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September 17, 2024

Re: Proposed Proficiency Model – Approved Persons under the Investment Dealer and Partially Consolidated Rules

Thank you for the opportunity to comment on CIRO's, Proposed Proficiency Model – Approved Persons under the Investment Dealer and Partially Consolidated Rules (the Consultation).

Our Company

At Canada Life, we are focused on improving the financial, physical and mental well-being of Canadians. For more than 175 years, our customers across Canada have trusted us to provide for their financial security needs and to deliver on the promises we have made. Today, Canada Life provides insurance, wealth management, and healthcare benefit products and services, serving more than 13 million customer relationships across Canada, through our network of over 16,000 advisors.

We are one of Canada's preeminent wealth providers. Across our platform, Canada Life has approximately \$100 billion in Canadian independent wealth management assets under administration. In the securities space, we offer a full spectrum of wealth management services and solutions to our clients through our subsidiaries that operate in the mutual fund dealer, investment dealer, investment fund manager, and portfolio manager categories of registration.¹ We are building on our strong foundations to create a leading wealth management platform for independent advisors and their clients in Canada.

¹ Quadrus Investment Services Ltd., LP Financial Planning Services Ltd., and IPC Investment Corporation are registered as mutual fund dealers; IPC Securities Corporation and Canada Life Securities Ltd. are registered as investment dealers; and Canada Life Investment Management Ltd., Counsel Portfolio Services Inc., and Value Partners Investment Inc., are registered as investment fund managers and portfolio managers.

Our Comments

We generally agree with the proposed changes and support the intention to improve investor protection and the integrity of capital markets through enhanced proficiency, while reducing barriers to entry. However, we urge CIRO to consider the following comments as it finalizes its proficiency model.

(i) Education and Experience Requirements for Registered Representatives

The proposals broadly require a degree or diploma to serve as a Registered Representative (RR), or four years of relevant experience. While we appreciate the intention to not create barriers to entry by mandating specific educational and experience requirements, it is nevertheless critical that CIRO publish guidance on what would be acceptable in advance of the implementation of the new proficiency program. In our view, 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. CIRO must articulate a clear pathway for individuals seeking to become registered. Candidates must know their experience is acceptable before committing the time and money to take required exams, and dealer members will want to be confident that any candidate they put forward will be acceptable to CIRO.

(ii) Experience for Executives

We are also particularly concerned that requiring all Executives to have two years of relevant experience may have the unintended consequence of limiting the potential pool of candidates as well as candidate diversity, especially if what is considered “relevant” is narrowly construed and/or confined to the same business type and role. As a large organization with a number of registrants, affiliates and subsidiaries, that operate broadly across the financial services spectrum, we strongly believe perspective and experience gained by executives in other aspects of our business and throughout the financial services industry can be beneficial to the leadership of a dealer member. CIRO must ensure that it revises the proposal to provide greater flexibility for experience requirements so that it does not unduly limit candidates who can make a meaningful contribution to the dealer member – diversity of experience can bring strength to an executive management team.

(iii) Automatic Suspensions

CIRO must revisit its proposal to suspend registrants if their Dealer Member fails to notify CIRO of the completion of certain training by the same date the registrant is required to complete the training. We believe this will increase administrative burden on the Dealer Member that could unfairly result in the suspension of registrants – and importantly, impact client service – where Dealer Members inadvertently fail to report. We strongly urge CIRO to alleviate this burden by providing the Dealer Member with at least 10 business days to report the completion of courses to CIRO.

(iv) Grandfathering and Transition

We strongly support the proposed grandfathering and transitioning concepts. No one who is currently serving in an approved person role should be required to requalify or take an additional exam to remain registered, provided they continue in the same role as proposed. We note that CIRO will consider an individual to continue in the same role if they do not cease to be approved for longer than 90 days. We do not believe 90 days provides sufficient time and suggest CIRO extend the interval to 120 days 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, for example.

We also strongly support the concept that those currently enrolled in Canadian Securities Institute (CSI) courses should be allowed to continue with minimal disruption. However, we note that individuals presently have three years to obtain registration once a CSI course is successfully completed. Pursuant to the proposed grandfathering provision, individuals who pass their CSI course after January 1, 2024, will have less than three years to obtain registration. CIRO should consider harmonizing these timelines to ensure individuals continue to have three years to obtain registration.

Thank you once again for the opportunity to comment on the proposed proficiency model. Please do not hesitate to contact us with any questions. We would be pleased to engage with you further on this important topic.

Sincerely,



Blaine Shewchuk
Executive Vice President, Individual Wealth
Canada Life