



# Canadian Investment Regulatory Exam (CIRE) Syllabus

January 2025

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# CIRE Overview

## Exam Parameters

<b>Exams</b>	1 paper
<b>Exam format</b>	Proctored (remote or in person)
<b>Exam duration</b>	2 hours
<b>Question format</b>	Multiple choice
<b>Questions per exam</b>	110
<b>Attempts allowed per exam</b>	3

## Question weighting

<b>Element</b>	<b>Indicative Qs</b>
<b>1</b> Overview of regulatory framework	11
<b>2</b> Prospective client relationships	11
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# Syllabus key

The syllabus is divided into a series of learning outcomes. Each learning outcome expects the candidate to remember, understand, apply or analyze information. The following sets out what this expectation is.



**Remember** requires the candidate to recall information such as facts, rules and principles. Associated questions include define, list, repeat and state.

For example:

- Which of the following is an enforcement power of the Canadian Securities Administrators?
- What is the objective of the Canadian Investor Protection Fund?
- Who is responsible for the management of fiscal policy in Canada?



**Understand** requires the candidate to demonstrate comprehension of an issue, fact, rule or principle. Associated questions include describe, explain, identify, recognize and select.

For example:

- Which of the following best defines the role of the middle office in an Investment Dealer?
- Why might a person grant powers of attorney for their financial affairs?
- Labour markets are used as a key economic indicator in market analysis. Which of the following explains what can they tell us?



**Apply** requires the candidate to use information in new situations. Associated questions include calculate, demonstrate, implement, interpret and use.

For example:

- Which of the following demonstrates compliance with the know-your-client rule for retail investors?
- Review the information on the three funds in the table below. Calculate the average return of the funds.

	Start value (millions)	End value (millions)
<b>Fund A</b>	\$540	\$590
<b>Fund B</b>	\$2,400	\$2,250
<b>Fund C</b>	\$920	\$935

- In which of the following situations would a Portfolio Manager use the money weighted rate of return rather than the time weighted rate of return?



**Analyze** requires the candidate to review information and draw conclusions or make connections. Associated questions include compare, contrast, differentiate and examine.

For example:

- An investor buys 100 shares in a publicly traded company for \$25.80 each and subsequently sells them several months later for \$32.40. They make their trades through an order execution only account which charges a \$15 flat fee per transaction. Calculate the impact of the fee on the return for the investor.
- Natasia is reviewing the information that she has collected from her client. The information has indicated that her client is seeking long term growth with minimal risk. The account to be opened is a cash account, and the client is concerned about the tax implications. Based on this information alone, which of the following indicates the product and explanation that best meets Natasia's client's needs?
- A client chooses an order execution only (OEO) account at an Investment Dealer. What impact will this choice have on their experience compared to choosing a full-service Investment Dealer?

Note: The syllabus terms are cumulative. For example, learning outcomes using the Apply verb can also test on the levels of Understand and Remember.



## Element 1: Overview of Canadian securities regulatory framework

**Summary:** This element requires candidates to be able to identify, describe and explain the purpose of the main investment industry regulators in Canada, as well as list and define other regulators and agencies, and the markets they oversee. Candidates are required to understand and explain the legislation and controls around anti-money laundering and be able to recall the features of other legislation including confidentiality and privacy.

### A candidate should:

- 1.1** Understand the role and authority of the Canadian Securities Administrators (CSA) and provincial/territorial securities and derivatives regulators. Consider the:
  - Jurisdiction for the CSA
  - Mandate and objectives of the CSA
  - Purpose and implication of securities legislation, National Instruments (NI), Multilateral Instruments (MI), National policies, Staff notices and Companion Policies (CP), including
    - The role of approving prospectuses
  - Enforcement powers
- 1.2** Understand the role and authority of the Canadian Investment Regulatory Organization (CIRO). Consider the:
  - Jurisdiction of the CIRO
  - Mandate and objectives of the CIRO
  - Purpose and implications of rules, guidance notes, forms and supporting schedules.
  - Investment Dealer and Partially Consolidated (IDPC) Rules
  - Universal Market Integrity Rules (UMIR)
  - Enforcement powers
- 1.3** Understand the requirement for Investment Dealer registration and individual approval requirements, and the role of CSA and CIRO in this process.
- 1.4** Understand the function and purpose of marketplaces in the investment industry. Consider:
  - Exchanges
  - Alternative Trading Systems (ATS)
  - Crypto-Asset Trading Platforms (CTPs)
  - Foreign Organized Regulated Markets (FORM)
- 1.5** Remember the function and purpose of clearing agencies. Consider:
  - Canadian Depository for Securities Limited (CDS)
  - Canadian Derivatives Clearing Corporation (CDCC)
- 1.6** Remember the function and purpose of the Canadian Investor Protection Fund (CIPF). Consider their:
  - Objective
  - Eligible claims and eligible claimants
  - Role in an Investment Dealer's bankruptcy/ insolvency, including pooling of customer assets
  - Funding requirements by Investment Dealers
- 1.7** Remember the function and purpose of other investment industry regulators and agencies. Consider the:
  - Financial Services Regulatory Authority of Ontario (FSRA)
  - Bank of Canada
  - RCMP Integrated Market Enforcement Teams (IMET)
  - Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)
  - Office of the Superintendent of Financial Institutions (OSFI)
  - Federal and provincial privacy commissioners
  - Ombudsman for Banking Services and Investments (OBSI)
  - US and other foreign securities and derivatives regulators
- 1.8** Remember the purpose and implications on the financial services of:
  - Bank Act
  - Bankruptcy and Insolvency Act, Part XII – Bankruptcy of a Securities Firm
- 1.9** Remember the purpose and implications of the criminal code and its application to financial crime.
- 1.10** Understand the purpose and implications of the Proceeds of Crime (Money Laundering) and Terrorism Financing Act (PCMLTFA) and Regulations (PCMLTF Regulations). Consider:
  - Stages of money laundering
  - Compliance program requirements
  - Anti-money laundering policies and procedures
  - Client information and due diligence requirements
  - Enterprise risk assessment and indicators
  - Employee training
  - Business relationship record-keeping
- 1.11** Remember the purpose and implications of other applicable laws, including:
  - Confidentiality agreements regarding corporate, client and third-party information
  - Privacy legislation under the Personal Information Protection and Electronic Documents Act (PIPEDA)
  - Canadian Anti-Spam Legislation
  - Rules for company disclosure and statutory rights of shareholders



## Element 2: Prospective client relationships

**Summary:** This element requires candidates to display a sound understanding of the client relationship model including relationship disclosure, conflicts of interest management, suitability assessment and account performance reporting. Candidates must be able to differentiate retail clients from institutional clients and also be able to list the various documentation required in the process of onboarding clients.

### A candidate should:

#### 2.1 Understand the client relationship model. Consider:

- Relationship disclosure
- Conflicts of interest management/disclosure
- Suitability assessment
- Account performance reporting

#### 2.2 Remember the CIRO rules and requirements for clients to qualify as an institutional client:

- An accepted counterparty
- An accepted institution
- A regulated entity
- A registrant under securities law, other than an individual registrant
- A non-individual with total securities and precious metals bullion under administration or management exceeding \$10 million,
- An individual with total securities and precious metals bullion under administration or management exceeding \$10 million who requests and consents to being classified as an institutional client, or
- A hedger who requests and consents to being classified as an institutional client for accounts with qualifying hedging activities and hedge positions.

#### 2.3 Understand the difference between a retail client and an institutional client.

#### 2.4 Understand who is exempt under National Instrument 45-106. Consider:

- Accredited investors

#### 2.5 Understand the Investment Dealer onboarding process. Consider:

- The application of the know-your-client rules
- The exceptions in dealing with institutional investors
- 'Permitted client' waivers and exemptions

#### 2.6 Remember the retail client information that is to be collected:

- Client's financial circumstance
- Client's personal circumstance
- Client's investment knowledge
- Risk profile: risk tolerance and risk capacity
- Investment objectives and needs
- Investment time horizons

#### 2.7 Understand how an Investment Dealer would identify and document the role of third parties and other professionals in the client's life. Consider:

- Powers of attorney
- Lawyers
- Accountants
- Insurance agents
- Trusted contact person

#### 2.8 Understand the role of cost in product selection.

#### 2.9 Understand the potential impact of fees, turnover and taxes on the client's investment returns.

#### 2.10 Remember the required documents in the account agreement and Firm Welcome package. Consider:

- Fee schedule
- Canadian Investment Regulatory Organization (CIRO) account opening brochure
- Investment Dealer conflict of interest disclosures
- Complaint handling procedures and brochures

#### 2.11 Understand the requirements for documenting, filing and maintaining client records.





## Element 3: Scope of client relationships

**Summary:** This element looks in detail at the relationship between the Investment Dealer's representative and the client, with specific focus on the different roles of an Investment Representative and a Registered Representative. The element expects a candidate to be able to identify, describe and explain account appropriateness, product due diligence and know-your-product requirements as well as display an awareness of know-your-client (KYC) requirements and suitability determination. Candidates should also be able to explain the concepts of trust, agency, and fiduciary duty, and the purpose of relationship disclosure.

**A candidate should:**

**3.1** Understand the role of the Registered Representative in providing client service. Consider:

- Retail versus Institutional
- Providing recommendations
- Managing a client's portfolio
- Collecting client KYC information
- Application of suitability

**3.2** Understand the role of the Investment Representative in providing client service. Consider:

- Retail versus institutional
- Responding to client enquiries
- Giving quotes
- Information required before taking orders
- Taking and entering orders
- Reporting on trades
- Correcting errors
- Prohibition on investment recommendations

**3.3** Understand the concepts of trust, agency and fiduciary duty and when relevant

**3.4** Understand the purpose and content of the relationship disclosure. Consider:

- The products, services and account types the client can access at the Investment Dealer, including fee-based, leverage and margin accounts
- The limitations of products, services and account types offered at the Investment Dealer, where applicable
- Charges, fees, fee structures and guidelines for compensation

- The way the account will operate (regulatory and Investment Dealer-based)
- Description of the process used to determine suitability, including on an account-level, supplementary household-level, and on a portfolio-level
- Description of the client account reporting that the Investment Dealer will provide to the client

**3.5** Remember the typical services provided by retail Investment Dealer. Consider:

- Order execution only
- Advisory
- Managed
- Discretionary

**3.6** Remember the typical services provided by institutional Investment Dealers. Consider:

- Trading
- Research
- Underwriting
- Merger and acquisition service
- Prime brokerage
- Securities lending

**3.7** Understand the applicability of account appropriateness obligation.

**3.8** Understand the applicability of product due diligence obligation on:

- The Investment Dealer
- The Approved Person

**3.9** Understand the applicability of know-your-product (KYP) obligation to understand all investments purchased, sold or recommended for a client. Consider the investment's:

- Structure

- Features
- Risks
- Initial and ongoing costs
- Impact of those costs

**3.10** Understand the difference between account appropriateness and account suitability determination.

**3.11** Understand the applicability of client suitability determination requirements for retail clients.

**3.12** Understand the applicability of assessment of an institutional client's sophistication level and applicability of suitability exemptions.

**3.13** Remember the exemptions from suitability determination requirements. Consider:

- Types of account
- Types of service
- Types of client

**3.14** Remember why internal escalation procedures to subject matter experts may be required. Consider:

- Specific products, such as derivatives and equities
- Specific situations in which clients should be directed to internal experts

**3.15** Remember systematic approaches to investment management and clients' investment strategies. Consider:

- Active and passive bond investment styles
- Active and passive equity investment styles

**3.16** Understand the use of relevant investment performance benchmarks.

**3.17** Remember the procedures and requirements for working with clients residing in the United States and other foreign jurisdictions as applicable.



## Element 4: Client complaint handling and reporting

**Summary:** In this element candidates are expected to be able to identify, describe and explain the requirements for client complaints handling. It requires comprehension of Investment Dealers' professional, regulatory and legal obligations regarding complaints. This includes potential client issues, reporting and recordkeeping requirements, and recourse options for dissatisfied clients.

**A candidate should:**

- 4.1 Remember the role of the CIRO, and provincial regulators in the complaints handling framework.
- 4.2 Understand the recourse available to a dissatisfied client, including OBSI, litigation and CIRO's arbitration program.
- 4.3 Understand potential issues with clients that could lead to liability and the potential consequences.
- 4.4 Understand the Investment Dealer's obligations to report complaints and the penalties for failure to report.
- 4.5 Understand the Investment Dealer's obligations to clients, including legislative, contractual and other applicable laws (organizational).
- 4.6 Remember the regulatory requirement for Investment Dealer policies and procedures on reporting, dealing with and maintaining records of client complaints for retail and institutional clients.
- 4.7 Understand prohibited practices for entering into settlement agreements with clients. Consider:
  - Settlement agreements without the Investment Dealer's approval





## Element 5: Market and company analysis

**Summary:** This element provides an overview of economic and corporate factors that can affect the valuations of financial assets and investor return. Candidates are expected to list and define basic macroeconomic theories, and how factors such as central banks and fiscal policy affect financial markets. Candidates are also expected to identify sources of information and ways of using information to provide meaningful insight.

### A candidate should:

#### 5.1 Remember the basic economic theories. Consider:

- Keynesian, monetarist and supply-side theories
- How fiscal and monetary policies interact
- How interest rates are determined, and how they affect inflation
- Market equilibrium
- The business cycle/economic cycle
- Determinants of long-term economic growth
- International trade, balance of payments and exchange rates

#### 5.2 Understand the factors that influence the macroeconomy. Consider:

- Central banks, monetary policy and the Bank of Canada
- Government fiscal policy, and government intervention

#### 5.3 Remember sources of information and economic indicators used to analyze:

- Business conditions
- The labour market and unemployment
- Inflation and the Consumer Price Index

#### 5.4 Remember the basics of how macroeconomic factors affect the financial markets. Consider:

- Investor expectations and the price of securities
- Capital markets and the needs of clients
- Valuation techniques and models
- Economic reports

#### 5.5 Remember how to analyze industry performance. Consider:

- The sources of, and use of, information regarding industry classifications and valuations
- How industry performance changes during the stages of the business cycle/economic cycle

#### 5.6 Remember the tools used to analyze company performance and what they show. Consider:

- Financial statements (financial position, comprehensive income, changes in equity, cash flow)
- Reports (notes to financial statements and auditor's report)
- Continuous disclosure

#### 5.7 Understand the purpose and implications of rules relating to companies. Consider:

- Takeover process and legislation
- Insider bid and issuer bid regulations
- Rules of company disclosure
- Statutory rights of investors

#### 5.8 Remember the basic market theories in relation to stock market behaviour. Consider:

- Fundamental analyses
- Quantitative analyses
- Technical/statistical analyses

#### 5.9 Remember the purpose of tools, technical reports and other relevant sources of information in technical/statistical analysis.





## Element 6: Market integrity, trade execution and settlement

**Summary:** This element requires a detailed understanding of key requirements under the Universal Market Integrity Rules, including the application of gatekeeping obligations to market scenarios. Candidates should also be able to recall the processes for entering specific order types, settlement, and delivery.

**A candidate should:**

**6.1** Understand the Universal Market Integrity Rules (UMIR) covering:

- Best execution
- Manipulative and deceptive practices
- Specific unacceptable activities
- Front running
- Direct electronic access and routing arrangements
- Principal trading

**6.2** Understand UMIR gatekeeping obligations. Consider:

- The application
- The purpose
- The requirements

**6.3** Apply the regulatory requirements applicable to gatekeeping in relation to manipulative and deceptive practices, specific unacceptable activities and front running. Consider:

- The client's typical financial activity and patterns to identify suspicious transactions
- How to identify and escalate suspicious transactions
- Possible insider trading activity and violations
- Applicable regulatory frameworks on whistleblowers

**6.4** Remember the basic function and purpose of:

- Investment banking
- Research
- Corporate finance

**6.5** Understand the process of entering orders, and the settlement and delivery process that follows. Consider:

- How an Investment Dealer manages trades

- The various trading desks
- Algorithmic trading

**6.6** Understand the features of different types of orders. Consider:

- Limit order
- Market order
- Immediate or cancel
- Fill or kill
- On-stop orders
- Iceberg orders
- Short sales

**6.7** Understand processes for handling order variations, cancellations and corrections.

**6.8** Understand Investment Dealer requirements to confirm orders with clients, including fees and commissions.

**6.9** Remember features of various types of account. Consider:

- Advisory accounts
- Order execution only accounts
- Managed accounts
- Discretionary accounts
- Margin accounts

**6.10** Remember the margin requirements. Consider:

- The purposes
- The general application
- The impact of short and long positions

**6.11** Remember the need for a specialized trading agreement with the client for derivative accounts.

**6.12** Remember applicable reporting obligations to firms and regulators.





## Element 7: Securities, managed products, mutual funds and other investments

**Summary:** This element requires a candidate to be able to identify, describe and explain the types, features, risks, and returns of securities and managed products, such as mutual funds. Candidates must demonstrate an understanding of the main considerations affecting current or potential investors in these products and instruments.

**A candidate should:**

- 7.1** Understand the types of asset classes generally sold by and traded at an Investment Dealer. Consider:
- Cash and cash equivalents
  - Fixed income
  - Equity
  - Commodities
  - Derivatives
- 7.2** Understand the types and features, and risks and returns of equities. Consider:
- Common shares
  - Preferred shares
- 7.3** Understand the main consideration affecting a shareholder or potential shareholder. Consider:
- Market access to equity trading in Canada
  - Information sources for equity products
  - Decisions between managed products or individual equities
  - Comparing passive vs. active equity portfolio management
  - Advantages and disadvantages of share ownership
  - How dividends are declared, received and taxed
  - Impact of stock splits and consolidations

- 7.4** Understand the types and features, and risks and returns of fixed income securities and products. Consider:
- Government bonds
  - Corporate bonds
  - STRIPs
  - Treasury bills and commercial paper
- 7.5** Understand the main considerations affecting a holder, or potential holder, of fixed income securities. Consider:
- Market access to debt trading in Canada
  - Information sources for fixed income products
  - Comparing passive vs. active fixed income portfolio management
  - Advantages and disadvantages of bond ownership
  - How coupons are declared, received and taxed
  - The difference between bond coupon and bond yield
  - Components of assessing bond risk: term, credit rating and duration
  - Factors that affect the bond yield
- 7.6** Understand the purpose and uses of market indices. Consider:
- How index values are constructed
  - Index vs. average
  - Market value weighted vs price weighted index
  - Price return vs total return
  - Asset class, sector, country, international
  - How indices are used
  - Market summary
  - Benchmarking performance





**7.7** Understand the types of pooled products:

- Mutual funds
- Closed ended funds
- Exchange-traded funds (ETF)
- Real estate investment trusts (REIT)

**7.8** Understand the features, risks and returns of managed products. Consider:

- Mutual fund trusts
- Mutual fund corporations
- Income trusts
- Closed-ended funds
- Exchange traded funds
- Wrap funds/fund of funds
- Pooled funds

**7.9** Understand the main considerations affecting an investor, or potential investor in managed products. Consider:

- Access to managed products in Canada
- Information sources for managed products
- Range of exposures available
- Asset classes
- Sectors
- Geography
- Diversification/concentration
- Advantages and disadvantages of managed products
- The impact of fees, turnover and taxes on managed product returns

**7.10** Understand the main considerations affecting an investor, or potential investor in mutual funds. Consider:

- Access to mutual funds in Canada
- Information sources on mutual funds, including the Fund Fact document
- Mutual fund management styles
- Advantages and disadvantages of mutual funds
- Risk ranking methodologies
- Decisions between managed/pooled products or specific security
- Pricing methods
- The impact of costs and charges

**7.11** Understand the main considerations affecting an investor, or potential investor in exchange-traded funds (ETFs). Consider:

- Access to ETFs in Canada
- Information sources on ETFs, including the ETF Facts document
- Pricing: market price vs net asset value (NAV)
- ETFs management styles
- The use of leverage
- Advantages and disadvantages of ETFs over mutual funds
- The impact of costs and charges

**7.12** Remember the types, features, risks, returns, advantages, disadvantages, costs, and product disclosure requirements of the following other investments:

- Hedge funds
- Structured products
- Alternative investment funds
- Crypto assets
- Environmental, social and governance-related products





## Element 8: Derivatives

**Summary:** This element provides an overview of derivatives. It requires candidates to state and define the features and uses of options, futures, and other derivatives. Candidates must also be able to define some basic derivative trading strategies and be aware of administrative requirements and prohibited trading practices.

**A candidate should:**

**8.1** Remember the main features of options contract types. Consider:

- Puts and calls
- American-style options
- European-style options

**8.2** Remember the main features of other types of derivative contract types. Consider:

- Futures
- Forwards
- Swaps
- Contracts for difference (CFDs)

**8.3** Remember the basic uses of derivatives. Consider:

- Risk management/mitigation through hedging
- Speculative trading
- Arbitrage trading

**8.4** Remember the basic transactional elements of futures and options. Consider:

- Market access
- Underlying interest
- Premium
- Main factors that impact the premium
- Price of the underlying asset
- Strike price
- Time to expiry
- Volatility
- Expiry dates
- Mark-to-market

- Margin
- Leverage

**8.5** Remember differences between listed and over-the-counter derivative markets.

**8.6** Remember the single and multi-legged strategies for trading futures, options and similar derivative contracts:

- Bullish strategies
- Bearish strategies
- Neutral strategies
- Income-producing strategies
- Spread strategies
- Volatility strategies

**8.7** Remember the administrative requirements of derivative trading with clients. Consider:

- Derivatives Account Application
- Derivatives Trading Agreement
- Letter of Undertaking
- Margin Agreement Form
- Derivatives Risk Disclosure Statement
- Managed and Discretionary Account Agreements
- Monthly account statements
- Trade confirmations

**8.8** Remember prohibited derivative trading practices. Consider:

- Trading while under margin
- Trading beyond margin or credit limits
- Cumulative losses exceeding risk limits





## Element 9: Conflicts of interest and ethics

**Summary:** This element requires a detailed understanding of identifying and managing conflicts of interest and the role of ethics in the investment industry, together with the ethical and legal responsibilities of Investment Dealers and their representatives to clients. Candidates will analyze ethical dilemmas, apply independent judgment and critical thinking skills to provide considered responses on the course of action to take. The section also highlights the importance of information security.

**A candidate should:**

- 9.1** Understand the importance of an Investment Dealer managing conflicts of interest.
- 9.2** Understand the process of conflicts of interest management. Consider:
- Identification of potential and existing conflicts of interest
  - The responsibility to avoid conflicts of interest in the best interests of the client
  - The responsibility to address conflicts of interest in the best interests of the client
  - The responsibility to disclose conflicts of interest in the best interests of the client
- 9.3** Understand an Investment Dealer's ethical and legal responsibilities to clients.
- 9.4** Understand importance of ethics and how it relates to rules.
- 9.5** Understand the importance of ethical principles and standards of conduct for Approved Persons and Investment Dealers.
- 9.6** Understand CIRO and other ethical standards of conduct.
- 9.7** Understand types of inappropriate or prohibited personal financial dealings with clients.
- 9.8** Remember the requirements of employees and Approved Persons in respect of positions of influence. Consider:
- Client restrictions for individuals in a position of influence
  - Existing and reasonably foreseeable material conflicts of interest
  - Written disclosure, where applicable
  - Reporting obligations, where applicable
- 9.9** Apply the requirements governing an Approved Person's activities outside an Investment Dealer. Consider:
- Consideration for potential client confusion or conflicts of interest
  - Effective controls and appropriate supervision
  - Applicable due diligence process for approvals
  - Appropriate record-keeping
- 9.10** Remember the requirements for Investment Dealers to have policies and procedures for maintaining client confidentiality.
- 9.11** Understand the purpose and methods of controlling information. Consider:
- Information barriers and firewalls
  - Grey and restricted list
- 9.12** Understand the role of cybersecurity in the containment of confidential information.



