

**Comments received in response to Bulletin 24-0206 – Administration Bulletin – Rule amendments - Request for comments – Proposed Proficiency Model – Approved Persons under the Investment Dealer and Partially Consolidated Rules**

On July 4, 2024, CIRO issued Administrative Bulletin [24-0206](#) requesting comments on the Rule amendments - Proposed Proficiency Model for Approved Persons under the Investment Dealer and Partially Consolidated Rules. We received 17 letters from the following commenters:

Canadian Advocacy Council (CFA)

Canadian Bankers Association (CBA)

Canadian Independent Finance and Innovation Counsel (CIFIC)

Canada Life (CL)

Edwards Jones (EJ)

Federation of Independent Dealers (FID)

Financial Planning Association of Canada (FPAC)

FP Canada (FP)

IG Wealth Management (IGWM)

Investment Funds Institute of Canada (IFIC)

Investment Industry Association of Canada (IIAC)

Kenmar Associates

Learnedly

PFSL Investments Canada Ltd. (PFSL)

Portfolio Management Association of Canada (PMAC)

Renno & Co (RC)

TMX Group (TMX)

A copy of these comment letters are publicly available on CIRO’s website ([Consultations](#)). The following table summarizes these comments and our responses:

SUMMARY OF COMMENTS	CIRO RESPONSE
<b>General Comments</b>	
<p>1. One commenter supports the proposed Proficiency proposal’s objectives and urges CIRO to provide timely, clear and fulsome information and guidance throughout the implementation and transition periods in order to (i) proactively identify and address policy and implementation challenges, and (ii) ensure that the policy, procedural, training and technology changes that the Proficiency proposal will require are implemented as efficiently and effectively as possible. (IFIC)</p>	<p>We acknowledge the comments.</p> <p>We have started the process of consulting with stakeholders on implementation and transition matters and plan to provide further information and guidance throughout the implementation and transition periods as needed.</p>
<p>2. One commenter is broadly in favour of the new proficiency model for Approved Persons and notes the importance to provide clarity and guidance to education providers, firms, and other stakeholders seeking to develop training and courses in preparation for the exams to meet minimum standard for knowledge and competency.</p> <p>The same commenter recommends CIRO develop and publish a technical Body of Knowledge to provide additional clarity about the types and level of knowledge required by Approved Persons. (FP)</p>	<p>See response in #1.</p> <p>As discussed in the Bulletin, exams for each Approved Person category will be based on the published competency profiles. These competency profiles and detailed reference documents have already been published and are available as a resource to education providers, firms, and other stakeholders. Please visit <a href="#">Bulletin 23-0138 Competency Profiles for Approved Persons (Investment Dealers)</a> for further information.</p> <p>Additionally, for each exam we will develop and publish an exam blueprint or syllabus, which will be mapped back to the applicable competency profile.</p> <p>Note that we will use syllabus going forward although we have used blueprint and syllabus interchangeably to date.</p>

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<p>3. Commenters are supportive of the changes made to CIRO's proposed proficiency model. (TMX, RC)</p> <p>Periodic renewal of proficiency requirements for Canada's investment professionals helps to ensure that market participants continue to meet high standards of education, skill and competence, all of which help to ensure the proper functioning and efficiency of Canada's investment industry and capital markets. (RC)</p> <p>One of the commenters particularly support the changes proposed to the Trader category to have a single profile and proposal to extend the proficiency requirement to include competencies on derivatives, in addition to training mandated by a marketplace. (TMX)</p>	<p>We acknowledge the comments.</p>
<p>4. One commenter urges CIRO to consider all the various regulatory changes that are underway and look for ways to reduce the impact on dealers and Approved Persons.</p> <p>The same commenter also suggests that CIRO establish a formal implementation committee with industry stakeholders to help identify and address questions and concerns on an ongoing basis as this important initiative is rolled out. They also question how the new proficiency model will affect CE, including any changes to CE reporting requirements. (CBA)</p>	<p>We are continuously considering the impact of changes. We also actively consult with various industry groups including working group set up to consult and review exam delivery needs of dealers and have started the process of recruiting industry subject matter experts for our syllabus and exams. Similarly, we will be consulting with the industry for other implementation related matters such as setting out a guidance for relevant experience.</p>
<p>5. One commenter thanks CIRO for the many positive amendments to the proficiency model and makes recommendations including harmonization for all CIRO members, exam content, study guides and competency profiles be subject to expert preparation and</p>	<p>We acknowledge the comments and suggestions.</p> <p>Competency profiles have been finalized and published. We are on target to launch the new proposed model on January 1, 2026. We are working towards implementing the new model to commence on January 1, 2026.</p>

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<p>annual review, and suggestions to expand the CIRO Proficiency Committee.</p> <p>The same commenter also commends CIRO's efforts to address proficiency requirements on a strict timeline. As revised exams and exam content are being carefully considered across registration categories, and competencies have not yet been finalized, they recommend a revised start date with corresponding amendments to currently proposed dates. Should CIRO wish to align the revised start date to CE cycle, they suggest that a revised start date may be January 1, 2028. (IIAC)</p>	
<p>6. One commenter fundamentally agrees with the approach taken by the CIRO for determination of proficiency among Approved Persons. They believe an open process focusing on competency, assessed by well-designed and well-administered exams, will make the Canadian securities sector more efficient and fairer to its consumers.</p> <p>The commenter also strongly supports the proficiency model allowing prospective Approved Persons and firms select from the widest possible range of paths to learn the requisite material, with CIRO's focus being on the delivery of valid exams.</p> <p>(FPAC)</p>	<p>We acknowledge the comments.</p>
<p>7. We recommend CIRO host a recorded webinar once the new proficiency requirements are finalized and should thoroughly explain the new proficiency model; registration categories; CIRO's new role in exam administration; training; grandfathering; transition plans; and continuing education (CE) credits — essentially covering all the proposed changes. A question-and-answer period at the end of the webinar as well as an FAQ (and</p>	<p>We acknowledge the comments. We will consider the comments when deciding on the appropriate means of communication.</p>

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<p>recording) posted to the CIRO website would also be valuable tools for Investment Dealers, who could then provide additional, firm-specific training as needed. (CIFIC)</p>	
<p>8. One commenter notes that there does not appear to be any guidance outlining the requirements for transition between Approved Person categories (i.e., IR to RR, RR to APM or PM, mutual fund to RR, etc.). The commenter questions whether the transition will involve a combination of exams and firm-led training? (CBA)</p>	<p>We are not clear on which transition the commenter is referring to. We have proposed a couple of transitional related provisions under Part B of proposed Rule 2600.</p>
<p><b>Comments on no mandatory courses tied to exams</b></p>	
<p>9. One commenter strongly supports the proposal for no mandatory courses. They believe any exam writer should have access to choice in the market and note there are numerous private and non-profit entities in Canada today capable of delivering education based on a widely understood proficiency model and some degree of transparency about exam processes. This model has worked in other markets, including the United States.</p> <p>The commenter encourages CIRO to consider specific steps such as conducting an annual conference or similar activity to communicate trends and patterns of exam takers to those entities supporting prospective Approved Persons. For the exams that are likely to see so few writers that the private sector might not consider course development worthwhile, find a way to subsidize course development costs. (FPAC)</p>	<p>We acknowledge the comments. We will consider the comments when deciding on the appropriate means of communicating updates. We will also consider the comment, following implementation of the model and assessing where there are gaps with respect to opportunities to learn.</p>

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<p>10. One commenter would like to see a core syllabus or list of mandatory topics to ensure a standardized baseline of knowledge is delivered through all training providers. (FID)</p>	<p>We will be providing an exam syllabus for each exam which will provide clarity about the types and level of knowledge required for each exam.</p>
<p>11. One commenter is happy to see that CIRO has responded to previously raised concerns and will introduce an exam blueprint or syllabus with information such as topic weightings and sample exams to assist preparing candidates. (CFA)</p> <p>The same commenter notes that CIRO should be mindful of the economic incentives of the industry of exam preparatory vendors that will develop around the exams, as they have residual concerns about misleading representations and advertising to industry aspirants as to their job prospects relating to the passage of one or more exams in isolation. They urge CIRO to explore this reality further and consider publishing a roadmap for industry aspirants that they may consider when deciding on investing in exam preparation. (CFA)</p> <p>Another commenter also suggests that CIRO should consider preparing a guide on how students select a course provider (Kenmar)</p>	<p>We acknowledge the comments.</p> <p>We are mindful of the economic incentives mentioned. We plan to prepare a guide with information on how individuals can prepare for exams, including what to look for when considering a prep provider.</p> <p>We will not oversee preparatory courses or course providers, in keeping with best practice for regulators to adhere to a regulatory mandate to only oversee licensure examinations, instead of dealing with or even recommending commercial preparatory courses and providers. This is to ensure we avoid any potential for scope creep.</p>
<p>12. One commenter recommends CIRO accredit or endorse select courses or institutions and notes that in a model without accreditation, they recommend that CIRO produce study guides that define the body of knowledge associated with the competencies for each exam. Study guides will also help discourage low quality preparatory courses from being developed. It is the combination of knowledge, examination, experience and CE that will contribute to increased retail investor confidence and protection. (Kenmar)</p>	<p>At this time, we will not be considering the accreditation of preparatory courses or providers. We may consider this at a later time after the proficiency model has launched and we have had time to review and evaluate the model and are in a better position to evaluate prep course providers.</p> <p>For each exam, we plan to make available the following in both English and French:</p> <ul style="list-style-type: none"> <li>• An exam syllabus,</li> </ul>

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	<ul style="list-style-type: none"> <li>• Applicable CIRO Approved Person competency profile,</li> <li>• A sample exam.</li> </ul>
<p>13. One commenter agrees that a more demanding exam coupled with a higher passing mark could result in an increase in the probability of proficient practicing RRs but the regulatory standard itself is not being raised.</p> <p>Enhanced CE should also help increase the percentage of RRs that are proficient to meet the existing standards, rules and regulations. (Kenmar)</p>	<p>We acknowledge the comment and disagree with the comment that the regulatory standard is not being raised. The model is intended to raise the proficiency bar, and improve alignment with firm training, and improve program currency and relevancy, being more responsive to industry change. As noted in the bulletin, we plan to provide 1 to 3 hours of mandatory CE on an annual basis for all Approved Persons to ensure that they keep up to date with those matters which we find are of utmost importance in a given year.</p>
<p>14. One commenter agrees that the general exam requirement is the appropriate outcome. They believe the exam should be based on a competency profile developed based on best practices. The competency profile should be widely available. It should be updated at least triennially.</p> <p>The competency profile should be rigorous. It should discriminate between those who will do the best thing for their clients and those who will not. It should assure a level of knowledge roughly equivalent to the securities-specific knowledge that a graduate of a four-year undergraduate degree in finance would demonstrate.</p> <p>The exam should be based on psychometric best practices. There should be substantial transparency about the exam and its outcomes.</p> <p>(FPAC)</p>	<p>We acknowledge the comments. The competency profiles are available and will be updated periodically.</p> <p>CIRO examinations will be designed according to psychometric best practices and use the competency profiles as the source of truth. To ensure transparency and alignment between the competency profiles and the assessments, CIRO will develop an examination syllabus (also referred to as a blueprint). The syllabus will describe in detail: the measurable learning outcomes derived from the competencies, the level of difficulty</p>

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	<p>of each learning outcome against Bloom’s learning hierarchy (a widely used and research validated learning taxonomy), examination coverage, and examination question weightings. In addition, CIRO will produce a sample exam. These outputs will allow stakeholders to clearly see the chain of logic linking the competency profiles with the examination used to assess proficiency.</p>
<p>15. One commenter supports CIRO’s proposed general exam and active involvement in the exam design process, and notes that exam governance must be robust regarding design, questions, security, time to complete, location, administration and grading. A large question bank is needed to prevent repetition. The governance regime should be made public.</p> <p>The same commenter suggest that exams should utilize computer-adaptive testing technology. A computerized adaptive test is a computer-based exam that uses algorithms to tailor its test question difficulty levels to the individual test taker, depending on that examinee’s previous correct and incorrect answers. (Kenmar)</p>	<p>Over the course of the next year, we will be finalizing our exam development process, (i.e., structure, administration and standard score setting), and the overall exam governance process starting from the initial build through to the on-going maintenance and periodic updates to reflect changes to regulatory requirements. Details relating to exams will be available once we are further along in our exam development process. We will also ensure that there is a reasonable question bank for each exam to ensure the integrity and security of the exams being offered. We will be working with a vendor with expertise to assist us with certain elements of the services required, including exam design and governance. We expect to provide more relevant details in due course.</p>
<p>16. One commenter disagrees that an exam blueprint and competency profile alone are considered acceptable materials to create an opportunity for learning; they provide a foundation on which to build learning materials but they are not sufficient to deliver a memorable learning experience.</p> <p>They believe that a structured education program or formalized education program is necessary for an assessment-based proficiency model. Even if it is not mandatory, a comprehensive study program should be made available for industry students,</p>	<p>We have considered other regulatory approaches and the appropriate model for our regulatory framework. While there will not be mandatory courses and the exams will be based on published competency profiles, as previously noted, we will be publishing syllabuses, including exam parameters (i.e. exam governance, types and structures) and sample exams, and guides to candidates. Those who wish to provide prep courses, or candidates who choose to self-study, can leverage off the materials provided.</p>

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<p>member firms, and post-secondary institutions. For context, within the ASIC framework (Australia), exam participants are provided with a compendium of reading resources; and within the MAS framework (Singapore), exams are accompanied by authoritative study manuals which are recognized by the regulator. (Learnedly)</p>	
<p>17. One commenter recommends a Roundtable be held with stakeholders to discuss and debate select components of the proposed proficiency model, either before and/or after the consultation closes. (Kenmar)</p>	<p>We have been consulting on the proficiency model and will continue to consult on various parts of the model as noted in this document. We will consider whether a roundtable discussion would be beneficial.</p>
<p><b>Comments on APM and PM proficiencies</b></p>	
<p>18. One commenter supports the proposal to continue to require APMs and PMs be subject to the same proficiency requirements as AARs and ARs as prescribed in NI 31-103 in the Proposed Amendments, and CIRO's proposal that if an APM or PM will manage a portfolio that includes derivatives, that they be required to complete the derivatives exam contemplated in the Proposed Amendments. (PMAC)</p>	<p>We acknowledge the comments.</p>
<p>19. One commenter noted concerns that CIRO is delegating at least some authority to the CFA Institute (with regards to the CFA Charter) and to CSI (with regards to the CIM® designation). They believe this is only appropriate to the extent that those entities</p>	<p>We disagree with the comment on delegation of authority. As noted in the Bulletin, we are aligning the requirements with those under NI 31-103.</p> <p>The same relevant investment management experience as currently prescribed in IDPC and NI 31-103 are included in the</p>

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<p>demonstrate that they are meeting similar standards to the standards adopted by CIRO as part of this overall process.</p> <p>(FPAC)</p>	<p>proposed rules and individuals' relevant investment management experience (RIME) must be acceptable to the Corporation.</p>
<b>Comments on derivative proficiencies</b>	
<p>20. One commenter suggests that the exemption in 2625(3) may be further clarified by referring to the same (as opposed to legacy) options or futures contract, futures contract options. Also, in efforts to consolidate regulatory expectations within the rules, CIRO's expectation, as set out in its executive summary to this Consultation, that these individuals qualify their titles with "options only" or "futures only," should be included in the rule. (IIAC)</p>	<p>We acknowledge the comment and do not agree that "same" is more clear than "legacy". The proposed rule was drafted for consistency with Derivatives Rules Modernization. We do not agree that specifics of titles should be included in the rule; dealers and Approved Persons have an obligation to use titles that are not misleading.</p>
<p>21. One commenter notes that the derivatives exam relates to some of the riskiest instruments available. They hope that the difficulty is directly correlated to the harm that can be done to a client with this exam and other CIRO exams. They believe that a person should demonstrate the highest possible level of competency with derivatives and leverage before they can engage in any business with derivatives.</p> <p>(FPAC)</p>	<p>We plan to have exams that will appropriately assess the competencies of our published competency profiles. Our competency profiles are for highly competent and compliant Approved Persons from a regulatory perspective. Over the course of the next year, we will be finalizing our exam development process and will ensure that the exam designed is robust and set at an appropriate level to ensure those who understand all derivatives principles are successful in passing the exam. We also note that, irrespective of whether an individual passes an exam, whether they can trade in futures will continue to depend on whether their dealer is permitted to trade in futures, and whether the dealer permits the individual to trade in futures upon approval. Additionally, under the new proficiency model, we have introduced a baseline education/experience requirement for RRs, which is raising the bar.</p>

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<b>Comments on firm sponsorship</b>	
<p>22. Commenters welcome the removal of the firm sponsorship requirement in order to be eligible to write an Approved Person exam. (FID, CIFIC, IGWM)</p> <p>Another commenter notes that as firm sponsorship is no longer required, Rule 2604(1)(ii) does not appear necessary and adds avoidable administration. (IIAC)</p>	<p>We acknowledge the comments.</p> <p>Rule 2604(1)(ii) is not related to firm sponsorship in order to be eligible to write a CIRO exam. Rule 2604(1)(ii) clarifies the dealer’s obligation to ensure the individual has received the appropriate training for the business and client type to reflect the proficiency principle and ongoing training requirement. Ongoing training may be applied to meet prescribed Continuing Education Requirements.</p>
<p>23. One commenter questions the appropriateness of firm sponsorship letters for Approved Persons before writing an exam. They believe Approved Persons should be able to exercise mobility between firms and by requiring sponsorship letters, they fear that Approved Persons, especially those early in their careers, may feel that their mobility is restricted. Employers should not be able to restrict an employee’s career potential. (FPAC)</p>	<p>Contrary to our original proposal, we will not require confirmation of firm sponsorship as part of the eligibility criteria and instead will rely on confirmation from individuals who enroll in CIRO exams that they intend to take the exams in order to test their competencies that are required in connection with the work they do or plan to do with a CIRO dealer.</p>
<p><b>Specific requests for feedback:</b></p> <p><b>The practicality of the proposed grandfathering provision</b></p>	
<p>24. Commenters support this proposed grandfathering provision. (IFIC, IGWM)</p>	<p>We acknowledge the comments. We will consider the comments when deciding on the appropriate means of communicating updates.</p>

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<p>One commenter notes they reviewed the proposed provisions for grandfathering and transition and have no material concerns. (CFA)</p> <p>Another commenter generally agrees with the proposed grandfathering provisions, noting that as the industry transitions to the new model, there might be a period where educational providers are creating and/or adjusting their programs, potentially presenting a limited availability of course options. CIRO should coordinate with education providers to ensure a smooth transition in this area. (FID)</p>	<p>As discussed in the Bulletin, exams for each Approved Person category will be based on the published competency profiles. These competency profiles and detailed reference documents have already been published and are available as a resource to education providers, firms, and other stakeholders. Please visit Bulletin 23-0138 Competency Profiles for Approved Persons (Investment Dealers) for further information. We also plan to publish additional guidance and information in advance of the implementation date to assist further in a smooth transition in this area. As noted in our timeline, <a href="#">Proficiency   Canadian Investment Regulatory Organization</a>, we plan on information session(s) with education providers to ensure they have the necessary information.</p>
<p>25. Commenters support the proposed grandfathering and transitioning concepts where existing Approved Persons are not required to requalify or take an additional exam to remain registered, provided they continue in the same role.</p> <p>Several commenters have expressed concerns on the lapse in approval considered for someone to continue in the same role and notes that 90 days is insufficient. Commenters have recommended CIRO extend the time period. Suggestions include extending to 120 days, no more than one year, or to a year. One commenter also recommended CIRO consider for individuals who were previously registered for a period of at least four years in good standing, they</p>	<p>We acknowledge the comments.</p> <p>We recognize that any changes to our current proficiency model will require a robust transition plan considering all stakeholders involved. We reviewed some internal statistics and found over a period of two years 67% of individuals were reapproved on average under 90 days, another 22% were reapproved within 91 to 120 days, and 10% were reapproved 121 to 180 days, and 1% reapproved over 181 days or more after cessation. While the majority of individuals were</p>

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<p>should not be required to requalify. While another commenter notes there should be no requirement for existing qualified Approved Persons to requalify with exams unless there are discipline issues.</p> <p>Commenters provided various reasons for the extension including to reduce regulatory burden on registrants who transition between firms, experience health issues, take time away for personal reasons, or suffer from a lack of employment opportunity. One commenter notes the time limit of 90 days is an unnecessary and prejudicial standard for grandfathering that creates barriers for re-entry, contrary to CIRO's objective as stated in the Consultation. Another commenter notes that ongoing CE requirements should be sufficient.</p> <p>(CL, EJ, CIFIC, CBA, IIAC)</p>	<p>reapproved under 90 days, we agree that it is important to facilitate a smooth transition within the industry while raising the bar and as such will extend this time period to 180 days.</p> <p>We are of the view that this proposed approach will allow us to grandfather in the existing Approved Persons, while also taking a step forward towards raising the bar by not grandfathering individuals indefinitely when they cease to be an Approved Person. We have also proposed that anyone who has two or more years of experience in the last three years, prior to requesting approval, will not be required to complete the general exam even if they are not captured by the grandfathering provision.</p>
<p>26. One commenter notes that the exemption contemplated in draft 2625(2)(i) is unclear as it appears to refer to both an applicant for approval and an individual who has experience in an Approved Person category and has met proficiency requirements. (IIAC)</p>	<p>To clarify we have proposed an additional grandfathering provision for those that may not qualify for the general grandfathering provision. Previously Approved Persons who have a minimum of two years of experience in the same Approved Person category within the past three years, will not be required to complete the CIRE. For example, an individual previously approved as an RR, will not be required to complete the CIRE, if they have two years of experience as an RR within the three years prior to reapproval as an RR. Prior to reapproval, this individual would only need to complete the RR securities exam.</p>

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<p>27. One commenter notes they expect grandfathered Approved Persons to perform, be evaluated and supervised in accordance with CIRO proficiency standards and comply with the CIRO Code of Conduct. In any event, they note that dealers must be held accountable for the actions, inactions and negligence of their Registered Representatives. (Kenmar)</p>	<p>We acknowledge the comment. To clarify, new and existing Approved Persons are subject to CIRO’s Rules, including any standard of conduct within the rules and proposed code of conduct training.</p>
<p><b>Specific requests for feedback:</b>  <b>The practicality of the proposed transition provision for those who have enrolled in a CSI exam prior to January 1, 2026, and not yet completed the course and related exam</b></p>	
<p>28. One commenter strongly supports the concept that those currently enrolled in Canadian Securities Institute (CSI) courses should be allowed to continue with minimal disruption. (CL)</p> <p>However, several commenters urge CIRO to reconsider the transition timeline so that courses completed remain valid for three years similar to the course validity under the existing model. For example, instead of having until January 1, 2027, individuals should be given the full three years to complete the exam, satisfy other proficiency requirements and submit their application for registration. (IFIC, CL, IGWM).</p>	<p>We acknowledge the comments.</p> <p>We will not be mandating any courses as prerequisites for our prescribed CIRO exams. Accordingly, the course validity provision, applicable to current courses, under the current model have been proposed to be repealed. Instead, we have proposed an exam validity provision with respect to the proposed prescribed exams. In the proposed model and similar to the existing course validity periods, we have proposed a three-year validity period for the proposed exams, with an additional validity provision to recognize one year of relevant experience during the three-year period prior to the date of application for approval.</p> <p>In the proposed Rule 2629 for individuals that may have started a course prior to the new model, we are providing them with the added flexibility to complete their existing course or they can choose to take the new required CIRO exam.</p> <p>Extending our recognition of these courses would be contrary to our objective to raise the proficiency bar under our new robust proficiency model.</p>

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<p>29. One commenter notes these transition provisions raise a number of practical questions that CIRO should publish guidance on, including whether the CPH is required if someone enrolls in the CSC before Jan 1, 2026 or is the mandatory conduct training replacing the CPH requirement. Another practical question is whether CIRO will reconsider the condition requiring the sponsoring firm to apply for approval by January 1, 2027 as the approval process is yet to be defined, creates unnecessary burden for the firm, and, as a practical matter, includes a deadline occurring during the holiday season which will risk delays in meeting prescribed timelines. (CBA)</p>	<p>Thank you for your comments and specific questions. We will consider them as part of transition related information that we will provide in advance of the implementation.</p> <p>If an individual completed both the CSC and CPH, they could request approval under provision 2629. However, they would still be subject to the post approval training in 2604 including conduct training.</p> <p>With the expiry of the CSI contract as of December 31, 2025, individuals who enroll for a CSI course will have up until December 31, 2026, to complete the exam offered through the CSI. The transition provision in 2629 is providing an opportunity for individuals who have already enrolled in a CSI course before January 1, 2026, to complete the course and related exam, and have it recognized irrespective of the fact that the new model does not otherwise consider them as acceptable proficiencies. Rule 2629 sets out the conditions under which the CSI courses would be acceptable and that includes “the individual would satisfy the proficiency requirements applicable to the same approval category prior to January 1, 2026, upon completion of the course completed in subclause ii.” The proposed rules reflect this approach. We believe this proposal provides flexibility to individuals who are in the midst of completing their courses under the existing proficiency model. We disagree that having the condition that the firm apply for approval by January 1, 2027, creates a burden as firms would already be preparing to apply for approval once an individual has completed their proficiencies. We will provide additional communication and information to dealers with regards to transition matters in advance of the deadline.</p>

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<p>30. One commenter provides by way of housekeeping, draft Rule 2629 should refer to necessary courses (in the plural) where applicable. (IIAC)</p>	<p>We acknowledge the comment.</p>
<p><b>Specific requests for feedback:</b>  <b>The practicality of the proposed transition provision for those who are required to complete the Wealth Management Essentials course</b></p>	
<p>31. One commenter notes that to ensure a level playing field, the RR retail exam should be available at least 35 months prior to the effective date of the rule change.  Condensing the period for completion (i.e., for individuals enrolling in 2025) may jeopardize the registration of Approved Persons.  Firms will need systems implemented to ensure registrants in this transition period are clear on their choices and deadlines.  Significant time and resources will need to be dedicated to creating a system for managing post-licensing requirements (i.e., WME) during the transition period. (CBA)</p>	<p>In proposed rule 2629(2), we proposed that if an individual is subject to the WME post licensing, they be provided with the following options in order to ensure there is a fair level playing field for individuals whose pre-approval proficiencies were under one regime and post approval requirements under the new regime:</p> <ul style="list-style-type: none"> <li>• Complete the WME by the required due date or December 31, 2026, whichever is earlier, or</li> <li>• Complete the new RR retail exam by the required due date.</li> </ul> <p>As discussed in the Bulletin, we aim to publish the final rules for implementation by the second half of 2025 to ensure the launch of January 1, 2026, and to provide stakeholders time to finalize their preparations.</p>
<p>32. One commenter supports this proposal but urges CIRO to publish information that will clarify what “required due date” means. (IFIC)</p>	<p>Under IDPC Rules, RRs have 30-months after their approval date as an RR to complete the WME. The required due date refers to the specific month/day/year that a particular RR must complete their WME by.</p>
<p>33. One commenter suggests CIRO consider providing the additional option of completing the remaining levels of CFA Program instead of the WME, consistent with the exemption available under s. 2929(6)(vi)(a) of the existing IDPC Rules. (CFA)</p>	<p>We acknowledge the comment. We note that the existing exemption under IDPC Rule 2628(6)(vi)(a) is for those individuals who have already completed the WME course and provides an exemption for those that qualify from having to rewrite the course. The discretionary exemption process is</p>

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	<p>available to those individuals who wish to apply to CIRO to consider whether the individual’s experience and/or completion of other alternative exams or courses is an acceptable alternative to the WME requirement.</p>
<p><b>Specific requests for feedback:</b></p> <p><b>The amount of time your dealer needs to update their RR and IR training programs, keeping in mind that the published competency profiles and related sub-competencies will be utilized for providing guidance on the training programs proposed to be completed within 90 days of approval</b></p>	
<p>34. Commenters encourage CIRO to publish as soon as possible, detailed guidance on firm training including CIRO’s expectations on content, permitted activities during training, and reporting. They note that timing is important as dealers would not be able to update their programs until the guidance is provided. (EJ, CBA)</p> <p>One commenter notes that making available a standard or minimum curriculum will significantly ease the burden of creating educational content from scratch at each dealer and external provider. (FID)</p>	<p>As discussed in the Bulletin, rather than rely on prescriptive criteria, we are of the view that dealers need to leverage the published competencies and sub-competencies for retail RRs and IRs to ensure they provide training in each of the sub-competency areas applicable to their business model, and the role of the RRs and IRs at their firm. The guidance that we will provide will be in alignment with published competency profiles which is already publicly available for dealers to start considering. To clarify, we expect dealers to train on each sub-competency area outlined. However, the level of detail and chosen approach to training may be tailored based on their business model. We are of the view that taking this principle-based approach will increase compliance with the proficiency principle as dealers will have the flexibility and responsibility to decide what is appropriate training.</p>
<p>35. Several commenters provided their estimated timeframes which ranged from a minimum period of nine months, one year, to 18 months to give dealers enough time to update or create their training programs. (CIFIC, EJ, IFIC, CBA)</p>	<p>We acknowledge the comments. See response #34. We also plan on publishing additional guidance on dealer training in advance of the implementation date to provide additional clarity. Please refer to the published timeline which will be</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
<p>One of the commenters noted the estimated timeframe will allow dealers to make the necessary operational adjustments, create proper training materials (or select the right third-party vendor) and implement additional relevant compliance procedures, including policies for reporting completion of dealer-led training to CIRO. (CIFIC)</p> <p>Another commenter noted this process includes but is not limited to retaining technical writers, evaluating third-party service providers, designing the curriculum, compliance review, quality assurance testing, and developing a record retention framework. Given the need to create programs tailored to each Approved Person category, the amount of time required may be longer than 18 months. (CBA)</p>	<p>updated as needed <a href="#">Proficiency   Canadian Investment Regulatory Organization</a></p>
<b>Other comments related to dealer training</b>	
<p>36. One commenter notes that CIRO’s alignment with dealer training is positive ensuring there are no gaps, inconsistencies or misinterpretation of securities laws and regulations.</p> <p>The same commenter recommends that training is client focused and include training about vulnerable clients. (Kenmar)</p>	<p>We acknowledge the comment. As discussed in the Bulletin, rather than rely on prescriptive criteria, we are of the view that dealers need to leverage the published competencies and sub-competencies to ensure they provide training in each of the sub-competency areas applicable to their business model, and the role of the RRs and IRs at their firm.</p>
<p>37. One commenter questions the proposal of firm training for the institutional RRs and IRs and requests the proposal be withdrawn. They do not see the practical benefits firm training would bring to the institutional market that would warrant the cost and burden of such programs are not clear. We are also not aware of any issues or concerns arising to date that would require such training programs to be imposed for this market. (CBA)</p>	<p>We are of the view that dealer training is integral to a dealer’s compliance with the proficiency principle. Dealer training is also an integral part of an Approved Person’s proficiency and facilitates their continuous competency in designated roles. Dealers have an on-going obligation to ensure compliance with the proficiency principle and, as such, are required to provide training to their Approved Persons, as needed, to ensure they</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
<p>Another commenter notes that RRs who deal only with institutional clients should be exempted from retail focused training courses. Training needs may vary on a dealer-by-dealer basis. (IIAC)</p>	<p>remain proficient at all times relative to their respective roles. Currently, RRs and IRs who deal with institutional clients do not have a pre-approval training requirement. We are of the view that new RRs and IRs dealing with institutional clients should also be required to complete a dealer training program that is aligned with the competency profile and supports the proficiency principle.</p>
<p>38. One commenter notes that the Investment Dealers they represent believe the 90-day period for completion of dealer firm training is too short and should be extended to 120 days after receiving CIRO approval. (CIFIC)</p>	<p>Currently dealers are required to provide a prescriptive 90-day training prior to approval. We have proposed a more principle-based approach and extended that to “within 90 days of approval” We are unclear of why the extended timeline in comparison to the current requirement is too short.</p>
<p>39. One commenter suggests CIRO have further public consultations on the proposed content and structure of the firm training modules. The commenter notes that the proposed requirement to provide training “within 90 days of approval” and report training completion to CIRO “within 90 days” would be administratively burdensome and impractical compared to the current process, which would avoid the unintended consequences of automatic suspensions. The Consultation (which was limited to investment dealers) states in part: “We find that we have an opportunity to create greater alignment between our competencies and firm training and take a more principle-based approach to firm training in alignment with the Mutual Fund Dealer rules. We note that Mutual Fund Dealer Rules 1.2.4 and 100 do not include a provision for automatic suspension. Alternatively, it would be more practical for dealers to report specific non-compliance to CIRO rather than impose automatic suspensions. (IIAC)</p>	<p>We acknowledge the comments.</p> <p>We have proposed that training be completed “within 90 days of approval” to provide dealers with flexibility in determining the appropriate timing and training for their RRs and IRs based on the published competencies. For example, dealers may have an internal policy to only apply for registration approval after the training program is completed. We would however require that the training be completed and reported to CIRO no later than the 90<sup>th</sup> day after approval.</p> <p>See response in #58 about automatic suspensions.</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
<p><b>Specific requests for feedback:</b></p> <p><b>We are interested to know if dealers will take an active role in training their new hires to prepare for the exams.</b></p>	
<p>40. Commenters note they need more information on the exam framework to make an informed decision, including the form and substance of the exam, timeline for providing exam blueprints and sample exams, availability of third-party training providers, whether CIRO will examine dealer and/or third-party courses/training content, and how CIRO will address any gaps in training if for example, there is a shortage of third-party/non-dealer course providers. (CBA, IFIC)</p>	<p>At this time, we will not be considering the accreditation of preparatory courses or providers. We may consider this at a later time after the proficiency model has launched and we have had time to review and evaluate the model and are in a better position to evaluate prep course providers.</p> <p>We believe there will be adequate opportunities for students to learn and prepare for the CIRO exams through the competitive market. As noted earlier in this document, we will be providing materials such as syllabuses, guides and sample exams to provide that opportunity.</p>
<p>41. One commenter notes they provide training when onboarding individuals and on an ongoing basis. The commenter also encourages individuals to complete professional designations, and fully supports their financial advisors and other associates throughout their career with the dealer. (EJ)</p>	<p>We acknowledge the comment.</p>
<p>42. One commenter notes the absence of mandatory courses creates an opportunity for dealers to do more to help candidates meet the requirements; however, smaller dealers have limited resources. Third-party vendors may need to be engaged to help in that regard and the cost should remain reasonable. (CIFIC)</p>	<p>The proposal does not mandate that dealers train individuals to prepare for exams, although we acknowledge that some dealers may choose to do so. We also understand that some small dealers already do not hire individuals who are new to the industry because there are training requirements that they would need to provide, so instead, they choose to hire individuals who are already qualified. We will consider the comment and plan to publish the relevant materials in advance.</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
<p>43. One commenter believes dealers and educators will need 12 months, at a minimum, after CIRO has published its exam resources to develop education programs and be ready for the transition. The commenter urges CIRO to prioritize the development of its exam-related resources without delay to allow time for stakeholders to develop their respective training and resources, which will also allow time for CIRO to adjust the assessment tools. (Learnedly)</p>	<p>See response in #42. As discussed in the Bulletin, exams for each Approved Person category will be based on the published competency profiles. These competency profiles and detailed reference documents have already been published and are available as a resource to education providers, firms, and other stakeholders. Please visit Bulletin 23-0138 Competency Profiles for Approved Persons (Investment Dealers) for further information.</p>
<p><b>Specific requests for feedback:</b>  <b>We are interested to receive comments on the relevant experience proposed and the types of experiences that dealers find common and relevant.</b></p>	
<p>44. One commenter notes hiring decisions should rest with the dealer who is best placed to select the most fitting job candidates from its available options. The commenter recommends CIRO defer to a dealer’s professional judgment in their determination of an individual’s relevant education and experience and has also suggested updating language in the proposed Rules.  (IIAC)</p>	<p>We acknowledge the comment. Dealers may be in the best position to determine the relevant experience and education that best suits their specific unique business needs. This should not be conflated with CIRO’s gatekeeper function. CIRO has an important regulatory function to assess proficiency and ensure only qualified individuals are approved. We will provide guidance on what CIRO considers as acceptable, to help streamline the process for when dealers are considering an individual and applying for approval.</p>
<p>45. Commenters request CIRO provide guidance and additional information about “relevant experience” for RRs well in advance of the implementation date of the new proficiency program. (CIFIC, CL, IFIC, EJ, Kenmar, CBA)  One of the commenters have also noted that CIRO has not articulated why it was deemed necessary to double the proposed</p>	<p>We understand that dealers would likely benefit from some guidance on what would be relevant experience and we plan to publish such guidance in advance of the implementation of the new proficiency program.  We have prioritized the need for those who have core regulatory responsibilities to have a certain level of education or experience before undertaking an Approved Person role. In</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
<p>baseline experience requirement for RRs to four years, rather than two years as originally proposed. It is difficult to assess the reasonableness of the increase as this would depend on what “relevant experience” would mean, which has not yet been clarified through proposed guidance. (CBA)</p> <p>Another commenter supports the alternative experience requirement for RRs; however, recommends that CIRO retain the original two-year experience requirement. (IFIC)</p>	<p>particular, we are of the view that a baseline education (i.e., accredited diploma or degree), or four years of relevant experience, is a necessary first step before being approved in a role as an RR. A baseline education requirement for RRs will specifically enhance our proficiency regime and is consistent with our public interest mandate, which includes investor protection. While it is important to raise the proficiency bar, it is also important to ensure that we do not create unnecessary barriers to entry by limiting the types of individuals who may work as an RR to those who have specific types of degrees. Individuals from diverse backgrounds may be competent to serve the investing public considering that, in addition to the baseline education or experience proposed, the individuals will also have to demonstrate their competence by completing the prescribed exams and training. The objective is to raise the bar without creating unnecessary barriers. We are of the view that the proposed approach strikes this balance.</p>
<p>46. One commenter remains unconvinced that the typical Dealer operating environment can replicate the rigor of a university experience. A number of jurisdictions including Australia (ASIC) apparently agree by requiring a relevant degree.</p> <p>The same commenter is concerned that four years of investment industry experience is not a reliable proxy to ensure individuals have the communication, critical thinking analytical and problem-solving skills and competencies afforded through achievement of a relevant degree from an accredited university. Experience may be limited due to a Dealer's business model, product shelf, service offering, training program, reward system or corporate culture. Experience should be continuous, not staggered over different times and Dealers. (Kenmar)</p>	<p>We have proposed to require a diploma or degree from an accredited post-secondary institution on the basis that many types of post-secondary education may offer a candidate the required skills and meet our objective. We have also proposed four years of relevant experience acceptable to the Corporation as described in the Bulletin. We looked at the ASIC model as part of our review of relevant proficiency related standards and best practices taken up by other regulatory bodies, as described in the Consultation Paper. We concluded that ASIC model, which publishes a list of approved degrees and equivalent qualifications, is not aligned with the principle-based approach offered through the proposed model and our view on the application of the proficiency principle. We are of the view that with the proposed approach, we strike the right</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
	balance between raising the bar and not creating unnecessary barriers to entry by mandating specific types of diplomas or degrees. As noted above, CIRO will continue to exercise its gatekeeper responsibilities.
<p>47. One commenter notes that in addition to experience advising on the sale of securities gained at a dealer member, experience in financial services such as financial planning, insurance, or advising on the sale of mutual funds gained at a mutual fund dealer, must qualify as relevant experience for RRs. (CL)</p>	<p>We acknowledge the comments. We will consider the comment in advance of publication of the guide relating to relevant experience.</p>
<p><b>Comments on baseline education for RRs</b></p>	
<p>48. Commenters requests clarification and guidance on which educational degrees would be relevant, including a definition of relevant education streams. For example, disciplines such as finance, economics, quantitative methods, law and business administration may be considered relevant. Would those obtained outside of Canada or through non-traditional educational pathways also be considered relevant or would an exemption be required. Guidance on relevant experience should be unambiguous so that dealers can have as much certainty as possible during their hiring process.(EJ, RC, Kenmar)</p>	<p>We will consider the comments and provide information as part of the related guidance on this requirement in advance of the implementation. We propose to accept diplomas and degrees from either foreign or domestic accredited post-secondary institutions, which demonstrate a baseline level of analytical and communication skills that will allow an individual to understand and apply the competencies relevant to their Approved Person role.</p>
<p>49. Two commenters recommend CIRO to reconsider the educational requirement for RRs noting several reasons, including it:</p> <ul style="list-style-type: none"> <li>○ creating a barrier to entry,</li> <li>○ imposes significant time and financial burdens,</li> <li>○ creates inequity in the industry,</li> <li>○ disproportionately affects immigrants</li> </ul>	<p>We acknowledge the comments. See our response in #44 and #45</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
<ul style="list-style-type: none"> <li>○ most degrees or diplomas having no relation to the industry</li> </ul> <p>One of the commenters note that licensing exams and continuing education are sufficient baseline requirements, an exam-centric model ensures consistency and diverse pathways enrich the industry. Many RRs hold multiple licenses, such as in investments and life insurance, which provide them with the expertise to better serve their clients—far more relevant than an unrelated degree or diploma. They believe it is the dealer’s responsibility to assess an individual’s competency and suitability to perform the role of an RR and serve the investing public in a competent, ethical, and compliant manner.</p> <p>(FID, PFSL)</p>	
<p>50. One commenter views the proposal for a degree or diploma from an accredited post-secondary institution to be inconsistent with the stated principles and may unnecessarily exclude individuals who would otherwise possess the required maturity and skills.</p> <p>The commenter strongly urges CIRO to similarly consider applying a principles-based approach to the assessment of RRs experience profile as CIRO does for APM and PMs experience. Experiences should also be considered broadly to determine whether they provide or demonstrate maturity, analytical skills or communication skills.</p> <p>The commenter acknowledges that CIRO’s existing exemption process may potentially mitigate some of the issues raised but the process can be lengthy, complex and costly. They encourage CIRO to publish all proficiency exemption decisions to enhance transparency and also strongly recommends CIRO develop and publish clear and comprehensive guidance, relating to the</p>	<p>We acknowledge the comments. See our response in #45.</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
assessment of both baseline education and relevant experience. (IFIC)	
51. One commenter raised some concerns about education and remote areas and Indigenous communities. They note there is some evidence to suggest that Indigenous Canadians are underrepresented among post-secondary graduates. They believe CIRO intends to follow the spirit of Truth and Reconciliation and hopes that we will not implement policies that are contrary to this. The commenter suggests that CIRO could allow those who can demonstrate First Nations heritage an exemption to any education requirements. (FPAC)	We acknowledge the comment and will consider it as part of our review of the relevant experience discussions and guidance.
<b>Comments on experience for Executives</b>	
52. Commenters request CIRO provide guidance and additional information about “relevant experience” for Executives, and UDPs well in advance of the implementation date of the new proficiency program. (CIFIC, CL, IFIC, EJ, CBA)	We plan to provide guidance in advance of the implementation of the model. We hope to publish this in Spring of 2025. However, we remind dealers that the competency profile and detailed reference document for the Executive including UDP have already been published and are available as a resource.

SUMMARY OF COMMENTS	CIRO RESPONSE
<p>53. Commenters express concerns that what is considered “relevant” experience for Executives including the UDP may have unintended consequences including limiting the potential pool of candidates as well as candidate diversity if the two years of experience is too narrowly construed or confined to the same business type or even another Executive role within the same investment dealer.</p> <p>Commenters recommend that CIRO revises the proposal to mitigate the potential unintended consequences and provide greater flexibility for experience requirements. Diversity of experience can bring strength to an executive management team.</p> <p>One of the commenters also recommend that directors and officers who are not involved in the day-to-day management of the business be exempted from this new requirement.</p> <p>(CL, IFIC, CBA)</p>	<p>We are of the view that each Executive at the dealer, including the UDP, should have experience that is, at a minimum, the same in duration as the experience applicable to Supervisors in addition to the general experience requirement set out in IDPC Rule 2503. The objective is to raise the bar without creating unnecessary barriers or unintended consequences. We plan to provide guidance well in advance of the implementation to assist dealers with determining relevance of experience for Executives.</p> <p>We have not proposed any new baseline experience requirements for Directors.</p>
<p>54. One commenter notes that the experience requirement for Executives unnecessarily limits the ability to hire from the universities. We generally agree with the 60% rule, but with this addition of every executive needing to have two years of experience, it intentionally restricts candidates from being onboarded, trained (and supervised) at the executive level.</p> <p>(FID)</p>	<p>See response in #53</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
<p>55. While we agree that all Executives should have a base level of proficiency, we believe that particularly in the case of the Ultimate Designated Person (UDP), specific industry experience is not only unnecessary but will also detrimentally limit the pool of potential candidates.</p> <p>A strong CEO does not need specific industry experience if they are surrounded by a team of Executives (including a CCO and CFO) who have the necessary experience and technical knowledge to be able to provide the required support. Furthermore, firm leadership may benefit from outside perspective that a non-industry CEO can bring. (RC)</p>	<p>We have proposed that each Executive, including the UDP, at a dealer should have the two years of relevant experience. We are of the view that this would not create unnecessary barriers. As noted in the Bulletin, while CIRO Staff will consider the relevance of an applicant’s education or experience as part of the fit and proper review, we expect dealers to assess this considering the proficiency principle and only put forward candidates who have the appropriate level of experience consistent with their obligations under the proficiency principle. To help streamline the process, we plan to provide guidance in advance of the implementation of the model.</p>
<p>56. Several commenters are concerned that this requirement might create a barrier for executives who, for all other purposes, are sufficiently qualified through transferrable experience and skillsets.</p> <p>Dealers should also be given the flexibility to hire people with specific expertise (i.e., technology), as long as there is a sufficient complement of other Executives with relevant experience in the industry.</p> <p>Commenters encourage CIRO to expand its considerations on what is considered ‘relevant’ experience for Executives.</p> <p>(EJ, WS, IGWM, RC)</p>	<p>We acknowledge the comments.</p> <p>See responses #53 and 55</p>
<p>57. One commenter is uncertain why the acceptance of FINRA experience for CCOs would be constrained to an ‘affiliated’ dealer. If FINRA experience is acceptable, it should be widely acceptable for all dealers to utilize in their pool of prospective candidates, rather than just for dealers with U.S. affiliates. (FID)</p>	<p>CCOs currently have experience requirements under the IDPC Rules, which we proposed to keep with one additional change of recognizing experience with an affiliated FINRA dealer. This addition reflects inquiries that CIRO has received from firms concerning exemptive relief applications because several CIRO investment dealers employ individuals registered with affiliated</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
	<p>FINRA firms to conduct similar activities domestically. In response, we have proposed to include this experience.</p> <p>For other FINRA experience that the dealer thinks may be relevant for the CCO, the dealer may choose to apply for a discretionary exemption.</p>
<p><b>Comments on automatic suspensions, reporting and NRD</b></p>	
<p>58. Several commenters recommend CIRO reconsider the proposal for automatic suspension due to failure by an investment dealer to notify CIRO of completion of proficiency requirements within the prescribed timeline.</p> <p>Commenters propose that CIRO implement a reasonable grace period of at least ten business days to submit the training completion notification to avoid unintentionally suspending an otherwise qualified Approved Person.</p> <p>One of the commenters also request that CIRO clarify the reinstatement process for those suspended.</p> <p>(CBA, CL, IFIC, IGWM)</p>	<p>The proposal for automatic suspension due to failure by a dealer to notify CIRO within the prescribed timeline is not a new requirement. In fact, it is status quo to other reporting requirements currently in place under the existing proficiency model for post-approval requirements and for completion of CE requirements. Registration Staff will have procedures and checks and balances in place to avoid unnecessary suspensions of Approved Persons. The reinstatement process will be the same as under the current proficiency model.</p> <p>We encourage dealers to have their Approved Persons complete their required conduct training and firm training earlier rather than later and for dealers to build into their processes time for notification to CIRO.</p> <p>We will publish additional information in due course.</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
<p>59. One commenter notes that since the employees of Approved Participants of the Bourse must be duly licensed when trading, they believe that Approved Participants of the Bourse will be impacted by this proposed change as they will have to establish policies and procedures to manage access to the Bourse in the case of a suspension. They will give due consideration to such situations as work progresses on the revamp of the regulatory framework applicable to employees of Approved Participants of the Bourse. (TMX)</p>	<p>We acknowledge the comments.</p>
<p>60. One commenter asks for clarification on reporting responsibilities and NRD, including whether responsibility for reporting completion of CIRE and Approved Person exams rest with CIRO or the individual?</p> <p>Will the NRD application still be required and at what point in the process? Will it be part of the approval/registration process after the completion of the CIRE and Approved Person Exam?</p> <p>What completion looks like for the CIRE and Approved Person exams (i.e., will a completion certificate be provided, to be included in the NRD application?)</p> <p>(CBA)</p>	<p>Individuals will be responsible for notifying and providing proof to their dealer on completion of required exams as they currently do with their course completions. Dealers must ensure timely and accurate filings on NRD.</p> <p>NRD will continue to be the official record where proficiencies are reported.</p> <p>We will be finalizing our exam development process, Details relating to exams will be available once we are further along in our exam development process. We are working on exam delivery and portals and will provide further information as it is available.</p>
<p><b>Validity periods and extended license retention</b></p>	
<p>61. One commenter requests CIRO to extend the course validity period beyond the proposed three-year validity period to five years and recommends CIRO create a new framework that allows individuals with extensive experience to easily put their license on hold for an extended period of time. The framework could</p>	<p>We are not mandating any courses as prerequisites for our prescribed CIRO exams. Accordingly, course validity under the current model will expire and be replaced by exams subject to our approach to grandfathering, described in the Bulletin. In the proposed model and similar to the existing course</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
<p>include an annual fee for a license that is on hold and some mandatory continuing education similar to the FINRA maintaining qualifications program.</p> <p>CIRO could also consider implementing a similar requirement to the CPA's annual acknowledgement, to ensure all professionals under its purview consistently reaffirm their commitment to the ethical practices and principles that guide our industry. (CIFIC)</p>	<p>validity periods, we have proposed a three-year validity period for the proposed exams, with an additional validity provision to recognize one year of relevant experience during the three-year period prior to the date of application for approval. We are currently reviewing the downstream effects of our proposed model on Continuing Education (CE) as it may apply to exam validity.</p> <p>All regulated persons are subject to IDPC Rules including the general standards of conduct. We will review whether a code of conduct should form part of the existing Standards of Conduct rules or a guidance to these rules in alignment with the requirements being developed along with or following our Rule Consolidation Project.</p>
<p>62. One commenter suggests for exam validity, that CIRO consider continuing Regular or Affiliate membership in good standing in CFA Institute (similar to that held by a CFA charterholder in good standing) should cure the 'expiry' period of three years from exam completion for passers of the CFA Level 1 exam who later become applicants for approval. (CFA)</p>	<p>We acknowledge the comment. We will review and analyze this further.</p>
<p><b>Comments on mandatory conduct training and mandatory continuing education</b></p>	
<p>63. One commenter is generally pleased with the published competency profiles and the proposed mandatory conduct training on ethics and strongly suggests CIRO introduce training and CE on issues related to:</p> <ul style="list-style-type: none"> <li>○ the effects of artificial intelligence on industry practice and clients,</li> <li>○ diversity, equity, inclusion, and</li> </ul>	<p>As discussed in the Bulletin, we plan to provide 1 to 3 hours of mandatory CE on an annual basis for all Approved Persons to ensure that they keep up to date with those matters which we find are of utmost importance in a given year. We thank you for your suggestions and will consider them when developing our mandatory CE.</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
<ul style="list-style-type: none"> <li>○ Indigenous reconciliation in the Canadian context,</li> <li>○ ESG and climate-related issues, and</li> <li>○ other emergent developments relevant to the competency profiles, reflecting the ever-evolving nature of what constitutes full competence. (CFA)</li> </ul> <p>Another commenter suggest that mandatory CE for RRs should include regular ethical/conduct content and use information derived from an analysis of client complaints. They also suggest CIRO have a dedicated course for client complaint handlers and investigators. (Kenmar)</p>	
<p>64. One commenter appreciates CIRO's intention to conduct mandatory conduct training, however it is important that CIRO maintains its regulatory role and ensures the quality of a baseline educational standard without becoming the primary or default provider itself, as this will limit diversity in educational offerings. (FID)</p>	<p>We acknowledge the comment. We are mindful of the potential for 'scope creep' and will continue to work only subject to our regulatory mandate and within our regulatory perimeter.</p>
<p>65. One commenter strongly supports the use of case-based learning for conduct training. For cases to be valuable, they should be based on real-life cases that present ethical grey areas to Approved Persons and have the opportunity for learning, and not just be an exercise in memorizing a code of ethics or similar device. (FPAC)</p>	<p>We acknowledge the comments. As discussed in the Bulletin, we plan to include some form of assessment throughout the interactive training to ensure that the individual is learning the information, rather than passively listening. We also plan to include scenarios and case-based learning.</p>
<p>66. One commenter suggests the conduct training should be a pre-approval requirement and a protocol needs to be in place to ensure that the person taking the online conduct training course is in fact, the correct person.</p>	<p>We are mindful of maintaining the balance between raising the bar and not creating any unnecessary barriers. We have proposed that mandatory professional conduct training be completed within 30 days of approval to allow the individual to be in the role when they receive the training. This will also</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
<p>They are pleased that all existing Approved Persons must complete the conduct training by December 31, 2026, and also suggests that it might be a good idea to offer such training to senior executives and Board members, the root cause of so many issues.</p> <p>CIRO should publish a Code of Conduct outlining how RR's should conduct themselves when carrying out their regulatory responsibilities and in their relationships.</p> <p>(Kenmar)</p>	<p>ensure that individuals receive the training once it has been determined that they are suitable for approval.</p> <p>All regulated persons are subject to IDPC Rules including the general standards of conduct. We will review whether a code of conduct should form part of the existing Standards of Conduct rules or a guidance to these rules in alignment with the requirements being developed along with or following our Rule Consolidation Project.</p>
<p>67. One commenter notes the 30-day period to complete the conduct training for new Approved Persons is too short and should be extended, at a minimum, to 60 days after approval.</p> <p>Furthermore, ethics and conduct training should not be required for existing Approved Persons as their prior training covered ethics and conduct.</p> <p>(CIFIC)</p>	<p>We disagree that the 30-day period is too short to complete the conduct training as it will be readily available for Approved Persons to complete, and the planned length of the training is under a few hours.</p> <p>We are of the view that mandated conduct training is an important and integral part of a robust proficiency model. We have also proposed that all existing Approved Persons complete the mandatory conduct training by December 31, 2026, and may utilize this training towards meeting their mandatory CE requirement for the first year of the new program.</p>
<p>68. One commenter notes that exams should include professional conduct content which would eliminate the need for mandatory professional conduct training. Alternatively, any proposed conduct training content by CIRO and its structure should be published for comment with details of CIRO's approach to ensure it will not result in duplicative efforts.(IIAC)</p> <p>Another commenter thinks the conduct training will overlap with existing conduct training the dealer provides and suggests CIRO</p>	<p>We are of the view that assessments based on published competencies are an appropriate tool to verify the competency of those who apply to be an Approved Person. The exams will include content relating to conduct and ethics. However, specific and targeted training on ethics and conduct are also an integral part of a robust proficiency regime.</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
<p>consider withdrawing the requirement or exempt firms who already provide such training. (CBA)</p>	
<p><b>Other comments not related to the proposed model</b></p>	
<p>69. One commenter had some other questions as follows:</p> <ul style="list-style-type: none"> <li>• Can you share a timeline of when the additional exam resources will be published?</li> <li>• Do you anticipate any further adjustments to the published Competency Profiles? If not, can you confirm that the existing competency profiles are final?</li> <li>• Will there be a term limit on the contract with the selected exam service provider?</li> <li>• Can you provide the expected price for each exam sitting, the mandatory conduct training program, and the mandatory CE courses? If not, can you provide the cost assumptions used in the planning process?</li> <li>• Will CIRO permit education providers to host and deliver CIRO’s mandatory Compliance Training Program and mandatory CE courses, similar to FINRA’s approach? (Learnedly)</li> </ul>	<p>We will provide relevant information at a later date.</p>
<p>70. One commenter suggests that concurrent and similar changes should be made to the proficiency regime relating to the mutual fund dealers, which should be consolidated with and administered by CIRO. Similarly, we welcome an integrated CE model through</p>	<p>Consideration of any future changes to the proficiency regime relating to mutual fund dealers will be done in collaboration with the CSA, which registers dealers and individuals in this registration category.</p>

SUMMARY OF COMMENTS	CIRO RESPONSE
<p>CIRO. The sufficiency of proficiency requirements recognized through the MFDA should continue to be recognized. (IIAC)</p> <p>On the other hand, a commenter encourages CIRO to keep the MFDR proficiency and registration requirements separate from the IR and RR categories for Investment Dealer firms, such that it does not impede a continuous flow of qualified new registrants and thus limit the ability for investors to access qualified advice. They understand that CIRO is ending its contract with CSI, but we encourage CIRO to not prematurely terminate contracts in the MFDR industry such as the contract with Canadian Institute of Financial Planning (CIFP) and the IFSE Institute. (CBA)</p>	<p>Mutual Fund Dealing Representatives related proficiencies are directly with the CSA and set out in NI 31-103. The proposed proficiency model is with respect to Investment Dealer Approved Persons as the related rules are set out in IDPC and are linked to the CSI contract expiring at the end of December 31, 2025.</p>
<p>71. One commenter strongly urges the CSA and CIRO to proactively engage and consult with impacted mutual fund firms before formulating potential revisions to the proficiency regime for mutual fund dealers and their Approved Persons. (IFIC)</p>	<p>See response in #70</p>
<p>72. We also received an out-of-scope comment about exploring the possibility of creating a streamlined process or a flexible registration category specifically tailored to the needs of industry professionals that cannot or do not want to remain permanently employed by an Investment Dealer. A new category for “Independent Approved Persons” (for example) could be created and used when a professional is no longer associated with an Investment Dealer but wishes to put their license on hold. (CIFIC)</p>	<p>We acknowledge the comments and will consider them for future projects.</p>