



BY EMAIL ONLY: proficiency@ciro.ca

September 20, 2024

Registration, Proficiency
Canadian Investment Regulatory Organization
Suite 2600, 40 Temperance Street
Toronto, Ontario M5H 0B4

Subject: Request for Comments 24-0206: Proposed Proficiency Model — Approved Persons under the Investment Dealer and Partially Consolidated Rules

Dear Sir, Madam

The Regulatory Division (the “Division”) of Bourse de Montréal Inc. (the “Bourse”), welcomes the opportunity to respond to the invitation by the Canadian Investment Regulatory Organization (“CIRO”) to comment on the proposed amendments to its proficiency rules applicable to investment dealer approved persons.

The Division is an independent unit of the Bourse whose primary mission is to perform the self-regulatory functions and activities of the Bourse. These functions include the admission of approved participants to trade listed derivatives on the Bourse (“Approved Participants”) and the approval of their employees accessing the Electronic Trading System of the Bourse (the “ETS”).

Given the Bourse’s role in the Canadian derivatives ecosystem and the Division’s responsibilities in the regulatory landscape, we have an active interest in the licensing and registration framework of individuals trading on the Bourse. Currently individuals accessing the ETS to trade on behalf of Canadian Approved Participants and their clients, are registered with CIRO as Registered Representatives, Investment Representatives or Traders on the Montréal Exchange.

The Division supports the changes proposed by CIRO to reform the proficiency model for CIRO’s approved persons and the revised framework. We particularly take note of the changes proposed to the Trader category to have a single profile and proposal to extend the proficiency requirement to include competencies on derivatives, in addition to training mandated by a marketplace.

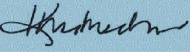
The Division is currently analyzing the regulatory framework applicable to employees of Approved Participants of the Bourse. We believe that CIRO’s proposed changes should continue to maintain registration requirements as set out under the applicable legislation in Canada and by additionally extending the proficiency requirements to derivatives, it

ensures registered/licensed individuals have the requisite baseline training for the Canadian markets, relevant to each product type traded.

In its proposal, CIRO is also recommending an automatic suspension when new registrants do not complete mandatory conduct or firm training requirements. Since the employees of Approved Participants of the Bourse must be duly licensed when trading, the Division believes that Approved Participants of the Bourse will be impacted by this proposed change as they will have to establish policies and procedures to manage access to the Bourse in the case of a suspension. The Division will give due consideration to such situations as work progresses on the revamp of the regulatory framework applicable to employees of Approved Participants of the Bourse.

The Division remains available to discuss these comments and is pleased to continue its collaboration with CIRO.

Sincerely yours,

DocuSigned by:


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Karen McMeekin

President, Regulatory Division of Bourse de Montréal Inc.

cc:

Trading and Markets

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