set forth in this section, shall furnish in a form satisfactory to the

1 superintendent written certification attesting to the courses or
2 programs of instruction taken and successfully completed by such indi-
3 vidual. Such certification shall be signed by the sponsoring organiza-
4 tion or its authorized representative.

5 (g) (1) An individual who does not meet the applicable continuing
6 education requirements shall not be eligible to renew such individual's
7 license. Such individual shall not be eligible to become relicensed
8 during the next biennial licensing period unless and until such individ-
9 ual has demonstrated to the satisfaction of the superintendent that the
10 continuing education requirements for the last biennial licensing period
11 were met.

12 (2) An individual whose license was not renewed pursuant to paragraph
13 one of this subsection who accumulates sufficient credit hours for the
14 prior licensing period to qualify for relicensing in the biennial
15 licensing period following such non-renewal, may not apply those same
16 credit hours toward the continuing education requirements for the
17 current biennial licensing period.

18 (h) (1) Any entity eligible to provide continuing education courses,
19 programs of instruction, or seminars shall file for approval by the
20 superintendent on a biennial basis, to conform with its areas of
21 instruction, a provider organization application and a course submission
22 application for each course, program, and seminar.

23 (2) The provider organization application shall include the names of
24 all instructors to be used during the biennial licensing period, and
25 instructors may be added during such period by notifying the superinten-
26 dent and paying the appropriate filing fee.

27 (3) The completed applications shall be returned in a timely manner,
28 as specified by the superintendent with a non-refundable filing fee of
29 two hundred dollars for each organization, fifty dollars for each
30 course, program, and seminar, and fifty dollars for each instructor.

31 (4) Approval of the application shall be at the discretion of the
32 superintendent.

33 (i) A licensee shall pay a biennial fee of ten dollars for any
34 license, for continuing education certification filing and recording
35 charges, to the superintendent, or, at the direction of the superinten-
36 dent, directly to an organization under contract to provide continuing
37 education administrative services.

38 § 1009. Rules and regulations; authority of the superintendent. (a) In
39 order to carry out the purposes of this article, the superintendent may:

40 (1) prescribe the types of compliance licenses according to the kinds
41 of compliance duties inherent in the financial services industry; and

42 (2) issue protocols and procedures for licensing and certifying mini-
43 mum qualifications for compliance officers, compliance practitioners and
44 other individuals tasked with monitoring, evaluating, testing and
45 reporting non-compliance or misconduct in the financial services indus-
46 try.

47 (b) The superintendent shall establish and prescribe regulations that
48 are deemed necessary for the proper and adequate supervision of compli-
49 ance officers and compliance practitioners.

50 § 2. This act shall take effect on the thirtieth day after it shall
51 have become a law. Effective immediately, the addition, amendment and/or
52 repeal of any rule or regulation necessary for the implementation of
53 this act on its effective date are authorized to be made and completed
54 on or before such effective date.