

Repeated currentPrevious rule	Proposed plain language rule
Rule 2900 Part III.(B) first paragraph New Rule 2900-Part III (H)(3) Rule 2900-Part III (K)(3) Rule 2900 Part III(A)	RULE 2650 CONTINUING EDUCATION REQUIREMENTS FOR APPROVED PERSONS 2651. Introduction (1) IIROC requires <i>Approved Persons</i> to meet continuing education requirements to enhance and further develop their baseline licensing proficiencies. ~~(2) A Dealer Member may give continuing education credit for Dealer Member compliance manual training where:~~ ~~(i) the content of the compliance manual training satisfies clause 2653(1)(i), and~~ ~~(ii) the compliance manual training is delivered by the Dealer Member through in-person seminars or webinars that are accompanied by a method of evaluation.~~ ~~(3) A Dealer Member is responsible for ensuring that an Approved Person meets the requirements during each continuing education program cycle, and for keeping adequate records of compliance.~~ ~~(4) Courses that, including those delivered by the Dealer Member, may be accredited for continuing education program (defined in section 2652) credits through IIROC's accreditation process.~~ 2652. Definitions (1) The following terms have the meanings set out below when used in sections 2653 to 2699: (i) “continuing education course” means a single, integrated course or series of relevant courses, seminars, programs or presentations that together meet the time and content requirements for continuing education set out in Rule 2650.

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New (Note: The following definitions were previously included in the March 9, 2017 PLR Rulebook publication. They have been added to subsection 2652(2) to allow Rule 2650 to be implemented as a stand-alone rule. Upon implementation of the PLR Rulebook in its entirety, these definitions will be deleted from subsection 2652(2) and will be included within the PLR Rulebook.)	(ii) “continuing education participant” means an <i>Approved Person</i> ~~employed by a Dealer Member and registered~~ <u>approved</u> in <u>one or more of</u> the categories set out in subsection 2654(1). (iii) “continuing education program” means <i>IIROC’s</i> continuing education program, consisting of compliance and professional development requirements. (2) <u>For purposes of sections 2651 to 2699, the following terms have the meanings set out below:</u> <table> <tr> <td>“acceptable counterparties”</td><td>The same meaning as set out in Form 1, General Notes and Definitions.</td></tr> <tr> <td>“acceptable institutions”</td><td>The same meaning as set out in Form 1, General Notes and Definitions.</td></tr> <tr> <td>“advertisement” or “advertising”</td><td>Any commercials, commentaries and any published materials promoting a <i>Dealer Member’s</i> business, and includes materials disseminated or made available electronically.</td></tr> <tr> <td>“agent”</td><td>An <i>individual</i> who is subject to the principal and agent relationship requirements set out in ~~Rule 2400~~ <u>Dealer Member Rule 39</u>.</td></tr> <tr> <td>“analyst”</td><td>A <i>Dealer Member’s</i> employee or <i>Approved Person</i> who is held out to the public as an analyst or whose responsibilities to the <i>Dealer Member</i> include the preparation, for distribution to clients or prospective clients, of any written report, which includes a recommendation with respect to a security.</td></tr> <tr> <td>“Approved Person”</td><td>An <i>individual</i> approved by <i>IIROC</i> under the <i>IIROC</i> requirements to carry out a function for a <i>Dealer Member</i>, namely, the following <i>individuals</i>:</td></tr> </table>	“acceptable counterparties”	The same meaning as set out in Form 1, General Notes and Definitions.	“acceptable institutions”	The same meaning as set out in Form 1, General Notes and Definitions.	“advertisement” or “advertising”	Any commercials, commentaries and any published materials promoting a <i>Dealer Member’s</i> business, and includes materials disseminated or made available electronically.	“agent”	An <i>individual</i> who is subject to the principal and agent relationship requirements set out in ~~Rule 2400~~ <u>Dealer Member Rule 39</u> .	“analyst”	A <i>Dealer Member’s</i> employee or <i>Approved Person</i> who is held out to the public as an analyst or whose responsibilities to the <i>Dealer Member</i> include the preparation, for distribution to clients or prospective clients, of any written report, which includes a recommendation with respect to a security.	“Approved Person”	An <i>individual</i> approved by <i>IIROC</i> under the <i>IIROC</i> requirements to carry out a function for a <i>Dealer Member</i> , namely, the following <i>individuals</i> :
“acceptable counterparties”	The same meaning as set out in Form 1, General Notes and Definitions.												
“acceptable institutions”	The same meaning as set out in Form 1, General Notes and Definitions.												
“advertisement” or “advertising”	Any commercials, commentaries and any published materials promoting a <i>Dealer Member’s</i> business, and includes materials disseminated or made available electronically.												
“agent”	An <i>individual</i> who is subject to the principal and agent relationship requirements set out in ~~Rule 2400~~ <u>Dealer Member Rule 39</u> .												
“analyst”	A <i>Dealer Member’s</i> employee or <i>Approved Person</i> who is held out to the public as an analyst or whose responsibilities to the <i>Dealer Member</i> include the preparation, for distribution to clients or prospective clients, of any written report, which includes a recommendation with respect to a security.												
“Approved Person”	An <i>individual</i> approved by <i>IIROC</i> under the <i>IIROC</i> requirements to carry out a function for a <i>Dealer Member</i> , namely, the following <i>individuals</i> :												

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			(i) Associate Portfolio Manager_⌵ (ii) Chief Compliance Officer_⌵ (iii) Chief Financial Officer_⌵ (iv) Director_⌵ (v) Executive_⌵ (vi) Investment Representative_⌵ (vii) Portfolio Manager_⌵ (viii) Registered Representative_⌵ (ix) Supervisor_⌵ (x) Trader_⌵ <u>or</u> (xi) Ultimate Designated Person_⌵
		“Associate Portfolio Manager”	An <i>individual</i> designated by the <i>Dealer Member</i> and approved by <i>IIROC</i> to provide discretionary portfolio management for <i>managed accounts</i> under the supervision of a <i>Portfolio Manager</i> .
		“Chief Compliance Officer”	An <i>individual</i> approved by <i>IIROC</i> to act as the chief compliance officer of a <i>Dealer Member</i> .
		“Chief Financial Officer”	An <i>individual</i> approved by <i>IIROC</i> to act as the chief financial officer of a <i>Dealer Member</i> .
		<u>“Consolidated Rules”</u>	<u>The IIROC Consolidated Enforcement, Examination and Approval Rules.</u>

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		“correspondence” Any <i>advertisements</i> or business related communication, including electronic communications, prepared for distribution to a single current or prospective client, but not for distribution to multiple clients or the general public.
		“Dealer Member” The same meaning as set out in General By-law No. 1, Section 1.1.
		“debt security” Any security that provides the holder with a legal right, in specified circumstances, to demand payment of the amount owing and includes a debtor-creditor relationship. The term includes securities with short-term maturities or mandatory tender periods such as commercial paper and floating rate notes as well as traditional notes and bonds.
		“derivative” Means a financial instrument whose value is derived from, and reflects changes in, the price of the underlying product. It is designed to facilitate the transfer and isolation of risk and may be used for both risk transference and investment purposes.
		“Director” A member of a <i>Dealer Member’s</i> board of directors or an <i>individual</i> performing similar functions at a <i>Dealer Member</i> that is not a corporation.
		“discretionary account” An account in which: (i) the <i>Dealer Member</i> has not solicited the discretionary authority, (ii) the discretionary authority is accepted to accommodate a client who is frequently or temporarily unavailable to authorize trades, (iii) the discretionary authority has not been renewed, and

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			(iv) the term of the discretionary authority does not exceed 12 months.
		“District Council”	The same meaning as set out in General By-law No. 1, Section 1.1.
		“District Council panel”	A panel of three members of a <i>District Council</i> appointed by the <i>National Hearing Coordinator</i> to conduct a <i>hearing</i> under section ~~9209~~ 9209 of the Consolidated Rules .
		“employee”	An employee or <i>agent</i> of a <i>Dealer Member</i> .
		“Executive”	A <i>Dealer Member’s</i> partner, <i>Director</i> or <i>officer</i> who is involved in the <i>Dealer Member’s</i> senior management, including anyone fulfilling the role of chair or vice-chair of the board of directors, chief executive officer, president, chief administrative officer, chief operating officer or a person acting in a similar capacity who is head of operations, <i>Chief Financial Officer</i> , <i>Chief Compliance Officer</i> , <i>Ultimate Designated Person</i> , member of an executive management committee or any other position that the <i>Dealer Member</i> designates as an Executive position.
		“futures contract”	A contract to make or take delivery of the underlying interest during a designated future month on terms agreed to when the contract is entered on a commodity futures exchange.
		“futures contract option”	A right to acquire a long or short position in connection with a <i>futures contract</i> on terms agreed to at the time the option is granted and any option that has a <i>futures contract</i> as its underlying interest.
		“hearing”	A hearing in connection with a proceeding, proposed proceeding or other matter under <i>IIROC requirements</i> , other than a <i>prehearing conference</i>

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			~~(defined in section 8402).~~
		“hearing panel”	A panel selected by the <i>National Hearing Coordinator</i> to conduct a <i>hearing or prehearing conference</i> ~~(defined in section 8402).~~
		“IIROC”	The same meaning as the term <i>Corporation</i> as set out in General By-law No. 1, Section 1.1.
		“IIROC requirements”	Requirements set out within <i>IIROC’s</i> articles, by-laws and rules, along with all other instruments prescribed or adopted within <i>IIROC’s</i> by-laws and rules, and rulings of <i>IIROC</i> and the <i>District Councils</i> .
		“individual”	A natural person.
		“institutional client”	(i) an <i>acceptable counterparty</i> , (ii) an <i>acceptable institution</i> , (iii) a <i>regulated entity</i> , (iv) a registrant under <i>securities law</i> , other than an <i>individual</i> registrant, or (v) a non- <i>individual</i> with total securities under administration or management of more than \$10 million.
		“Investment Representative”	An <i>individual</i> , approved by <i>IIROC</i> , to trade in, but not advise on, securities, <i>options</i> , <i>futures contracts</i> or <i>futures contract options</i> , on the <i>Dealer Member’s</i> behalf, including where that <i>individual</i> deals only in mutual funds.

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		“managed account”	An account which is subject to a suitability obligation where: (i) investment decisions are made on a continuing basis by a <i>Portfolio Manager</i> or an <i>Associate Portfolio Manager</i> or a third party hired by the <i>Dealer Member</i>, and (ii) the <i>Dealer Member</i>, or a third party hired by the <i>Dealer Member</i>, and the <i>Portfolio Manager</i> or <i>Associate Portfolio Manager</i> are responsible for all investment decisions made.
		“Marketplace Member”	The same meaning as set out in General By-law No. 1, Section 1.1.
		“National Hearing Coordinator”	A <i>person</i> appointed by <i>IIROC</i> who is responsible for the administration of enforcement and other proceedings under <i>IIROC requirements</i> and other employees of <i>IIROC</i> to whom the <i>person</i> delegates the performance of such functions.
		“officer”	A <i>Dealer Member’s</i> chair or vice-chair of the board of directors, chief executive officer, president, chief administrative officer, <i>Chief Compliance Officer</i> , <i>Chief Financial Officer</i> , chief operating officer, vice-president, secretary, any other person designated an officer of a <i>Dealer Member</i> by law or similar authority, or any person acting in a similar capacity on behalf of a <i>Dealer Member</i> .
		“option”	~~A call option or put option issued by the Canadian Derivatives Clearing Corporation, The Options Clearing Corporation or any other corporation or organization recognized by the Board but does not include a futures contract or futures contract option.~~ A derivative contract that: (i) gives the purchaser the right, but not the obligation, to buy

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			or sell an underlying asset at a certain price (exercise price) on or before an agreed upon date, and (ii) imposes on the seller an obligation, if called upon by the purchaser, to buy in the case of puts, or sell in the case of calls, at the exercise price.
		“person”	An <i>individual</i> , a partnership, a corporation, a government or any of its departments or agencies, a trustee, an incorporated or unincorporated organization, an incorporated or unincorporated syndicate or an <i>individual’s</i> heirs, executors, administrators or other legal representatives.
		“prehearing conference”	A prehearing conference held pursuant to section ~~8416~~ 8416 of the Consolidated Rules .
		“Portfolio Manager”	An <i>individual</i> designated by the <i>Dealer Member</i> and approved by <i>IIROC</i> to provide discretionary portfolio management for <i>managed accounts</i> .
		“records”	Books, records, client files and information and other documentation, including electronic documents, related to the <i>Regulated Person’s</i> business.
		“Registered Representative”	An <i>individual</i> , approved by <i>IIROC</i> , to trade, or advise on trades, in securities, <i>options</i> , <i>futures contracts</i> , or <i>futures contract options</i> with the public in Canada, on the <i>Dealer Member’s</i> behalf, including where that <i>individual</i> deals only in mutual funds or only with <i>institutional clients</i> .
		“regulated entity” or “regulated entities”	The same meaning as set out in Form 1, General Notes and Definitions.

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		“Regulated Persons”	The same meaning as set out in General By-law No. 1, Section 1.1.
		“research report”	Any written or electronic communication for distribution to clients or prospective clients containing an <i>analyst’s</i> recommendation about the purchase, sale or holding of a security, excluding <u>any</u> government debt ~~and~~ <u>security or any</u> government guaranteed debt <u>security</u> .
		“retail client”	A client that is not an <i>institutional client</i> .
		“sales literature”	Any written or electronic communication for client use which contains a recommendation relating to a security or <i>trading strategy</i> , but does not include: <u>(i)</u> ~~(a)~~ —any communication that is an <i>advertisement</i> or <i>correspondence</i> , or <u>(ii)</u> ~~(b)~~ —preliminary prospectuses and prospectuses.
		“securities laws”	Any legislation about trading, distributing or advising in securities, <i>futures contracts</i> , <u>futures contract options</u> or <i>derivatives</i> in Canada enacted by the government of Canada or any province or territory in Canada and includes all regulations, rules, orders and other regulatory directions made under that legislation by an authorized body, including a <i>securities regulatory authority</i> .
		“securities regulatory authority”	The commission, <i>person</i> or other authority in Canada that is authorized to administer any legislation with regard to (i) the offering or sale of securities, <i>futures contracts</i> , <u>futures contract options</u> or <i>derivatives</i> to the public or (ii) the registration or licensing of persons trading in securities,

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			futures contracts, futures contract options or derivatives, or (iii) any tribunal empowered under such legislation to review decisions of a <i>hearing panel</i> or <i>District Council panel</i> ~~(defined in section 9202)~~ .
		“Supervisor”	An <i>individual</i> given responsibility and authority by a <i>Dealer Member</i> , and approved by <i>IIROC</i> , to manage the activities of the <i>Dealer Member</i> or the <i>Dealer Member’s Approved Persons</i> or <i>employees</i> to ensure they comply with <i>IIROC requirements</i> and <i>securities laws</i> .
		“Trader”	An <i>individual</i> , approved by <i>IIROC</i> as a trader, whose activity is restricted to trading through a <i>Marketplace Member’s</i> trading system, and who may not advise the public.
		“trading strategy”	A broad general approach to investments including matters such as the use of specific products, leverage, frequency of trading or a method of selecting particular investments but does not include specific trade or sectoral weighting recommendations.
		“Ultimate Designated Person”	An <i>individual</i> approved by <i>IIROC</i> to be responsible for the conduct of a designated <i>Dealer Member</i> and the supervision of its <i>employees</i> and to perform the functions for an ultimate designated person described in the <i>IIROC requirements</i> .
Part A - THE CONTINUING EDUCATION PROGRAM AND CONTINUING EDUCATION REQUIREMENTS			

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New Rule 2900, Part III, Introduction New Rule 2900 Part III, (J)(1)-(2), (K)(1)-(2), Guidelines for the Continuing Education Program, The Compliance Course (A)(2) Rule 2900, Part III, (J)(3), (K)(3)	2653. ~~General~~The continuing education program ~~description~~ (1) The <i>continuing education program</i> consists of two parts: (i) a compliance course, which is training covering ethical issues, regulatory developments and rules governing investment dealer conduct, and (ii) a professional development course, which is training that fosters learning and development in areas relevant to investment dealer business. (2) The <i>continuing education program</i> operates in two year cycles. The first two year cycle will ~~start~~<u>commence</u> on January 1, 2018. The beginning and end of each <i>continuing education program</i> cycle is the same for all <i>continuing education participants</i>. ~~(3) — A continuing education participant may carry forward 20 hours of a single professional development course completed in continuing education program cycle six to satisfy his or her professional development course requirement in the first continuing education program cycle commencing January 1, 2018.~~ <u>(3) A Dealer Member or external course provider may provide a continuing education course.</u> <u>(4) A Dealer Member or external course provider may submit continuing education courses for accreditation through IIROC’s accreditation process.</u>

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Rule 2900, Part III, (C)(2)	(45) A continuing education participant ~~who~~<u>is exempt from the professional development course requirement if he or she:</u> (i) ~~was~~<u>is</u> approved ~~as a~~<u>in the category of</u> Registered Representative or Supervisor, and (ii) ~~was~~<u>has been</u> continuously approved in a trading capacity ~~with IIROC,TSX Venture Exchange, CDNX since January 1, 1990 or earlier by IIROC, the VancouverToronto~~ Stock Exchange, the Montreal Exchange, ~~and/or the Toronto Stock Exchange, for more than 10 years as of January 1, 2000, and~~ (iii) ~~has been continuously approved since, is exempt from the professional development course requirement~~<u>TSX Venture Exchange including any of its predecessors.</u>																								
Rule 2900, Part III, (B) and Schedule I	2654. Continuing education requirements (1) In each continuing education program cycle ~~throughout his or her career~~, a continuing education participant must meet the continuing education requirements for the applicable Approved ~~Persons~~<u>Person</u> category, <u>regardless of product type</u>, as set out in the following table. <table><tr><th>Approved ~~Persons~~<u>Person</u> Category</th><th>Client Type</th><th>Compliance course requirement</th><th>Professional development requirement</th></tr><tr><td>Registered Representative</td><td>retail client</td><td>Yes</td><td>Yes</td></tr><tr><td>Registered Representative</td><td>institutional client</td><td>Yes</td><td>No</td></tr><tr><td>Investment Representative</td><td>retail client or institutional client</td><td>Yes</td><td>No</td></tr><tr><td>Portfolio Manager</td><td>retail client or institutional client</td><td>Yes</td><td>Yes</td></tr><tr><td>Associate Portfolio Manager</td><td>retail client or institutional client</td><td>Yes</td><td>Yes</td></tr></table>	Approved ~~Persons~~ <u>Person</u> Category	Client Type	Compliance course requirement	Professional development requirement	Registered Representative	retail client	Yes	Yes	Registered Representative	institutional client	Yes	No	Investment Representative	retail client or institutional client	Yes	No	Portfolio Manager	retail client or institutional client	Yes	Yes	Associate Portfolio Manager	retail client or institutional client	Yes	Yes
Approved ~~Persons~~ <u>Person</u> Category	Client Type	Compliance course requirement	Professional development requirement																						
Registered Representative	retail client	Yes	Yes																						
Registered Representative	institutional client	Yes	No																						
Investment Representative	retail client or institutional client	Yes	No																						
Portfolio Manager	retail client or institutional client	Yes	Yes																						
Associate Portfolio Manager	retail client or institutional client	Yes	Yes																						
New																									
New																									

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New New New New New New New		Trader	N/A	Yes	No
		Supervisor of Registered Representatives	retail client	Yes	Yes
		Supervisor of Investment Representatives	retail client	Yes	No
		Supervisor of Registered Representatives or Investment Representatives	institutional client	Yes	No
		~~Supervisors~~ Supervisor designated to be responsible for the supervision of options trading-onlyaccounts	retail client or institutional client	Yes	No
		~~Supervisors of future contracts and future contracts~~ Supervisor designated to be responsible for the supervision of futures contract/futures contract options onlyaccounts	retail client or institutional client	Yes	No
		~~Supervisors supervising~~ Supervisor designated to be responsible for the supervision of managed accounts only	retail client or institutional client	Yes	No
		~~Supervisors~~ Supervisor designated to be responsible for the opening of new accounts and supervising supervision of account activity	retail client or institutional client	Yes	No
		~~Supervisors~~ Supervisor designated to be responsible for the supervision of discretionary accounts	retail client or institutional client	Yes	No
		~~Supervisors~~ Supervisor designated to be responsible for the pre-approval of advertising, sales literature and	~~retail client or institutional client~~ N/A	Yes	No

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New Rule ~~2900~~2900, Part III, ~~(J)(1)~~, Guidelines for the Continuing Education Program, <u>The Compliance Course</u>, (A)(1), ~~(B)(1)~~ and ~~(2B)(1)~~ New New Rule ~~2900~~2900, Part III, ~~(E)(K)(1)~~, <u>Guidelines for the Continuing Education Program, The Professional Development Course</u>,		~~correspondence, including research reports~~			
		<u>Supervisor designated to be responsible for the supervision of research reports</u>	N/A	<u>Yes</u>	<u>No</u>
		Ultimate Designated Person	N/A	Yes	No
		Chief Compliance Officer	N/A	Yes	No
	(2)	A continuing education participant ~~must complete at least 10 hours of compliance courses, provided by the Dealer Member or an external course provider, in each continuing education program cycle.~~			
		~~(3) A continuing education participant must complete at least 20 hours of professional development courses, provided by the Dealer Member or an external course provider, in each continuing education program cycle.~~			
		~~(4) A continuing education participant~~ registered in more than one <u>Approved Person</u> category must meet the continuing education requirements of the category with the most onerous continuing education requirements.			
		<u>(3) All continuing education participants must complete at least 10 hours of compliance courses in each continuing education program cycle.</u>			
		<u>(4) (5) A continuing education participant approved as a Registered Representative and Investment Representative (for retail clients or institutional clients) must meet the continuing education requirements identified in subsection 2654(1) regardless of product type that is subject to professional development requirements must complete at least 20 hours of professional development courses in each continuing education program cycle.</u>			

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(B)(1) Rule 2900 Part III, (j) and Guidelines for the Continuing Education Program, The Compliance Course (A)(2)&(4); (C)(1) Rule 2900 Part III, (L)(1) Rule 2900, Part III, ~~(j)(1)~~ first sentence; Guidelines for the Continuing Education Program, The Compliance Course, (A)(~~1~~6); ~~(B)(1)-(2)~~ Rule 2900, Part III ~~(L)(1)~~ Rule 2900 Part III;	Part B –CONTINUING EDUCATION PROGRAM COURSES AND ADMINISTRATION 2655. The compliance course ~~(1) — A Dealer Member must:~~ ~~(i) — provide the compliance course either itself or through external course providers;~~ ~~(ii) — ensure that compliance course content complies with section 2651(1) and 2653(1)(i);~~ ~~(iii) — verify completion of the compliance course and evaluate a continuing education participant's knowledge and understanding of the continuing education course materials where the compliance course is delivered by the Dealer Member, through examination, course work, or case study.~~ (1) ~~(2) — A continuing education participant is not permitted to:~~ (i) <u>cannot</u> carry forward compliance course credits to satisfy continuing education requirements of a subsequent continuing education program cycle. (ii) <u>may receive continuing education credit for a compliance course with an examination, only if the continuing education participant successfully passes the examination, and</u> ~~(3) — A continuing education participant must pass any examination that is part of a compliance course in order to~~

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Guidelines for the Continuing Education Program, The Compliance Course (A)(6)-(7); (B)(4) Rule 2900 Part III, Guidelines for the Continuing Education Program, The Compliance Course (A) (7)&(9) New Rule 2900, Part III, Guidelines for the Continuing Education Program, The Compliance Course (C)(4)	count that course towards his or her compliance requirement. (4) — The 10 hours of compliance courses set out in subsection 2654(2) above may include: (iii) (i) — a maximum of five hours of foreign continuing education compliance courses, as long as the remaining five hours are made up of Canadian continuing education compliance courses, may receive continuing education credit of a maximum of five hours for compliance continuing education courses recognized by a foreign securities regulator. (2) <u>A Dealer Member may give continuing education credit for Dealer Member compliance manual training where:</u> (i) <u>the content of the compliance manual training satisfies clause 2653(1)(i), and</u> (ii) <u>the compliance manual training is delivered by the Dealer Member through in-person seminars, or webinars that are accompanied by a method of evaluation.</u> (ii) — seminars that supplement a continuing education course or prepare a continuing education participant for a continuing education course examination, may be included provided, the continuing education participant completes the continuing education course or passes the examination. The supplemental or preparatory course must be counted in the same continuing education program cycle.

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Repeated currentPrevious rule	Proposed plain language rule
New	(53) IIROC will publish a list of approved ethics courses ~~which can be repeated and counted~~ <u>that a continuing education participant can repeat and count</u> towards fulfillment of the compliance course ~~requirements~~ <u>requirement</u> in two <i>continuing education program</i> cycles.
Rule 2900, Part III, (K)(1)-(2), (4)	2656. The professional development course (1) ~~A Dealer Member must:~~ (i) ~~provide the professional development course either itself or through an external course provider;~~ (ii) ~~designate an individual responsible for supervising training and to approve a continuing education participant's chosen continuing education course for relevance to investment dealer business;~~ (iii) ~~ensure that professional development courses, whether offered by the Dealer Member or an outside course provider, comply with section 2564;~~ (iv) ~~verify completion of the professional development course and evaluate a continuing education participant's understanding of the continuing education course materials where the professional development course is delivered by the Dealer Member, through examination, course work or case study.~~
Rule 2900, Part III, (K)(1), (L)(2) & (4) and New Rule 2900, Part III, Guidelines for the Continuing Education Program, The Professional Development Course	(21) A continuing education participant <u>subject to the professional development requirement:</u> (i) ~~(i) must complete at least 20~~ <u>may carry forward a maximum of 10</u> hours of <u>a single</u> professional development ~~courses (provided by the Dealer Member or an external course provider) in each~~ <u>course completed in the last six months of the current</u> continuing education program ~~cycle to meet the continuing education program requirements;~~ (ii) ~~(ii) may carry forward 10 hours of a single professional development course from the current continuing education program cycle to satisfy a portion of his or her professional development course requirement in the following continuing education program cycle, and~~ (iii) ~~(iii) may use~~ <u>may receive continuing education credit for successful completion of</u> the Wealth Management ~~Essential~~ <u>Essentials</u> Course ~~used, where completed~~ to satisfy ~~IIROC's~~ <u>the</u> post-licensing requirement ~~under Rule 2600 to satisfy the professional development course requirement in the~~

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Repeated currentPrevious rule	Proposed plain language rule
(B)(27) Rule 2900-Part III, Guidelines for the Continuing Education Program, The Professional Development Course (A)(7)-(8)&(10), and (L)(5) Rule 2900, Part III, (H)(1),(2) and (3), and (J)(1) first sentence and (3), (K)(2), Guidelines for the Continuing Education Program, The Compliance	~~current~~for Registered Representatives dealing with retail clients, in the continuing education program cycle: <u>in which the course is completed, and</u> (iv) <u>may receive continuing education credit for a professional development course with an examination, only if the continuing education participant successfully passes the examination.</u> (3) — The 20 hours of professional development courses referred to in clause 2656(2)(i) above may include: (i) — ~~entirely foreign continuing education professional development courses if the continuing education course relates to investment dealer business;~~ (ii) — ~~continuing education courses with examinations only if the continuing education participant passes the examination, or~~ (iii) — ~~seminars that supplement a continuing education course or prepare a continuing education participant for a continuing education course examination, may be included provided, the continuing education participant completes the continuing education course or passes the examination. The supplemental or preparatory course must be counted in the same continuing education program cycle.~~ 2657. Dealer Member's administration of the continuing education program (1) A Dealer Member must: (i) ~~(i)~~ — keep evidence of a continuing education participant's <u>completion of the</u> continuing education course ~~completion with either, which may be~~ a certificate <u>issued by</u> the course provider ~~issues~~, an attendance sheet, or ~~a~~ bulk notice of completion, ~~and~~ (ii) ~~(ii)~~ — keep continuing education program ~~certification~~ records, including course related materials, for each continuing education program cycle ~~until the end of the following~~ <u>for a minimum of seven years following the end of the continuing education program cycle,</u> (iii) <u>designate an individual responsible for supervising training and approving a continuing education</u>

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Repeated currentPrevious rule	Proposed plain language rule
<u>Course, (A)(4)</u> <u>Rule 2900, Part III, (I)(2), (I)(4)(b), (K)(4)(b), and Guidelines for the Continuing Education Program, The Compliance Course (A) 4), (C)(1)</u> ~~Rule 2900 Part III, (I)(1)&(2)~~ Rule 2900 Part III, (H)(~~1~~)<u>2</u> <u>Rule 2900, Part III, (E)(2)</u>	<u>participant's chosen continuing education course,</u> (iv) <u>ensure that a continuing education participant's chosen continuing education course satisfies the content criteria described in subsection 2653(1),</u> (v) <u>verify completion of a continuing education course and, where the course is delivered by the Dealer Member, evaluate a continuing education participant's knowledge and understanding of the course material through examination, course work, or case study,</u> (vi) <u>ensure that each continuing education participant meets the continuing education requirements during each continuing education program cycle, and</u> (vii) <u>update the continuing education reporting system and notify IIROC within 10 days after the end of the continuing education program cycle of all continuing education participants that have met their continuing education requirements in the continuing education program cycle.</u> (2) A Dealer Member ~~must notify IIROC of all its continuing education participants who have met their continuing education requirements in each continuing education program cycle, and update the continuing education reporting system within 10 days after the end of the continuing education program cycle.~~ ~~(3) A Dealer Member may allow an Approved Person~~<u>may allow a continuing education participant</u> to use the continuing education credits earned through courses or seminars completed at the ~~Approved Person~~<u>continuing education participant's</u> former <u>sponsoring Dealer Member</u>. A Dealer Member may accept a statement of completion issued by the ~~Approved Person~~<u>continuing education participant's</u> former <u>sponsoring Dealer Member</u>. (3) <u>A former Approved Person required to rewrite the Canadian Securities Course and the Conduct and Practices Handbook Course in order to qualify for re-approval, may receive credit for 10 professional development course hours and five compliance course hours in the continuing education program cycle in which the former Approved Person rewrites these courses. A former Approved Person cannot carry forward these continuing education course credits to the next continuing education program cycle.</u>

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Repeated currentPrevious rule	Proposed plain language rule
New Rule 2900, Part III, (D) first paragraph New Rule 2900, Part III, (L)(3) Rule 2900, Part III, (G)(1)-(4) and Rule 2900, Part III, (G)(6) Rule 2900, Part III, (G)(7) Rule 2900, Part III,	Part C - ~~ENTERING AND CONTINUING~~PARTICIPATION IN THE CONTINUING EDUCATION PROGRAM 2658. Participation of recently Approved Persons (1) An ~~Approved Person~~individual enters the continuing education program cycle upon approval in ~~an Approved Person~~ category listed in subsection 2654(1). (2) ~~An~~Notwithstanding subsection 2658(1), an individual that receives approval in an Approved Person ~~enters~~category listed in subsection 2654(1) during the last six months of the current continuing education program cycle ~~upon approval unless the approval is within six months of the end of the current cycle then the~~will become subject to the applicable continuing education requirements ~~commence in at~~ the <u>beginning of the</u> next continuing education program cycle. ~~(3) A newly Approved Person may use up to a maximum of 10 hours of professional development courses completed during the continuing education program cycle prior to becoming a continuing education participant.~~ 2659. Voluntary participation in the continuing education program (1) <u>Voluntary participation in the continuing education program will extend the validity period of the Canadian Securities Course. This extension is valid until the end of the sixth month of the next continuing education program cycle.</u> (2) <u>IIROC will publish a list of courses that qualify for voluntary participation in the continuing education program.</u> (3) ~~(1) An Individual who~~individual may voluntarily ~~participates~~participate in the continuing education program by completing ~~an approved continuing education course is exempt from rewriting the Canadian Securities Course, as required by section 2606. This exemption is valid until the end of the first year of the next continuing education program cycle.~~ a course or courses on the list referred to in subsection 2659(2). ~~(2) IIROC will publish a list of courses approved for voluntary participation.~~ ~~(3) To receive this automatic exemption, the~~(4) To extend the validity period, an individual must complete

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Repeated currentPrevious rule	Proposed plain language rule
(G)(5Z) Rule 2900, Part III, (G)(5) Rule 2900, Part III, (E)(2) Rule 2900, Part III, (E)(3) Rule 2900, Part III, (F), Rule 2900, Part	the ~~continuing education~~ <u>course or</u> courses <u>on the list referred to in subsection 2659(2)</u> in the <i>continuing education program</i> cycle in which the Canadian Securities Course expired and must continue voluntary participation in each <i>continuing education program</i> cycle, until <u>the individual is</u> approved <u>in an Approved Person category</u>. ~~(4) — Voluntary participants:~~ ~~(i) — must complete an approved course in each continuing education program cycle to maintain voluntary participation standing and qualify for the exemptions set out in subsection 2659(1).~~ 2660. Former Approved Persons ~~(1) — An individual required to rewrite the Canadian Securities Course and the Conduct and Practices Handbook Course in order to qualify for re-approval may apply these courses towards 10 hours of professional development and five hours of compliance requirements in the continuing education program cycle in which the individual rewrites them and cannot carry forward these course credits to the next continuing education program cycle.~~ ~~(2) — An individual who:~~ ~~(i) — was previously exempted from the professional development course requirement under subsection 2653(4), and~~ ~~(ii) — requests re-approval after a period of more than three years during which he or she was not approved, — must complete the continuing education program requirements for the requested Approved Person category.~~ Part D - CHANGES DURING A CONTINUING EDUCATION PROGRAM CYCLE ~~2661.~~2660. Changes to Approved ~~Persons~~ <u>Person</u> category during a continuing education program cycle ~~(1)~~ <u>(1)</u> — A continuing education participant who changes his or her ~~approval~~ <u>Approved Person</u> category during a continuing education program cycle must complete the <u>continuing</u>

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Repeated currentPrevious rule	Proposed plain language rule
III, (F)(1), Rule 2900, Part III, (F)(1)-(3) Rule 2900, Part III, (F)(1) New New Rule 2900, Part III, (F)(5) Rule 2900, Part III, (N)(1)	<u>education</u> requirements ~~related~~<u>applicable</u> to the new ~~approval~~<u>Approved Person</u> category: <u>in the same continuing education program cycle.</u> (2) <u>Notwithstanding subsection 2660(1), a continuing education participant who changes his or her Approved Person category during the last six months of the current continuing education program cycle, becomes subject to the applicable continuing education requirements of the new Approved Person category at the beginning of the next continuing education program cycle.</u> (3) (i) ~~an individual who changes approval categories within~~<u>A continuing education participant may not change Approved Person categories to avoid continuing education requirements or penalties for non-completion of continuing education requirements. Any change to the Approved Person category during the last six months of the continuing education program cycle and incurs new continuing education requirements, will be required to complete these new requirements starting in the next continuing education program cycle, and</u> (ii) ~~if a change in approval categories occurs in the last six months of the continuing education program cycle and results in reduced~~<u>which results in less onerous</u> continuing education requirements, ~~the change~~ must be accompanied by an explanation from the <u>sponsoring</u> Dealer Member sufficient to satisfy IIROC that the category change is not ~~sought in an effort to avoid completion of the continuing education requirements~~ <u>an avoidance measure.</u> <u>Part E – DISCRETIONARY RELIEF</u> <u>2662:2661. Hardship extension of time to complete the continuing education program requirementsDiscretionary Relief</u> (1) IIROC may extend the time a <i>continuing education participant</i> has to complete any <u>continuing education</u> course beyond the two- year continuing education program cycle due to, but not limited to, an illness if: (i) an <i>Executive</i> at the continuing education participant’s sponsoring Dealer Member: (a) approves the extension,

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Repeated current Previous rule	Proposed plain language rule
Rule 2900, Part III, (N)(2) Rules 2900, Part III, (N)(3)(a)-(b) Rule 2900, Part III, (N)(3)(c)	(b) notifies <i>IIROC</i> of the reason for the extension, (c) proposes the new date of completion of the required course, and (ii) the <u>applicable</u> <i>District Council</i>, or its delegate, approves the request ~~and decides the delay is justified~~<u>for an extension</u>. ~~(2) — A continuing education participant who receives an extension as described in subsection 2662(1) may not delay the start of the next continuing education program two year cycle.~~ (32) In the case of an indefinite leave of absence, <i>IIROC</i> may exempt from the <i>continuing education program</i> a <i>continuing education participant</i> who is unable to complete ~~their~~<u>his or her</u> continuing education requirements due to, but not limited to an illness, for more than one <i>continuing education program</i> cycle if: (i) an <i>Executive</i> at the <i>continuing education participant's</i> sponsoring <i>Dealer Member</i>: (a) approves the exemption, (b) notifies <i>IIROC</i> of the reason for the exemption, ~~(b)~~<u>c</u> states that the leave is for an indefinite period, and (ii) the <u>applicable</u> <i>District Council</i>, or its delegate, approves the request ~~and decides that the~~<u>for an exemption is justified</u>. (43) A <i>continuing education participant</i> who is granted ~~a hardship~~<u>an</u> exemption <u>under subsection 2661(2)</u> and returns to the industry after an absence of: (i) three years or less must have the <u>applicable</u> <i>District Council</i> , or its delegate, ~~establish~~<u>determine</u> the continuing education ~~program~~ requirements before ~~starting~~<u>he or she resumes</u> any activity that needs approval, or (ii) more than three years must meet the <u>applicable</u> proficiency <u>and registration</u> requirements ~~in~~ <u>subsection 2602(3)</u><u>for his or her Approved Person category</u>. Part ~~EE~~<u>E</u> - PENALTIES FOR NOT COMPLETING ~~THE CONTINUING EDUCATION PROGRAM~~ REQUIREMENTS

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Repeated currentPrevious rule	Proposed plain language rule
Rule 2900, Part III, (M)(1) and (2) Rule 2900, Part III, (M)(3~~2~~) Rule 2900, Part III, (M)(4) <u>New</u> <u>Rule 2900, Part III, M(1) and (2)</u>	~~2663.~~2662. Penalties for not completing the continuing education-program requirements in a continuing education program cycle (1) ~~(1) —~~ If a <i>continuing education participant</i> fails to complete the continuing education-program requirements within a <i>continuing education program cycle</i>, <i>IIROC</i> will impose a ~~penalty~~<u>fine</u> of \$2500 on the sponsoring <i>Dealer Member</i> and <u>will automatically suspend the approval of</u> the <i>continuing education participant</i> ~~is automatically suspended. The penalty will be assessed at the beginning of the next continuing education program cycle.~~ (2) <i>IIROC</i> ~~will~~<u>may</u> reinstate the ~~individual~~<u>continuing education participant</u>'s approval ~~once~~<u>after the sponsoring Dealer Member has notified IIROC in writing that the continuing education program participant has completed the continuing education requirements</u> ~~have been completed and notification has been received by IIROC.~~ (3) If a ~~penalty is paid in error, IIROC will issue a refund provided that the refund is claimed within 120 days of the first day of the month the fee was paid in error.~~<u>sponsoring Dealer Member pays a fine in error, IIROC will issue a refund provided the Dealer Member requests a refund within 120 days of the date the invoice is issued by IIROC.</u> <u>Part G - TRANSITION</u> <u>2663. Transition – Penalties for not completing continuing education requirements for the January 1, 2015 to December 31, 2017 continuing education program cycle</u> (1) <u>Notwithstanding subsection 2662(1), if a continuing education participant fails to complete the continuing education requirements for the January 1, 2015 to December 31, 2017 continuing education program cycle, IIROC will impose a fine of \$500 a month on the sponsoring Dealer Member. IIROC will begin to impose the fine 10 days after the end of the continuing education program cycle. IIROC will continue to impose the fine monthly until the continuing education participant completes the continuing education requirements or six months pass, whichever is earlier.</u> (2) <u>If a continuing education participant does not complete the continuing education requirements for the January 1, 2015 to December 31, 2017 continuing education program cycle by June 30, 2018, IIROC will</u>

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Repeated currentPrevious rule	Proposed plain language rule
<u>New</u>	<u>automatically suspend the approval of the continuing education participant.</u> <u>(3) IIROC may reinstate the continuing education participant's approval after the sponsoring Dealer Member has notified IIROC in writing that the continuing education participant has completed the continuing education requirements.</u> <u>2664. Transition – Carry Forward of professional development courses</u> <u>(1) A continuing education participant may carry forward 20 hours of a single professional development course completed in the January 1, 2015 to December 31, 2017 continuing education program cycle to satisfy his or her professional development course requirement in the first two year continuing education program cycle commencing January 1, 2018.</u> <u>2664.2665.</u> – 2699. Reserved.

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