

September 20, 2023

VIA EMAIL

Canadian Investment Regulatory Organization  
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**Re: *Consultation Paper – Proposed Proficiency Model – Approved Persons under the Investment Dealer and Partially Consolidated Rules (the “Consultation”)***

The Canadian Advocacy Council of CFA Societies Canada<sup>1</sup> (the “CAC”) appreciates the opportunity to provide the following comments on the Consultation. The CAC is tentatively supportive of the proposed proficiency model set out in the Consultation. While we agree with the potential for success of an assessment-centric model, which aligns generally with the model adopted by FINRA, there are a number of aspects of the proposed model on which we would appreciate further details, and on which we currently have reservations.

General Comments

We are open to the exam structure proposed in the Consultation consisting of a general exam followed by more tailored exams dependent on the specific category of registration being sought. We would, however, appreciate further details with respect to these exams, including the extent to which an examination body of knowledge will be developed alongside a robust set of detailed and examinable learning outcomes, how difficult the exams are designed to be, whether there would be oversight from the CIRO board or other governance bodies on body of knowledge/exam content and pass rates, and the extent to which guidance will be given to the market on the substance and standards of these examinations.

We are strongly in favour of the creation (and ongoing maintenance) of a cohesive and comprehensive body of knowledge for each intended exam, and the development of robust and examinable learning outcomes on which test-takers may be examined, as opposed to a model where individuals are expected to prepare to a more generalized list of exam topics.

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<sup>1</sup> The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across Canada and over 20,000 Canadian CFA Charterholders. The council includes investment professionals across Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. Visit [www.cfacanada.org](http://www.cfacanada.org) to access the advocacy work of the CAC.

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors' interests come first, markets function at their best, and economies grow. There are more than 190,000 CFA charterholders worldwide in 160 markets. CFA Institute has nine offices worldwide and there are 160 local societies. For more information, visit [www.cfainstitute.org](http://www.cfainstitute.org) or follow us on LinkedIn and Twitter at @CFAINstitute.

We believe the requirement to have CIRO member firm sponsorship prior to registering for offered exams is a positive step which aligns with the FINRA model. This requirement will help ensure that there is a tangible nexus between the completion of industry exams and the attainment of registerable employment, and encourage that the burden of licensing costs be borne by CIRO member employers rather than job-seeking individuals. We believe this will prevent individuals from writing exams on spec and discourage exam preparation providers from misrepresenting employment prospects relating to the completion of licensing examinations for commercial interests. We also believe this has important diversity, equity, and inclusion implications.

The adoption of a revamped proficiency model provides CIRO with an ideal opportunity to increase the competency and proficiency standards expected of their individual registrants. Competency and proficiency are critical aspects of the gatekeeping function of securities regulation, which should be prioritized when setting out the specific details of the proficiency model. We would encourage CIRO to take this opportunity to increase the proficiency standards required of industry participants by ensuring that exams are meaningful tests of knowledge and competency prior to registration that require thorough understanding of the relevant body of knowledge and learning outcomes.

We would also be interested in further details on the governance structure surrounding the creation and maintenance of the proficiency model and ensuring maximum transparency on how the standards and goals of the proficiency model are being met.

### **Concluding Remarks**

We are open to supporting the model proposed in the Consultation, in particular to the extent it aligns with the U.S model adopted by FINRA and the requirement for exam takers to have a sponsoring firm. We have concerns that many of the specific details of the operational and governance structures surrounding the proposed proficiency model are where potential issues of concern may arise. As such, we would welcome further details for review and comment, including more explicit details on the content structure and standards to which candidates will be held, the levels of transparency which will be provided on the operation and governance of the model, exam content, and examination standards.

We thank you for the opportunity to provide these comments and would be happy to address any questions you may have. Please feel free to contact us at [cac@cfacanada.org](mailto:cac@cfacanada.org) on this or any other issue in the future.

(Signed) *The Canadian Advocacy Council of  
CFA Societies Canada*

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