

September 17, 2024

Registration, Proficiency

Canadian Investment Regulatory Organization
Suite 2600
40 Temperance Street
Toronto, Ontario M5H 0B4
E-mail: proficiency@ciro.ca

Trading and Markets

Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West Toronto, Ontario M5H 3S8
E-mail: marketregulation@osc.gov.on.ca

Capital Markets Regulation

B.C. Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street, Vancouver, British Columbia, V7Y 1L2
E-mail: CMRdistributionofSROdocuments@bcsc.bc.ca

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

We are pleased to provide comments on behalf of IG Wealth Management (“IGWM”) in response to the Canadian Investment Regulatory Organization’s (“CIRO”) request for comments on their Proposed Proficiency Model for Approved Persons under the Investment Dealer and Partially Consolidated Rules (the “Proposed Rules”).

Our Company

IG Wealth Management is a diversified financial services company and one of Canada’s largest managers and distributors of mutual funds, including the exclusive distributor of its own products. We carry out our distribution activities through our subsidiaries Investors Group Securities Inc. (“IGSI”), our investment dealer, and Investors Group Financial Services Inc. (“IGFS”), our mutual fund dealer, both of which are members of CIRO. We are committed to comprehensive personal financial planning delivered through long-term client and advisor relationships. The company provides advice and services through a network of advisors located across Canada to over one million clients. We currently have approximately 3,300 advisors registered with CIRO, located across 52 regional offices spanning all provinces throughout Canada. IG Wealth Management has over \$130 billion in assets under advisement as of June 30, 2024. We are part of IGM Financial Inc., which is a member of the Power Corporation of Canada group of companies.

General Comments

As outlined in our 2023 Letter, IGWM is supportive of CIRO’s efforts to modernize the Proficiency Model.

We appreciate CIRO's review and incorporation of feedback from stakeholders into the Proposed Rules. Specifically, IGWM welcomes the removal of the firm sponsorship requirement that connected a candidate's ability to enroll in certain Approved Person exams. We believe this change removes unnecessary barriers for candidates and reduces cost. We were also pleased to see CIRO move away from the single provider course model, to a new assessment model with broader and elevated baseline criteria for candidates to enter the industry.

Baseline Education and Relevant Experience for Approved Persons

As noted in our 2023 Letter, we believe further clarification is required as to what CIRO considers 'relevant' education or experience for baseline criteria. We continue to advocate for a broad interpretation, which focuses on core transferrable skills that can be obtained by the candidate, rather than the content of a specific academic discipline or vocation. In addition, we believe certain foreign educational qualifications or professional designations should continue to be considered as they may similarly demonstrate a candidate's analytical skills.

We further believe it will continue to be important for CIRO to develop and publish Guidance on the exemption process for a Dealer Member to request consideration of a candidate's (Approved Persons, Supervisors and Executives) relevant education or experience that may not meet the prescribed criteria. For example, we think the Guidance should permit candidates that have shorter periods of 'relevant' experience, where that experience is obtained directly in the financial industry. This would include situations where an individual is working within a dealer member's operations or within an advisor team in an unlicensed capacity. These individuals working directly (in an unregistered capacity) with licensed advisors, or within the dealer member are gaining analytical skills, client service skills and other qualities required to be successful. This experience should be considered as satisfying the baseline requirements.

Experience for Executives

We remain supportive of expanding the experience requirements for Executives. However, in the Proposed Rules commentary, there was narrowing language outlining what CIRO may consider 'relevant' experience for Executives that could unnecessarily reduce the availability of qualified Executives to serve in the financial industry. Specifically, the Proposed Rules commentary suggests that CIRO will consider experience 'relevant' based on: the category of approval of the firm, the responsibilities of the Executive and the firm's type of business. We are concerned that CIRO may interpret this too narrowly and only recognize experience that is "like for like", that is for an Executive to be approved in respect of a firm, that person must have experience in a firm registered in the same category of registration. In our view, an Executive could obtain relevant experience at an order-execution-only dealer and have transferable skills to act as an Executive at a full-service investment dealer. In addition, experience at a large insurance dealer could provide an Executive with skills and knowledge beneficial to a mutual fund dealer or an investment dealer, and the reverse is equally true. We encourage CIRO to expand its considerations of what is 'relevant' with respect to experience for Executives.

Grandfathering

We support and believe it is appropriate to grandfather Approved Persons and are generally supportive of CIRO's proposal to address the various scenarios for candidates. We do not, however, believe that the timeline proposed by CIRO with respect to those who have enrolled in courses with CSI is appropriate as it is truncated. In our view, individuals should be given the full three years to complete the exam, satisfy other proficiency requirements and submit their application for registration.

Grace Period for Notification

The Proposed Rules outlined that if a dealer member fails to notify CIRO that an Approved Person completed their applicable proficiency requirements within the stipulated timeline, that Approved Person will be automatically suspended. We strongly urge CIRO to reconsider. In our view, this is an unnecessarily harsh consequence and instead, support a 10 Business Day grace period. This not only mitigates the harm to an Approved Person, it also alleviates the negative impact such a suspension could have on the clients of that Approved Person due to a delay by a dealer member to complete a filing.

Conclusion

Thank you for the opportunity to provide comments on the Proposed Rules.

We would be pleased to engage further with you on this important initiative. Please feel free to contact Adrian Walrath at Adrian.walrath@ig.ca or me if you wish to discuss our feedback further or require additional information.

Yours truly,

IG Wealth Management



Danielle Tetrault

Vice-President, Compliance and Chief Compliance Officer

Investors Group Securities Inc. and Investors Group Financial Services Inc.