

## RULE 2500 | DEALER MEMBER DIRECTORS AND EXECUTIVES, AND APPROVAL OF INDIVIDUALS

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[...]

### PART A - DEALER MEMBER DIRECTORS AND EXECUTIVES

#### 2502. General requirements for Directors

[...]

(2) At least 40% of the *Dealer Member's Directors* must:

[...]

(ii) satisfy the applicable proficiency requirements of subsections 2603(1) and 2604(2), and

[...]

(3) The remaining *Directors* who do not meet subsection 2502(2) must, if *actively engaged in the business of the Dealer Member* or its *related company*, meet the applicable proficiency requirements of subsections 2603(1) and 2604(2).

#### 2503. General requirements for Executives

(1) A *Dealer Member's Executives* must:

[...]

(ii) satisfy the applicable proficiency requirements of subsections 2603(1) and 2604(2).

[...]

[...]

#### 2505. Chief Financial Officer

(1) A *Dealer Member* must designate a *Chief Financial Officer* who must:

[...]

(ii) satisfy the applicable proficiency requirements of subsections 2603(1) and 2604(2).

[...]

(4) When an acting *Chief Financial Officer* is designated:

(i) that *individual* must satisfy the applicable proficiency requirements of subsections 2603(1) and 2604(2) and be designated as *Chief Financial Officer*, or

[...]

[...]

#### 2506. Chief Compliance Officer

(1) A *Dealer Member* must designate a *Chief Compliance Officer* who must:

[...]

(ii) satisfy the applicable proficiency requirements of subsections 2603(1) and 2604(2).

[...]

- (5) When an acting *Chief Compliance Officer* is designated:
  - (i) the *individual* must satisfy the applicable proficiency requirements of subsections 2603(1) and 2604(2) and be designated as *Chief Compliance Officer*, or

[...]

[...]

**2507. Ultimate Designated Person**

- (1) A *Dealer Member* must designate an *Ultimate Designated Person* who must be designated as an *Executive* and meet the applicable proficiency requirements in subsections 2603(1) and 2604(2) and the general requirements for *Executives* set out in section 2503.

[...]

[...]

## RULE 2700 | CONTINUING EDUCATION REQUIREMENTS FOR APPROVED PERSONS

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### 2701. Introduction

- (1) Rule 2700 prescribes continuing education requirements for *Dealer Members* and their *Approved Persons* to enhance and further develop their baseline proficiencies.
- (2) Rule 2700 is divided into the following parts:
  - Part A – The continuing education program and continuing education requirements  
[sections 2703 through 2710]
  - Part B – Continuing education program administration  
[sections 2711]
  - Part C – Participation in the continuing education program  
[sections 2721 through 2723]
  - Part D – Proration  
[section 2731]
  - Part E – Exemptions from continuing education requirements  
[section 2741]
  - Part F – Penalties  
[section 2751]

### 2702. Definitions

- (1) The following terms have the meaning set out below when used in sections 2703 through 2799:

“compliance hours”	Training covering ethical issues, regulatory or legislative developments, <i>Corporation</i> rules and other <i>applicable laws</i> , governing <i>Dealer Member</i> conduct.
“continuing education activity”	A single, integrated course or series of relevant courses and activities, including seminars, programs or presentations that together meet the <i>continuing education program</i> requirements set out in Rule 2700.
“continuing education participant”	All <i>Approved Persons</i> , except <i>Directors</i> .
“continuing education program”	The <i>Corporation’s</i> continuing education program, composed of <i>compliance hours</i> , <i>professional development hours</i> and <i>mandated annual continuing education</i> .
“mandated annual continuing education”	Training prescribed by the <i>Corporation</i> that may be designated as satisfying <i>compliance hours</i> or <i>professional development hours</i> .
“professional development hours”	Training that either maintains, enhances or fosters learning, knowledge and development in areas relevant to <i>Dealer Member</i> business.

**PART A - THE CONTINUING EDUCATION PROGRAM AND CONTINUING EDUCATION REQUIREMENTS****2703. The continuing education program**

- (1) The *continuing education program* is composed of:
  - (i) *compliance hours*,
  - (ii) *professional development hours*, and
  - (iii) *mandated annual continuing education*.
- (2) The *continuing education program* operates in two year cycles, starting on January 1, 2028.
- (3) Each *continuing education program* cycle has the same start and end dates for all *continuing education participants*.

**2704. Continuing education requirements**

- (1) All *continuing education participants* must complete at least ten *compliance hours* in each *continuing education program* cycle.
- (2) A *Registered Representative* (retail), *Portfolio Manager* and *Associate Portfolio Manager* must complete at least twenty *professional development hours* in each *continuing education program* cycle.
- (3) All *continuing education participants* must complete the *mandated annual continuing education* prescribed by the *Corporation*.

**2705. Continuing education activities**

- (1) A *Dealer Member*, the *Corporation*, or an external provider may provide a *continuing education activity*.
- (2) A *Dealer Member* or external provider may submit *continuing education activities* for accreditation through the *Corporation's* accreditation process.

**2706. Continuing education activities with an examination**

- (1) A *continuing education participant* may receive *compliance hours* or *professional hours* for a *continuing education activity*, if the activity has an examination, including for any preparation hours.
- (2) Subsection 2706(1) only applies in the cycle in which they successfully pass the examination.

**2707. Foreign compliance activities**

- (1) A *continuing education participant* may receive a maximum of five *compliance hours* for compliance activities offered by a foreign *securities* dealer or external provider on foreign compliance subjects.

**2708. Carry forwards**

- (1) A *continuing education participant* cannot carry forward *compliance hours* or *professional development hours* to a subsequent *continuing education program* cycle.

**2709. Non-avoidance**

- (1) A *continuing education participant* may not change their *Approved Person* category to avoid completing more onerous continuing education requirements, or to avoid penalties for failing to complete continuing education requirements.

**2710. Registered Representatives dealing in mutual funds only**

- (1) *Registered Representatives* dealing in mutual funds only who are an employee of a firm registered as both an investment dealer and a mutual fund dealer:
  - (i) are not subject to and do not need to comply with the *Registered Representative continuing education* requirements set out in section 2704, and
  - (ii) are subject to and must comply with the continuing education requirements for individuals registered as a dealing representative set out in Mutual Fund Dealer Rule 900.

**PART B – CONTINUING EDUCATION PROGRAM ADMINISTRATION****2711. Dealer Member’s administration of the continuing education program**

- (1) A *Dealer Member* must:
  - (i) verify and ensure their *continuing education participants’* compliance with the *continuing education program* during and at the end of every cycle,
  - (ii) keep *continuing education program records*, including *continuing education activity* materials and evidence of their completion, for each cycle for at least seven years following the end of the cycle,
  - (iii) ensure that a *continuing education participant’s* chosen *continuing education activity* satisfies one of the program components in subsection 2703(1),
  - (iv) assess the *continuing education participant’s* knowledge and understanding of the activity, if delivering a *continuing education activity*,
  - (v) designate an *individual* responsible for supervising training and approving a *continuing education participant’s* chosen *continuing education activity*, and
  - (vi) report *continuing education participants’* compliance to the *Corporation* within 30 days after each cycle, using the prescribed reporting system.
- (2) A *Dealer Member* may allow a *continuing education participant* to use the *continuing education activities* completed during the applicable cycle at their former *Dealer Member* and may rely on a statement of completion issued by that former *Dealer Member*.
- (3) A *Dealer Member* may allow a *continuing education participant* to use mandatory conduct training prescribed in subsection 2604(2) towards *compliance hours*, if the *individual* was not required to complete that training during the cycle and did not complete it in the previous cycle.
- (4) A *Dealer Member* may allow a *continuing education participant* to use a *continuing education activity* completed after the *individual* ceased to be a participant, provided the activity was completed during the applicable cycle.

**2712. – 2720. Reserved.**

**PART C – PARTICIPATION IN THE CONTINUING EDUCATION PROGRAM****2721. Participation for a partial cycle**

- (1) If a *continuing education program* component is applicable for less than a full cycle, a *continuing education participant* may complete it on a prorated basis, calculated pursuant to Part D of Rule 2700.
- (2) Notwithstanding subsection 2721(1), a *continuing education participant* is not subject to a *continuing education program* component, if that component is applicable for two months or less during a cycle.

**2722. Leave of absence**

- (1) If a *continuing education participant* was absent for a period of at least four consecutive weeks, they may complete the applicable *continuing education program* components on a prorated basis, calculated pursuant to Part D of Rule 2700.

**2723. Returning continuing education participants**

- (1) A *continuing education participant* who returns from either a leave of absence, or who becomes a *continuing education participant* after previously ceasing to be one, must complete the *continuing education program* requirements from the immediately preceding cycle, subject to sections 2721 and 2722, that have not been completed.

**2724. – 2730. Reserved.****PART D – PRORATION****2731. Proration**

- (1) When a *continuing education participant* is allowed to complete an applicable *continuing education program* component on a prorated basis, the following formula must be used to calculate prorated *compliance hours* and *professional development hours*, rounded up to the nearest full hour:

$$\begin{array}{l} \text{total number of hours required} \\ \text{for the CE component in a full} \\ \text{cycle} \end{array} \quad \times \quad \begin{array}{l} \text{total number of months in the cycle} \\ \text{during which the component} \\ \text{requirement was or is applicable,} \\ \text{including each initial partial month} \end{array} \quad / \quad 24$$

- (2) *Mandated annual continuing education* cannot be prorated.
- (3) If the *mandated annual continuing education* exceeds the prorated *compliance hours* or *professional development hours*, the *continuing education participant* must still complete the full *mandated annual continuing education*.

**2732. – 2740. Reserved.**

**PART E – EXEMPTIONS FROM CONTINUING EDUCATION REQUIREMENTS**

**2741. Exemptions from continuing education requirements**

- (1) The *Corporation* may extend the time a *continuing education participant* has to complete a continuing education requirement, or may exempt a *continuing education participant* from a continuing education requirement, if the *Corporation* is satisfied that to do so would not prejudice the interests of the public, *Dealer Member* clients, or the *Dealer Member*.

**2742. – 2750. Reserved.**

**PART F - PENALTIES**

**2751. Penalties for late filing or failure to complete continuing education requirements**

- (1) The *Corporation* will automatically suspend a *continuing education participant's* approval following the end of the reporting period in clause 2711(1)(vi), if:
  - (i) the participant failed to complete the continuing education requirements within the cycle, or
  - (ii) the *Dealer Member* failed to report in the prescribed reporting system.
- (2) A *Dealer Member* that fails to comply with the requirements of clause 2711(1)(vi), or whose *continuing education participants* fail to meet their continuing education requirements, is liable to pay the *Corporation* any fine the *Board* may prescribe from time to time.
- (3) The *Corporation* may reinstate the *continuing education participant's* approval after the *Dealer Member* has notified the *Corporation* in writing that the *continuing education participant* has completed the continuing education requirements.

**2752. – 2799. Reserved.**