

DELIVERED BY EMAIL

September 20, 2023

Canadian Investment Regulatory Organization
Suite 2000, 121 King Street West
Toronto, Ontario, M5H 3T9

Attention: Sherry Tabesh-Ndreka, Acting Senior Director, Registration
stabesh@iirc.ca

Dear Sirs/Mesdames:

Re: Consultation Paper - Proposed Proficiency Model - Approved Persons under the Investment Dealer and Partially Consolidated Rules

Wealthsimple Investments Inc. (“**Wealthsimple**”) is pleased to provide comments to the Canadian Investment Regulatory Organization (“**CIRO**”) regarding *Consultation Paper - Proposed Proficiency Model - Approved Persons under the Investment Dealer and Partially Consolidated Rules* dated July 7, 2023 (the “**Consultation Paper**”). We appreciate the opportunity to provide feedback to CIRO on the Consultation Paper. We are supportive of a proficiency model that will raise the proficiency bar while also lowering the cost of licensing. However, we have concerns that certain proposals in the Consultation Paper will create unnecessary entry barriers for new entrants to the financial industry.

Wealthsimple is a financial services company on a mission to help everyone achieve financial freedom. Using smart technology, we take financial services that are often confusing, opaque and expensive and make them simple, transparent, and low-cost. Founded as an automated investment manager in 2014, we now serve over 3 million Canadians (including 1 in 5 adults under 40) with products across investing, DIY trading, cryptocurrency, tax filing, saving and spending.

We support a general exam and Approved Persons exam requirement

We are supportive of the proposal for Approved Persons to write a standardized general exam, plus a separate exam targeted to each category of Approved Person based on the competency profiles that CIRO has developed. We support CIRO’s active involvement in the exam design process. We believe that the content of these exams should be updated from the content of the current courses provided by the Canadian Securities Institute (“**CSI**”). We are supportive of CIRO playing a more active role in exam design to ensure that exam content is updated periodically to reflect industry developments. We believe that the fees for these exams should be kept low, so that costs do not become a barrier to entry.

We are very supportive of a competitive market for preparatory courses for these exams. We believe that a competitive market has the potential to increase the quality and relevance of preparatory materials while also lowering costs for registrants. This model also empowers individuals and dealer members to choose the provider that they prefer.

We ask that CIRO include a grandfathering provision in any updated proficiency and examination requirements to ensure that Approved Persons who have met all of the previous proficiency requirements do not have to retake exams or courses.

We do not support the firm sponsorship requirement

We do not support the proposal in the Consultation Paper that firm sponsorship be required before an individual may enrol in an Approved Person exam. We believe that such a requirement is an unnecessary barrier to individuals improving their proficiency. Currently, it is not uncommon for individuals to take CSI exams before they are employed by a dealer member, or to take exams that would give them the required proficiency for a role with a dealer member other than their current role. It may not be feasible for individuals to discuss this potential role change with their managers in order to secure a firm sponsorship. The Consultation Paper does not address why CIRO believes that firm sponsorship is necessary, other than stating that FINRA requires firm sponsorship. We do not believe that the current system of allowing individuals to enrol in the exams they wish to pursue, regardless of whether they are employed by or have a conditional offer of employment from a dealer member, is detrimental to the industry or investors.

We do not support baseline education or experience requirements

We are not supportive of the proposal in the Consultation Paper for a baseline education or experience requirement for Registered Representatives (“RR”) and Executives. We believe that such a requirement will create an unnecessary barrier to individuals pursuing careers at dealer member firms.

The Consultation Paper proposes that RRs must have either baseline education (i.e., a relevant diploma or degree) or two years of relevant experience in the financial industry. The Consultation Paper does not provide evidence to support the statement that such a requirement will enhance the proficiency regime. The Consultation Paper also does not provide specific information about what CIRO will consider relevant diplomas or degrees. We believe that the proposed examination process and mandatory training should provide CIRO with sufficient confidence regarding an RR’s proficiency, and CIRO should not create an additional requirement to becoming an RR related to having a specific degree or two years of experience. We note that we currently do not have RRs, so this proposal is not directly relevant to us. However, we strongly believe that individuals with a range of educational and professional experience can be effective RRs, and the industry should be made accessible to new entrants. We believe that the examination regime will ensure that RRs have the requisite proficiency.

Additionally, we do not support the proposed requirement for all Executives of a dealer member to have two years of relevant experience working in the financial industry, rather than the current requirement for 60% of a dealer member’s Executives to have five years of experience in the financial services industry. We do not believe the proposed requirement is necessary for significant areas of risk which can exist in a dealer member for which experience at a dealer member is irrelevant to an individual’s capacity and proficiency to manage such areas of risk. For example, a dealer member might find it particularly important to have an individual with a background in the technology industry act as an Executive, given the large impact technology has on the financial services industry. It would create an unnecessary hurdle to require that individual to also have two years of experience in the financial industry to become an Executive. Dealer members should be given the flexibility to hire people with specific expertise for

Executive positions, even if the individual has not worked in the financial industry before, as long as there is a sufficient complement of other Executives with relevant experience in the financial industry.

We hope that our comments will be received positively by CIRO, and are helpful in future considerations regarding CIRO's proficiency model. We welcome the opportunity to discuss our comments with you.

Yours truly,

"Blair Wiley"

Blair Wiley
President

cc: Lia Mathiesen, *Wealthsimple*
Catherine De Giusti, *Wealthsimple*