



Member of the Canadian Investment Regulatory Organization

September 20, 2023

Mrs. Sherry Tabesh-Ndreka
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Subject: Consultation Paper – Proposed Proficiency Model – Approved Persons under the Investment Dealer and Partially Consolidated Rules ("Proposed Proficiency Model")

Dear Mrs. Tabesh-Ndreka,

Casgrain & Company Limited (hereafter "We" or "Us") appreciates the opportunity to provide comments to the Canadian Investment Regulatory Organization ("CIRO") relating to the Proposed Proficiency Model.

In general, we support the CIRO Proposed Proficiency Model, more particularly with the following elements of the proposal:

- the move from a course-centric model with exams tied to courses to an assessment-centric model;
- mandatory professional conduct training and continuing education;
- consideration of offering online interactive continuing education training; and
- requiring a minimum level of education or experience.

Not only does it modernize the exam competency profile, the overall training and the baseline education to today's needs, but it also addresses various industry stakeholders' needs/requirements. Institutional RRs and IRs will appreciate that their exams will be aligned and targeted with their competency profile rather than being more retail-oriented. Also, we believe that offering interactive online continuing education should be more attractive and engaging for Approved Persons and make the learning experience more efficient.

The end result of the Proposed Proficiency Model should create a higher proficiency standard that the investment industry stakeholders should all benefit from.

Training for Institutional RRs and IRs

Upon reading the consultation paper, it is unclear to us whether CIRO plans to offer mandatory professional conduct training and continuing education tailored specifically to institutional Approved Persons or if it will be generic (same for institutional and retail).

Although we understand that all Approved Persons, regardless of their registration status, are subject to the same ethics and professional standards, differences exist. Institutional business differs from traditional retail business on a number of levels (suitability obligations, AML cases, etc.). Therefore, institutional accounts have historically been subject to analysis different from retail accounts. The former is generally viewed as accounts opened for financially sophisticated customers, who typically buy and sell in the market frequently, in significant volume and usually through an intermediary with personnel as qualified as the Approved Persons.

If CISO is planning to offer training on a generic basis, we strongly suggest that CISO reconsiders and adapts its mandatory professional conduct and continuing education to each type of registration, with a distinction, where applicable, between institutional Approved Persons dealing in equity, fixed income and derivatives. Providing case studies for an equity retail or institutional RR or IR is of less importance for a fixed income or derivative Institutional RR or IR. Doing so would be contrary to the Proposed Proficiency Model objectives and the expectations of end-users.

Firm Training-Institutional

Although institutional firms may have their own firm training program, they do not have the burden to respect a 30/90-day training program before registering their Approved Person. A person can start dealing as soon as they are registered. Also, small institutional firms may not have the appropriate resources to conduct the firm training program within an established timeline or afford to wait such time before their Approved Persons can trade or advise in securities. For retail firms that relied on the Canadian Securities Institute's online program for providing their 30/90 days firm training program, will CISO ensure that similar offers will exist for small institutional firms that do not have the resources to establish their training program?


Moreover, many firms have their unique business model, which is particular to them. Will the criteria CISO plans to publish for firms to utilize in creating their training program cover all these particularities? Based on the current training program for retail RRs/IRs, specific topics could be duplicated as they would already be addressed in the mandatory professional conduct training.

We question the rationale of requiring an institutional Approved Person to complete a firm training program and whether this proposal should be retained. The consultation paper mentions that CISO is considering aligning the firm training program with the competency profile. As mentioned above, institutional differs from retail. In general, institutional Approved Persons must be as qualified as those of institutional accounts. For example, our institutional Approved Persons are mostly MBAs, hold a CFA designation, and some are Ph.D.s and/or engineers. We do not see how a firm training program aligned with the competency profile of an institutional Approved Person will benefit the industry and increase investor protection as well as the integrity and efficiency of capital markets.

If CISO still decides to go ahead with their proposal of requiring institutional RRs and IRs to complete a firm training program tailored to their competency profile, we strongly suggest that CISO consults their institutional members for the criteria that firms should utilize before implementing it and restrict the training period to a period of not more than two weeks.

Thank you again for the opportunity to provide comments on this important proposal. We remain available for further discussion at your convenience.

Sincerely yours,



André Zanga, FCPA

Vice-President, Chief Financial & Compliance Officer

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