

RULE 2500 | DEALER MEMBER DIRECTORS AND EXECUTIVES, AND APPROVAL OF INDIVIDUALS

[...]

PART A - DEALER MEMBER DIRECTORS AND EXECUTIVES

2502. General requirements for Directors

[...]

(2) At least 40% of the *Dealer Member's Directors* must:

[...]

(ii) satisfy the applicable proficiency requirements of section 2603 [and subsection 2604\(2\)](#),

[...]

(3) The Chair and Vice Chair of the board of *Directors* of a *Dealer Member* must meet the applicable proficiency requirements of section 2603 [and subsection 2604\(2\)](#).

2503. General requirements for Executives

(1) A *Dealer Member's Executives* must:

[...]

(ii) satisfy the applicable proficiency requirements of section 2603 [and subsection 2604\(2\)](#).

[...]

[...]

2505. Chief Financial Officer

(1) A *Dealer Member* must designate a *Chief Financial Officer* who must:

[...]

(ii) satisfy the applicable proficiency requirements of section 2603 [and subsection 2604\(2\)](#).

[...]

(4) When an acting *Chief Financial Officer* is designated:

(i) that *individual* must satisfy the applicable proficiency requirements of section 2603 and be designated as *Chief Financial Officer*, or

[...]

[...]

2506. Chief Compliance Officer

(1) A *Dealer Member* must designate a *Chief Compliance Officer* who must:

[...]

(ii) satisfy the applicable proficiency requirements of section 2603 [and subsection 2604\(2\)](#).

[...]

(5) When an acting *Chief Compliance Officer* is designated at a *Dealer Member*:

- (i) that *individual* must satisfy the applicable proficiency requirements of section 2603 [and subsection 2604\(2\)](#) and be designated as *Chief Compliance Officer*, or

[...]

[...]

2507. Ultimate Designated Person

- (1) A *Dealer Member* must designate an *Ultimate Designated Person* who must be designated as an *Executive* and meet the applicable proficiency requirements in section 2603 [and subsection 2604\(2\)](#) and the general requirements for *Executives* set out in section 2503.

[...]

[...]

RULE 2700 | CONTINUING EDUCATION REQUIREMENTS FOR APPROVED PERSONS

2701. Introduction

- (1) ~~CIRO requires Approved Persons to meet~~ Rule 2700 prescribes continuing education requirements for Dealer Members and their Approved Persons to enhance and further develop their baseline proficiencies.
- (2) Rule 2700 is divided into the following parts:
 - ~~Part A — Continuing education requirements for Investment Dealer Members' Approved Persons~~
[sections ~~2702—2755~~]
 - ~~Part A.1A — The Investment Dealer Member's~~ continuing education program and continuing education requirements
[sections 2703 ~~and 2704~~ through 2709]
 - ~~Part A.2B — Investment Dealer Member's~~ Continuing education program ~~courses and~~ administration
[sections ~~2715 through 2717~~ 2711]
 - ~~Part A.3C — Participation in the Investment Dealer Member's~~ continuing education program
[sections ~~2725~~ 2721 through 2723]
 - ~~Part A.4D — Changes during an Investment Dealer Member's continuing education program~~
cycle Proration
[section ~~2735~~ 2731]
 - ~~Part A.5 — E — Exemptions and Extensions~~ from continuing education requirements
[section ~~2745~~ 2741]
 - ~~Part A.6F — Penalties applicable to the Investment Dealer Member's continuing education requirements for Approved Persons~~
[section ~~2755~~ 2751]
 - ~~Part B — Continuing education requirements for Mutual Fund Dealer Members' Approved Persons~~
[sections ~~2761–2784~~]
 - ~~Part B.1 — Proration of Credits~~
[sections ~~2763–2765~~]
 - ~~Part B.2 — Leaves of absence~~
[sections ~~2766–2767~~]
 - ~~Part B.3 — Component content~~
[sections ~~2768–2771~~]
 - ~~Part B.4 — Delivery standard~~
[sections ~~2772–2773~~]
 - ~~Part B.5 — Mutual Fund Dealer Member's administration of the continuing education program~~

- ~~[section 2774]~~
- Part B.6 — Evidence of completion
- ~~[section 2775]~~
- Part B.7 — Reporting
- ~~[sections 2776-2779]~~
- Part B.8 — Assessments
- ~~[sections 2780-2782]~~
- Part B.9 — Non-Compliance
- ~~[sections 2783-2784]~~

PART A – CONTINUING EDUCATION REQUIREMENTS FOR INVESTMENT DEALER MEMBERS’ APPROVED PERSONS

2702. Definitions

(1) The following terms have the meaning set out below when used in sections 2703 through ~~2755~~2799:

<p><u>“compliance hours”</u></p>	<p><u>Training covering ethical issues, regulatory or legislative developments, CIRO rules and other applicable laws, governing Dealer Member conduct.</u></p>
<p>“Investment Dealer Member continuing education course” <u>activity”</u> <i>(cours de formation continue des courtiers membres en placement)</i></p>	<p>A single, integrated course or series of relevant courses, <u>and activities, including</u> seminars, programs or presentations that together meet the time and content requirements for continuing education <u>program requirements</u> set out in Part A of Rule 2700.</p>
<p>“Investment Dealer Member continuing education participant” <i>(participant au programme de formation continue des courtiers membres en placement)</i></p>	<p>An Investment Dealer Member’s Approved Person approved in one or more of the categories set out in subsection 2704(1). <u>All Approved Persons, except Directors.</u></p>
<p>“Investment Dealer Member continuing education program” <i>(programme de formation continue des courtiers membres en placement)</i></p>	<p>CIRO’s continuing education program, consisting <u>composed</u> of compliance hours and, professional development hours <u>requirements for Investment Dealer Members and mandated annual continuing education.</u></p>
<p><u>“mandated annual continuing education”</u></p>	<p><u>Training prescribed by CIRO that may be designated as satisfying compliance hours or professional development hours.</u></p>

“ <u>professional development hours</u> ”	<u>Training that either maintains, enhances or fosters learning, knowledge and development in areas relevant to Dealer Member business.</u>
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PART A.1 - THE ~~INVESTMENT DEALER MEMBER~~ CONTINUING EDUCATION PROGRAM AND CONTINUING EDUCATION REQUIREMENTS

2703. The ~~Investment Dealer Member~~ continuing education program

- (1) The ~~Investment Dealer Member~~ continuing education program ~~consists~~is composed of ~~three parts~~:
 - (i) ~~a compliance course requirement, which is training covering ethical issues, regulatory developments and rules governing investment dealer conduct,~~ compliance hours,
 - (ii) ~~a professional development~~ hours ~~course requirement, which is training that fosters learning and development in areas relevant to investment dealer business, and~~
 - (iii) ~~mandated annual continuing education training specifically prescribed by CIRO which may satisfy clauses (i) or (ii) above as prescribed by CIRO.~~
- ~~(2) The Investment Dealer Member continuing education program operates in two year cycles. The first two year cycle commenced on January 1, 2018. The beginning and end of each Investment Dealer Member continuing education program cycle is the same for all Investment Dealer Member continuing education participants.~~
- (2) The continuing education program operates in two year cycles, starting on January 1, 2028.
- (3) Each continuing education program cycle has the same start and end dates for all continuing education participants.

2704. Continuing education requirements

- (1) All continuing education participants must complete at least ten compliance hours in each continuing education program cycle.
- (2) A Registered Representative (retail), Registered Representative dealing in mutual funds only, Portfolio Manager and Associate Portfolio Manager must complete at least twenty professional development hours in each continuing education program cycle.
- (3) All continuing education participants must complete the mandated annual continuing education prescribed by CIRO.

2705. Continuing education activities

- ~~(3)~~ 1) An Investment Dealer Member, CIRO, or an external ~~course~~ provider may provide ~~an Investment Dealer Member~~ a continuing education ~~course~~activity.
- ~~(4)~~ 2) An Investment Dealer Member or external ~~course~~ provider may submit ~~Investment Dealer Member~~ continuing education ~~courses~~activities for accreditation through CIRO’s accreditation process.
- ~~(5) An Investment Dealer Member continuing education participant is exempt from the professional development course requirement if they:~~

- ~~(i) are approved in the category of an Investment Dealer Member's Registered Representative, Associate Portfolio Manager, Portfolio Manager or Supervisor, and~~
- ~~(ii) have been continuously approved in a retail trading capacity since January 1, 1990 or earlier by either CIRO, the Toronto Stock Exchange, the Montreal Exchange, or the TSX Venture Exchange including any of their predecessors.~~

2706. Continuing education activities with an examination

- (1) A continuing education participant may receive compliance hours or professional hours for a continuing education activity, if the activity has an examination, including for any preparation hours.
- (2) Subsection 2706(1) only applies in the cycle in which they successfully pass the examination.

2707. Foreign compliance activities

- (1) A continuing education participant may receive a maximum of five compliance hours for compliance activities offered by a foreign securities dealer or external provider on foreign compliance subjects.

2708. Carry forwards

- (1) A continuing education participant cannot carry forward compliance hours or professional development hours to a subsequent continuing education program cycle.

2709. Non-avoidance

- (1) A continuing education participant may not change their Approved Person category to avoid completing more onerous continuing education requirements, or to avoid penalties for failing to complete continuing education requirements.

~~2704. Investment Dealer Member continuing education requirements~~

- ~~(1) In each Investment Dealer Member continuing education program cycle, an Investment Dealer Member continuing education participant must meet the continuing education requirements for the applicable Investment Dealer Member's Approved Person category, regardless of product type, as set out in the following table:~~

Investment Dealer Member's Approved Person Category	Client Type	Compliance course requirement	Professional development course requirement
<i>Registered Representative</i>	<i>retail client</i>	Yes	Yes
<i>Registered Representative</i>	<i>institutional client</i>	Yes	No
<i>Investment Representative</i>	<i>retail client or institutional client</i>	Yes	No
<i>Portfolio Manager</i>	<i>retail client or institutional client</i>	Yes	Yes
<i>Associate Portfolio Manager</i>	<i>retail client or institutional client</i>	Yes	Yes

Investment Dealer Member's Approved Person Category	Client Type	Compliance course requirement	Professional development course requirement
<i>Trader</i>	N/A	Yes	No
<i>Supervisor</i>	<i>retail client or institutional client</i>	Yes	No
<i>Ultimate Designated Person</i>	N/A	Yes	No
<i>Chief Compliance Officer</i>	N/A	Yes	No

- (2) ~~Registered Representatives dealing in mutual funds only who are an employee of a firm registered as both an investment dealer and mutual fund dealer :~~
- (i) ~~are not subject to and do not need to comply with the Registered Representative continuing education requirements set out in subsection 2704(1), and~~
- (ii) ~~are subject to and must comply with the continuing education requirements for individuals registered as a Mutual Fund Dealer Member's Registered Representative set out in Part B of this Rule 2700.~~
- (3) ~~An Investment Dealer Member continuing education participant registered in more than one Approved Person category must meet the continuing education requirements of the category with the most onerous continuing education requirements.~~
- (4) ~~All Investment Dealer Member continuing education participants must complete at least 10 hours of compliance courses in each Investment Dealer Member continuing education program cycle in accordance with requirements in section 2715.~~
- (5) ~~An Investment Dealer Member continuing education participant that is subject to professional development requirements must complete at least 20 hours of professional development courses in each Investment Dealer Member continuing education program cycle in accordance with requirements in section 2716.~~

~~2705~~2710. – ~~2714~~. Reserved.

PART ~~A.2B~~ – INVESTMENT DEALER MEMBER CONTINUING EDUCATION PROGRAM COURSES AND ADMINISTRATION

~~2715~~. The compliance course

- (1) ~~An Investment Dealer Member continuing education participant:~~
- (i) ~~may only receive continuing education credit for a compliance course with an examination, in the cycle when the Investment Dealer Member continuing education participant successfully passes the examination;~~
- (ii) ~~may not receive continuing education credit for any preparation towards a compliance course with an examination, except in the cycle when the Investment Dealer Member continuing education participant successfully passes the examination;~~
and

~~(iii) may receive continuing education credit of a maximum of five hours for compliance Investment Dealer Member continuing education courses offered by a foreign securities dealer or foreign external course provider.~~

~~(2) An Investment Dealer Member may give continuing education credit for Investment Dealer Member compliance manual training where:~~

~~(i) the content of the compliance manual training satisfies clause 2703(1)(i), and~~

~~(ii) the compliance manual training is delivered by the Investment Dealer Member through in-person seminars, or webinars that are accompanied by a method of evaluation.~~

2716. The professional development course

~~(1) An Investment Dealer Member continuing education participant subject to the professional development course requirement:~~

~~(i) may not receive continuing education credit for any preparation towards a professional development course with an examination, except in the cycle when the Investment Dealer Member continuing education participant successfully passes the examination, and~~

~~(ii) may only receive continuing education credit for a professional development course with an examination in the cycle when the Investment Dealer Member continuing education participant successfully passes the examination.~~

27172711. Investment Dealer Member's administration of the Investment Dealer Member continuing education program

(1) An Investment Dealer Member must:

(i) verify ~~the Investment Dealer Member~~ and ensure their continuing education ~~participant~~ participants' compliance with the ~~requirements at the end of the Investment Dealer Member continuing education program~~ during and at the end of every cycle,

(ii) keep ~~evidence of an Investment Dealer Member continuing education participant's completion of the Investment Dealer Member continuing education course, which may be a certificate issued by the course provider, an attendance sheet, or bulk notice of completion,~~

~~(iii) keep Investment Dealer Member continuing education program records, including course-related~~ continuing education activity materials and evidence of their completion, for each ~~Investment Dealer Member continuing education program~~ cycle for ~~a minimum of~~ at least seven years following the end of the ~~Investment Dealer Member continuing education program~~ cycle,

~~(iv) designate an individual responsible for supervising training and approving an Investment Dealer Member continuing education participant's chosen Investment Dealer Member continuing education course,~~

~~(v) ensure that an Investment Dealer Member continuing education participant's chosen Investment Dealer Member continuing education course satisfies the content criteria described in subsection 2703(1),~~

- (vi) ~~where the Investment Dealer Member continuing education course is delivered by the Dealer Member, evaluate an Investment Dealer Member~~⁽ⁱⁱⁱ⁾ ~~ensure that a continuing education participant's knowledge and understanding of the course,~~chosen continuing education activity satisfies one of the program components in subsection 2703(1).
- (vii) ~~ensure that each Investment Dealer Member continuing education participant meets the continuing education requirements during each Investment Dealer Member continuing education program cycle~~
- (iv) assess the continuing education participant's knowledge and understanding of the activity, if delivering a continuing education activity,
- (v) designate an individual responsible for supervising training and approving a continuing education participant's chosen continuing education activity, and
- (viii)^(vi) ~~update the~~report ~~continuing education reporting system and notify participants' compliance to~~ CIRO within ~~10 business~~³⁰ ~~days after the end of the Investment Dealer Member continuing education program cycle of all Investment Dealer Member continuing education participants that have met their continuing education requirements within~~each cycle, using the prescribed cycle~~reporting system.~~
- (2) ~~An Investment~~^A Dealer Member may allow ~~an Investment Dealer Member~~^a continuing education participant to use the continuing education ~~credits earned through courses or seminars~~^{activities} completed ~~at~~^{at}~~during~~ the ~~Investment Dealer Member continuing education participant's former sponsoring Dealer Member. An Investment~~^{applicable cycle at their former} Dealer Member ~~and may accept~~^{rely on} a statement of completion issued by ~~the Investment Dealer Member continuing education participant's~~^{that} former-sponsoring Dealer Member.
- (3) A Dealer Member may allow a continuing education participant to use mandatory conduct training prescribed in subsection 2604(2) towards ~~compliance~~ ~~course requirement in~~^{hours,} ~~if the individual either was required to do so pursuant to~~ clause ~~2703(1)~~²⁶⁰⁴⁽²⁾⁽ⁱⁱⁱ⁾, ~~or was not required to complete that training during the cycle and did not complete it in the previous cycle.~~
- (4) A Dealer Member may allow a continuing education participant to use a continuing education activity completed after the individual ceased to be a participant, provided the activity was completed during the applicable cycle.

~~2718~~²⁷¹². – ~~2724~~²⁷²⁰. Reserved.

PART ~~A.3C~~ – PARTICIPATION IN THE ~~INVESTMENT DEALER MEMBER CONTINUING EDUCATION PROGRAM~~

~~2725. Participation of recently Approved Persons~~

- (1) ~~An individual enters the Investment Dealer Member continuing education program cycle upon initial approval in an Investment Dealer Member's Approved Person category listed in subsection 2704(1).~~

- (2) ~~Notwithstanding subsection 2725(1), an individual that receives approval in an Investment Dealer Member's Approved Person category listed in subsection 2704(1) during the last six months of the current Investment Dealer Member continuing education program cycle will become subject to the applicable continuing education requirements starting at the beginning of the next Investment Dealer Member continuing education program cycle.~~

2721. Participation for a partial cycle

- (1) If a continuing education program component is applicable for less than a full cycle, a continuing education participant may complete it on a prorated basis, calculated pursuant to Part D of Rule 2700.
- (2) Notwithstanding subsection 2721(1), a continuing education participant is not subject to a continuing education program component, if that component is applicable for two months or less during a cycle.

2722. Leave of absence

- (1) If a continuing education participant was absent for a period of at least four consecutive weeks, they may complete the applicable continuing education program components on a prorated basis, calculated pursuant to Part D of Rule 2700.

2723. Returning continuing education participants

- (1) A continuing education participant who returns from either a leave of absence, or who becomes a continuing education participant after previously ceasing to be one, must complete the continuing education program requirements from the immediately preceding cycle, subject to sections 2721 and 2722, that have not been completed.

2726~~2724.~~ – ~~2734~~2730. Reserved.

PART A.4 – CHANGES DURING AN INVESTMENT DEALER MEMBER'S CONTINUING EDUCATION PROGRAM CYCLE

~~2735.~~ Changes to Approved Persons category during a continuing education program cycle

- (1) ~~An Investment Dealer Member continuing education participant who changes his or her Approved Person category during an Investment Dealer Member continuing education program cycle must complete the continuing education requirements applicable to the new Investment Dealer Member's Approved Person category in the same Investment Dealer Member continuing education program cycle.~~
- (2) ~~Notwithstanding subsection 2735(1), an Investment Dealer Member continuing education participant who changes his or her Investment Dealer Member's Approved Person category during the last six months of the current Investment Dealer Member continuing education program cycle, becomes subject to the applicable continuing education requirements of the new Investment Dealer Member's Approved Person category at the beginning of the next Investment Dealer Member continuing education program cycle.~~
- (3) ~~An Investment Dealer Member continuing education participant may not change to an Approved Person category with less onerous continuing education requirements to avoid completing the more onerous continuing education requirements of a former Investment~~

~~Dealer Member's Approved Person category, or penalties for non-completion of continuing education requirements. Any change to the Approved Person category during the last six months of the Investment Dealer Member continuing education program cycle which results in less onerous continuing education requirements must be accompanied by an explanation from the sponsoring Dealer Member to satisfy CIRO that the category change is not an avoidance measure.~~

PART D – PRORATION

2731. Proration

(1) When a continuing education participant is allowed to complete an applicable continuing education program component on a prorated basis, the following formula must be used to calculate prorated compliance hours and professional development hours, rounded up to the nearest full hour:

$$\frac{\text{total number of hours required for the CE component in a full cycle}}{\text{total number of months in the cycle during which the component requirement was or is applicable, including each initial partial month}} \times 24$$

(2) Mandated annual continuing education cannot be prorated.

(3) If the mandated annual continuing education exceeds the prorated compliance hours or professional development hours, the continuing education participant must still complete the full mandated annual continuing education.

~~2736~~2732. – ~~2744~~2740. Reserved.

PART A.5E – EXEMPTIONS AND EXTENSIONS FROM CONTINUING EDUCATION REQUIREMENTS

2745. Exemptions and extensions

~~(1) CIRO may extend the time an Investment Dealer Member continuing education participant has to complete any Investment Dealer Member continuing education course beyond the two-year Investment Dealer Member continuing education program cycle due to, but not limited to, an illness if:~~

~~(i) an Executive at the Investment Dealer Member continuing education participant's sponsoring Dealer Member:~~

~~(a) approves the extension,~~

~~(b) notifies CIRO of the reason for the extension, and~~

~~(c) proposes the new date of completion of the required course,~~

~~and~~

~~(ii) CIRO approves the request for an extension.~~

~~(2) In the case of an indefinite leave of absence, CIRO may exempt from the Investment Dealer Member continuing education program an Investment Dealer Member continuing education participant who is unable to complete his or her continuing education~~

~~requirements due to, but not limited to an illness, for more than one Investment Dealer Member continuing education program cycle if:~~

~~(i) — an Executive at the Investment Dealer Member continuing education participant's sponsoring Dealer Member:~~

~~(a) — approves the exemption;~~

~~(b) — notifies CIRO of the reason for the exemption, and~~

~~(c) — states that the leave is for an indefinite period;~~

~~and~~

~~(ii) — CIRO approves the request for an exemption.~~

~~(3) — An Investment Dealer Member continuing education participant who is granted an exemption under subsection 2745(2) and returns to the industry after an absence of:~~

~~(i) — three years or less must have CIRO determine the continuing education requirements before they resume any activity that needs approval, or~~

~~(ii) — more than three years must meet the applicable proficiency and registration requirements for their Investment Dealer Member's Approved Person category.~~

2741. Exemptions from continuing education requirements

(1) CIRO may extend the time a continuing education participant has to complete a continuing education requirement, or may exempt a continuing education participant from a continuing education requirement, if CIRO is satisfied that to do so would not prejudice the interests of the public, Dealer Member clients, or the Dealer Member.

~~2746.2742. –2754.2750. Reserved.~~

PART A.6F - PENALTIES APPLICABLE TO THE INVESTMENT DEALER MEMBER'S CONTINUING EDUCATION REQUIREMENTS FOR APPROVED PERSONS

~~2755~~**2751. Penalties for late filing or not completing**~~failure to complete~~ continuing education requirements ~~in a continuing education program cycle~~

~~(1) On the last business day of the first month of an Investment Dealer Member continuing education program cycle, CIRO will automatically suspend the approval of the Investment Dealer Member's continuing education participant's approval following the end of the reporting period in clause 2711(1)(vi), if:~~

~~(i) an Investment Dealer Member continuing education~~the participant ~~fails~~failed to complete the continuing education requirements ~~for the previous Investment Dealer Member continuing education program cycle~~ within the ~~prescribed~~ cycle, or

~~(ii) the sponsoring Dealer Member fails~~failed to ~~update~~report in the continuing education ~~prescribed~~ reporting system ~~and notify CIRO as required by clause 2717(1)(vii).~~

~~(2) A sponsoring Dealer Member that fails to comply with the requirements of clause 2717(1)(vii) will be~~2711(1)(vi), or whose continuing education participants fail to meet

their continuing education requirements, is liable ~~for and to~~ pay CIRO such fees ~~as any fine~~ the Board may prescribe from time to time.

- (3) CIRO may reinstate the ~~Investment Dealer Member~~ continuing education participant's approval after the ~~sponsoring Dealer Member~~ has notified CIRO in writing that the ~~Investment Dealer Member~~ continuing education participant has completed the continuing education requirements.
- (4) ~~If a sponsoring Dealer Member pays a fine in error, CIRO will issue a refund provided the Dealer Member requests a refund within 120 days of the date the invoice is issued by CIRO.~~

~~2756~~**2752.** – ~~2760~~**2799.** Reserved.

PART B – CONTINUING EDUCATION REQUIREMENTS FOR MUTUAL FUND DEALER MEMBERS’ APPROVED PERSONS

2761. Definitions

- (1) The following terms have the meaning set out below when used in sections 2761 through 2784:

“cycle” (cycle)	Any 24-month period beginning on December 1 st of an odd-numbered year.
“date of participation” (date de participation)	The date upon which a Mutual Fund Dealer Member’s Approved Person was approved, under the Rules, in one or more categories set out under Rule 2600.
“CE reporting and tracking system” or “CERTS” (système de suivi et de rapport de la FC or SSRFC)	The online system established for the purpose of administering the Mutual Fund Dealer Members’ continuing education program.
“MFDM-CE credit” (crédit en FC des CMEC)	Any continuing education credit that meets the requirements set out in Part B of Rule 2700, including credits for the Business Conduct component, Compliance component, and Professional Development component.
“CE Participant” (participant au programme de FC)	Any Mutual Fund Dealer Member’s Approved Person who is approved, during a cycle, as a Registered Representative, Chief Compliance Officer or Ultimate Designated Person, or Supervisor under these Rules.

2762. Mutual Fund Dealer Member continuing education

- (1) ~~Compliance with Mutual Fund Dealer Member continuing education requirements.~~ Each Mutual Fund Dealer Member and each Mutual Fund Dealer Member’s Approved Person shall comply with continuing education requirements applicable to them, as set out under part B of Rule 2700.
- (2) ~~Registered Representative.~~ For each cycle, every Approved Person who is approved as a Mutual Fund Dealer Member’s Registered Representative under Rule 2600 must complete 8 Business Conduct Credits, 20 Professional Development Credits and 2 Compliance Credits, in accordance with requirements under Part B of Rule 2700.

- ~~(3) — **Chief Compliance Officer, Ultimate Designated Person and Supervisor.** Where an *Approved Person* is not approved as a *Mutual Fund Dealer Member's Registered Representative*, but is approved as either a *Chief Compliance Officer* or *Ultimate Designated Person*, or *Supervisor* under the *Rules*, that *individual* must, for each cycle, complete 8 Business Conduct Credits, and 2 Compliance Credits, in accordance with requirements under Part B of Rule 2700.~~
- ~~(4) — **Continuing education requirements for a partial cycle.**~~
- ~~(i) — **Non-Application.** A *Mutual Fund Dealer Member's Approved Person* is not required to meet requirements specified under subsections 2762(2) or 2762(3) where, in any given cycle, the *Mutual Fund Dealer Member's Approved Person* is subject to that component requirement for a period that is less than, or equal to, 2 months.~~
- ~~(ii) — **Pro-ration of credits.** Where a *Mutual Fund Dealer Member's Approved Person* is subject to a requirement specified under subsections 2762(2) or 2762(3) for less than a full cycle, and the period in question is greater than 2 months, the *Mutual Fund Dealer Member's Approved Person* may be able to satisfy such requirements on a pro-rata basis, in accordance with the applicable provisions of Part B of Rule 2700.~~
- ~~(5) — **Leaves of Absence.** Where a *Mutual Fund Dealer Member's Approved Person* is subject to the requirements under subsections 2762(2) or 2762(3), and was absent, for a period of at least 4 consecutive weeks, from their employment as an *Approved Person*, the *Chief Compliance Officer* can reduce the requirements applicable to that *Approved Person* under subsections 2762(2) or 2762(3), in accordance with the applicable provisions under Part B of Rule 2700.~~
- ~~(6) — **Evidence of completion.** Each *Mutual Fund Dealer Member* must maintain evidence of completion of *MFDM CE credits* for a cycle, as required under Part B of this Rule 2700 following the end of that cycle.~~
- ~~(7) — **Reporting.** Each *Mutual Fund Dealer Member* must meet the minimum requirements set out under Part B of this Rule 2700 respecting notification to *CIRO* of the completion of *MFDM CE credits*.~~
- ~~(8) — **Non-compliance.**~~
- ~~(i) — Where, for any given cycle, a *Mutual Fund Dealer Member's Approved Person* does not meet the requirements of the *Mutual Fund Dealer Member* continuing education program, that *individual* shall cease to act as an *Approved Person* of any *Mutual Fund Dealer Member*, until such time as *CIRO* has determined that the prescribed requirements have been met.~~
- ~~(ii) — Each *Mutual Fund Dealer Member* shall be liable for and pay to *CIRO* fees, levies, or assessments in the amounts prescribed from time to time by *CIRO* for the failure of the *Mutual Fund Dealer Member* or a *Mutual Fund Dealer Member's Approved Person* to comply with the requirements of Part B of this Rule 2700.~~

PART B.1 – PRORATION OF CREDITS**2763. — New CE Participants**

- (1) — Requirements under subsections 2762(2) or 2762(3) do not apply to a *CE Participant* where their *initial date of participation* falls within the 23rd or 24th month of the cycle.
- (2) — A *CE Participant*, who is in their first cycle, must satisfy the requirements for each component specified under subsections 2762(2) or 2762(3) on a pro-rata basis, where their *initial date of participation* falls within months 1 to 22 of that cycle. A pro-rata calculation made under this section must use the following formula:

$$\text{Total Number of component credits required} = A \times B/24$$

where

A = the total number of *MFDM CE credits* required for the component in a full cycle (i.e. 8 for business conduct, 20 for professional development, and 2 for compliance), and

B = the total number of months remaining in the cycle, including the month of participation, and

The **Total Number of component credits required** is rounded up to the nearest full credit.

2764. — Returning CE Participants

- (1) — A returning *CE Participant* who has been previously approved as a *Mutual Fund Dealer's Registered Representative, Chief Compliance Officer, Ultimate Designated Person, or as a Supervisor*:
- (i) — must, within 10 *business days* of returning as a *CE Participant*, satisfy their outstanding *MFDM CE credits*, if any, from the immediately preceding cycle;
- (ii) — is not required to satisfy the requirements under subsections 2762(2) or 2762(3) in the current cycle, if, as a returning *CE Participant*, their *date of participation* falls within the 23rd or 24th month of the cycle;
- (iii) — must satisfy, on a pro-rata basis, the requirements for each component under subsections 2762(2) or 2762(3) for the current cycle, using the formula set out in subsection 2763(2) above, provided that their *date of participation* falls within months 1 to 22 of the current cycle.

2765. — Change in participation

- (1) — During the course of a cycle, there may be changes to a *CE Participant's* categories of approval. As a result of such changes, the *CE Participant* may become subject to continuing education requirements which are different from those to which they were subject to earlier in that cycle. In such circumstances, the *CE Participant* must use the following formula to determine their requirements for each component for the cycle:

$$\text{Total number of component credits required} = A \times C/24$$

where

A = the total number of *MFDM CE credits* required for the component in a full cycle (i.e. 8 for business conduct, 20 for professional development, and 2 for compliance), and

~~C = the total number of months in the cycle, including each initial partial month, during which the component credit requirement was applicable, and~~

~~The total number of component credits required is rounded up to the nearest full credit.~~

- ~~(2) — Notwithstanding the provisions under subsection 2765(1), a CE Participant is not required to satisfy the requirements for any component under subsections 2762(2) or 2762(3) for the current cycle, provided that the total number of months in the cycle during which the component credit requirements was applicable, including each initial partial month, is less than 3.~~

PART B.2 — LEAVES OF ABSENCE

2766. — Leaves

- ~~(1) — Subsection 2762(5) permits a Mutual Fund Dealer Member to reduce the MFDM CE credit requirements applicable to a CE Participant under subsections 2762(2) or 2762(3) in circumstances where the CE Participant was absent, for a period of at least 4 consecutive weeks, from their employment as a Mutual Fund Dealer Member's Approved Person due to the following:~~
- ~~(i) — Pregnancy or parental leave,~~
 - ~~(ii) — Personal emergency leave,~~
 - ~~(iii) — Family caregiver or medical leave,~~
 - ~~(iv) — Personal illness or injury,~~
 - ~~(v) — Mandatory duty as a juror or witness, or~~
 - ~~(vi) — Other similar leaves of absence defined under applicable provincial laws.~~
- ~~(2) — In order to reduce the number of MFDM CE credit requirements, the Chief Compliance Officer, or their delegate, must:~~
- ~~(i) — approve the reduction in the number of MFDM CE credits,~~
 - ~~(ii) — maintain sufficient evidence and documentation to support their decision, including the following:~~
 - ~~(a) — how the calculation of the reduction in the number of MFDM CE credits was determined,~~
 - ~~(b) — the nature of the absence, and~~
 - ~~(iii) — notify CIRO of the reduction in the number of MFDM CE credits by filing a credit reduction report with CIRO no later than 10 days following the end of each cycle in which the consideration was applicable.~~

2767. — Reduction

- ~~(1) — A reduction in MFDM CE credits must be calculated using the formula outlined under subsection 2763(2) above.~~

PART B.3 – COMPONENT CONTENT**2768. Introduction**

- (1) — This part B.3 sets out minimum standards for continuing education content for *Mutual Fund Dealer Members*. These standards should be considered in the context of what is reasonable based on the *CE Participant's* roles and responsibilities and the *Mutual Fund Dealer Member's* operations. *Mutual Fund Dealer Members* must have procedures for identifying appropriate training topic areas for their *CE Participants*.

2769. Business Conduct

- (1) — Business Conduct content is educational material that promotes, directs and guides ethical and compliant conduct. It includes education regarding ethical issues, *Rules*, other applicable legislation, and *Mutual Fund Dealer Member's* policies and procedures for complying with regulatory requirements.
- (2) — A single Business Conduct Credit consists of 1 hour of training in at least one of the following topic areas:
- (i) — Ethics;
 - (ii) — *Rules* and the *Mutual Fund Dealer Member's* policies and procedures for complying with the *Rules*, and
 - (iii) — Relevant legislation and its application.
- (3) — For each cycle where a *CE Participant* is required to obtain at least 8 Business Conduct Credits, a minimum of 1 and maximum of 2 such credits must be content relating to ethics.
- (4) — Ethics related content refers to content that examines ethical principles and moral or ethical problems that may arise in performing duties on behalf of a *Mutual Fund Dealer Member*, including the principles under section 1402. It applies to all aspects of business conduct and is relevant to the conduct of *individuals* and entire organizations.
- (5) — Other business conduct topics include, but are not limited to:
- (i) — Conflicts of interests;
 - (ii) — Personal financial dealings;
 - (iii) — Regulatory requirements and initiatives that affect *Mutual Fund Dealer Member* operations;
 - (iv) — Disclosure of information to clients;
 - (v) — Documentation standards;
 - (vi) — Know-Your-Client;
 - (vii) — Suitability and new products;
 - (viii) — Know-Your-Product;
 - (ix) — Anti-money laundering laws and regulations and related Member policies and procedures;
 - (x) — Security and privacy of information, and

~~(xi) — Complaint handling.~~

2770. — Professional Development

- ~~(1) — Professional Development content is educational material that maintains or enhances a *CE Participant's* financial knowledge or proficiency.~~
- ~~(2) — A single Professional Development Credit consists of 1 hour of training in at least one of the following topic areas:~~
- ~~(i) — Products,~~
 - ~~(ii) — Financial planning,~~
 - ~~(iii) — Retirement planning,~~
 - ~~(iv) — Investment strategies and asset allocation,~~
 - ~~(v) — Client management techniques,~~
 - ~~(vi) — Economics, Accounting, and Finance,~~
 - ~~(vii) — Tax planning,~~
 - ~~(viii) — Estate planning, and~~
 - ~~(ix) — Insurance.~~

2771. — Compliance

- ~~(1) — Compliance content is education material relating to the conduct of *Dealer Members* and *CE Participants* that has been specifically designated by *CIRO*. Compliance content will include areas relating, but not limited, to, compliance examination findings, Compliance and Enforcement priorities, and proposed Rule changes.~~
- ~~(2) — The two Compliance Credits must be obtained by completing continuing education activities specifically designated by *CIRO*.~~

PART B.4 — DELIVERY STANDARD

2772. — Providers

- ~~(1) — *Mutual Fund Dealer Members* may provide required content through their own training initiatives or through third parties.~~

2773. — Accreditation

- ~~(1) — A *Mutual Fund Dealer Member* or third party may submit a continuing education activity for accreditation through *CIRO's* accreditation process.~~

PART B.5 — MUTUAL FUND DEALER MEMBER'S ADMINISTRATION OF THE CONTINUING EDUCATION PROGRAM

2774. — Mutual Fund Dealer Member obligations

- ~~(1) — A *Mutual Fund Dealer Member* must:~~
- ~~(i) — verify the *CE Participant's* compliance with the requirements at the end of the cycle,~~

- ~~(ii) — keep evidence of a *CE Participant's* completion of the continuing education activity in accordance with Part B.6 of this current Rule 2700;~~
- ~~(iii) — verify completion of a continuing education activity and keep continuing education program records, including continuing education activity related materials, for each cycle for a minimum of seven years following the end of the cycle;~~
- ~~(iv) — designate an *individual* responsible for supervising training and approving a *CE Participant's* chosen continuing education activity;~~
 - ~~(v) — ensure that a *CE Participant's* chosen continuing education activity satisfies the content criteria described in Part B.3 of this current Rule 2700;~~
 - ~~(vi) — where the continuing education activity is delivered by the *Mutual Fund Dealer Member*, evaluate a *CE Participant's* knowledge and understanding of the continuing education activity; and~~
 - ~~(vii) — ensure that each *CE Participant* meets the continuing education requirements during each cycle.~~

PART B.6 — EVIDENCE OF COMPLETION

2775. — Documentation issued by a third party

- ~~(1) — Evidence of completion for *MFDM CE credits*, as required under section 2762, may be in the form of supporting documentation issued by a third party, including certificates/other notices of completion, attendance records, or test results.~~

PART B.7 — REPORTING

2776. — CERTS

- ~~(1) — *Mutual Fund Dealer Members* must use *CERTS* to comply with the reporting obligations of Part B of this current Rule 2700.~~

2777. — Cycle

- ~~(1) — Only *MFDM CE credits* obtained during the assigned eligibility period may be used to satisfy the requirements under section 2762. *MFDM CE credits* obtained during any cycle may only be used to satisfy the prescribed *MFDM CE credit* requirements for that cycle or a previous cycle where a *CE Participant* has outstanding requirements from that previous cycle.~~

2778. — Responsibility

- ~~(1) — *Mutual Fund Dealer Members* must file reports of completed *MFDM CE credits*, no later than 10 *business days* following the end of the cycle.~~

2779. — CE Participant ceases to be an Approved Person

- ~~(1) — Notwithstanding the provisions under section 2778, when a *CE Participant* ceases to be an *Approved Person* of a *Mutual Fund Dealer Member*, that Member must file a report of all completed *MFDM CE credits* for that *CE Participant* within 30 days.~~

PART B.8 – ASSESSMENTS**2780. — Review**

- (1) — ~~CIRO may, at its discretion, conduct a review of any accredited continuing education activity delivered to CE Participants including the records to be retained by a Mutual Fund Dealer Member in respect of the MFDM CE credits reported to CIRO.~~

2781. — Notification

- (1) — ~~In such instances, the Mutual Fund Dealer Member shall be notified, in writing, by CIRO of the continuing education activities being reviewed and will have 15 days to submit to CIRO any documents and information requested as part of the assessment.~~

2782. — Rejection

- (1) — ~~Failure by a Mutual Fund Dealer Member to submit adequate evidence to support the continuing education activity delivered and the MFDM CE credits reported may result in the rejection by CIRO of all or some of the reported MFDM CE credits associated with that continuing education activity. As a result of such rejection, the CE Participant may, for that cycle, be found to be non-compliant with the requirements under section 2762.~~

PART B.9 – NON-COMPLIANCE**2783. — Notification and fees**

- (1) — ~~Where, for any given cycle, CIRO's records indicate that a CE Participant has not met the requirements as prescribed under Part B of this current Rule 2700, CIRO shall notify the CE Participant's sponsoring Dealer Member of the non-compliance determination no later than 30 days from:~~
- (i) — ~~the end of the cycle,~~
 - (ii) — ~~for a returning CE Participant, upon failure to satisfy any outstanding credits from the immediately preceding cycle, or~~
 - (iii) — ~~the completion of an assessment of the records maintained by a Dealer Member where a rejection by CIRO of reported MFDM CE credits has resulted in non-compliance for a CE Participant.~~
- (2) — ~~Where a Dealer Member has been notified of such non-compliance pursuant to subsection 2789(1), the Dealer Member shall have 15 days to submit a response for each non-compliance notification detailing a plan for each CE Participant to become compliant with the requirements under Part B of this current Rule 2700.~~
- (3) — ~~Where, after receiving and reviewing the Dealer Member's response, CIRO has determined that a CE Participant has not met the prescribed MFDM CE credit requirements for a given cycle, and CIRO is not satisfied with the Dealer Member's response, CIRO shall provide notification to the CE Participant's sponsoring Dealer Member indicating that the CE Participant is not to act as an Approved Person of any Mutual Fund Dealer Member until such time as CIRO has determined that the prescribed MFDM CE credit requirements have been met.~~

- ~~(4) — Where a Dealer Member has been notified pursuant to subsection 2789(3), the Dealer Member shall:~~
- ~~(i) — immediately provide appropriate notification of this matter to the applicable CE Participant, and~~
 - ~~(ii) — promptly take all steps necessary to ensure that all impacted clients continue to receive service in accordance with requirements under the Rules.~~
- ~~(5) — Where CIRO has determined that a CE Participant has not met the prescribed MFDM-CE credit requirements for any given cycle, as prescribed under Part B of this current Rule 2700, CIRO may, for each such occurrence, impose a \$2,500 fee on the CE Participant's sponsoring Dealer Member.~~
- ~~(6) — Dealer Members will have 30 days from the date of notification to pay the fee in full to CIRO.~~

~~2784. — Reinstatement~~

- ~~(1) — Where CIRO has provided notification to a CE Participant's sponsoring Dealer Member pursuant to subsection 2789(3), the Dealer Member may file MFDM-CE credit reports for that applicable cycle for review by CIRO.~~
- ~~(2) — Where CIRO subsequently determines that the CE Participant has met the prescribed MFDM-CE credit requirements for that applicable cycle, notification will be delivered to the CE Participant's sponsoring Dealer Member stating that the CE Participant is in compliance with the requirements under Part B of this current Rule 2700.~~

~~2785. — 2799. Reserved~~