

## RULE 2900

### PROFICIENCY AND EDUCATION:

#### PART I – PROFICIENCY REQUIREMENTS

##### INTRODUCTION

This Part I outlines the proficiency requirements for Approved Persons. These proficiency requirements consist of both entrance thresholds and on-going requirements.

##### DEFINITIONS

For the purpose of this Part I:

“**Recognized Foreign Self-regulatory Organization**” means a foreign [self-regulatory organization](#) which offers a reciprocal treatment to Canadian applicants and which has been approved as such by Corporation.

All courses and examinations, unless otherwise specified, are administered by CSI Global Education Inc.

#### A. Proficiency Requirements for Approved Persons

##### 1. Supervisors

- (a) The proficiency requirements for Supervisors of Approved Persons dealing with retail customers are:
  - (i) Two years of relevant experience working for a Dealer Member or such equivalent experience as may be acceptable to the [applicable](#) District Council;
  - (ii) If supervising Registered Representatives dealing with retail customers, successful completion of
    - A. The Canadian Securities Course,
    - B. The Conduct and Practices Handbook Course
    - C. The Branch Managers Course, and
    - D. The Effective Management Seminar within 18 months after beginning to supervise Registered Representatives dealing with retail customers.
  - (iii) If supervising Investment Representatives only, successful completion of The Canadian Securities Course, The Conduct and Practices Handbook Course, and the Branch Managers Course
  - (iv) If supervising options trading, successful completion of The Derivatives Fundamentals Course, The Options Licensing Course and The Options Supervisor Course.
  - (v) If supervising futures contract and futures contract options, successful completion of:
    - A. 1. The Derivatives Fundamentals Course and the Futures Licensing Course (“FLC”), or
    2. The FLC and the National Commodity Futures Examination administered by the National Association of Securities Dealers;and
    - B. the Canadian Commodity Supervisors Examination.

- (b) The proficiency requirements for Supervisors of Approved Persons dealing with Institutional Customer accounts only are:
    - (i) If supervising Registered Representatives or Investment Representatives dealing with institutional customers, successful completion of:
      - A. 1. The Branch Managers Course, or
      - 2. The Partners, Directors and Senior Officers Course;and
    - B. The proficiency requirements necessary to conduct or supervise any trading activity carried on by Approved Persons he or she supervises.
  - (ii) If supervising options trading, successful completion of The Options Supervisor Course.
  - (iii) If supervising futures contract and futures contract options, successful completion of:
    - A. 1. The Derivatives Fundamentals Course and Futures Licensing Course, or
    - 2. The Futures Licensing Course and the National Commodity Futures Examination administered by the Financial Industry Regulatory Authority;and
  - B. the Canadian Commodity Supervisors Examination.
- (c) A Chief Compliance Officer who is also a [Supervisor](#) of a producing [Supervisor](#) is exempt from the proficiency requirements in 1(a)(ii) provided he/she complies with the proficiency requirements of Dealer Member Rule 2900 Part I A.2B.
- (d) If an [individual](#) is approved as a [Supervisor](#) as of September 28, 2009, the requirement to complete The Derivatives Fundamentals Course and The Options Licensing Course in subsection 1(a)(iv) does not apply to the [individual](#) so long as the [individual](#) remains approved in the [Supervisor](#) category.
- (e) An [individual](#) who supervises a [Registered Representative](#) under Rule 1300.15(c) must satisfy the [applicable](#) proficiency requirements of Rule 2900 Part I A.6 or section 3.11 (Portfolio manager – advising representative) of National Instrument 31-103 *Registration Requirements and Exemptions* and is, for greater certainty, exempt from the requirements in Rule 2900 Part I A.1(a)(i), (ii) and (v).
- (f) A partner, [Director](#), or [Officer](#) who is a [Designated Supervisor](#) under Rule 1300.2 or 1300.4 and who undertook such a supervisory role immediately prior to September 28, 2009 is exempt from the [applicable](#) requirements in subsection 1(a)(ii) and (iii) provided:
  - (i) the [individual](#) successfully completed the Partners, Directors and Senior Officers Course;
  - (ii) the [individual](#) seeks approval as a Supervisor within 6 months of September 28, 2009; and
  - (iii) the [individual](#) remains approved in the Supervisor category.

## 2. **Directors and Executives**

The proficiency requirements for a [Director](#) or [Executive](#) of a Dealer Member under Rule 7.3 or 7.4 are:

- (a) Successful completion of the Partners, Directors and Senior Officers Course;
- (b) If also approved in a trading category, successful completion of the applicable proficiency requirements; and
- (c) If supervising the handling of customer accounts, successful completion of the applicable proficiency requirements for a [Supervisor](#).

### 2A. **Chief Financial Officers**

1. The proficiency requirements for a chief financial officer pursuant to Rule 38.6 are:
  - (a) A financial accounting designation, university degree or diploma, or equivalent work experience; and
  - (b) Successful completion of the Partners, Directors and Senior Officers Course, and
  - (c) Successful completion of the Chief Financial Officers Qualifying Examination.
2. A [person](#) approved as Acting Chief Financial [Officer](#) pursuant to Rule 7.5(b) shall have 90 days from the date of termination of the Chief Financial [Officer](#) to successfully complete of the Chief Financial Officers Qualifying Examination.
3. Any Dealer Member that fails to provide to the Corporation proof of successful completion of the Chief Financial Officers Qualifying Examination within 10 days of the dates specified for successful completion in section 2 above, or such other dates as the Corporation may specify, shall be liable for and pay to the Corporation such fees as the [Board](#) may from time to time prescribe.

### 2B. **Chief Compliance Officers**

1. The proficiency requirements for a chief compliance officer pursuant to Rule 38.7 are:
  - (a) Successful completion of the Partners, Directors and Senior Officers Qualifying Examination; and
  - (b) Successful completion of the Chief Compliance Officers Qualifying Examination.
2. A [person](#) approved as acting Chief Compliance Officer pursuant to Rule 38.7 shall have 90 days from the date of termination of the Chief Compliance Officer to successfully complete of the Chief Compliance Officers Qualifying Examination.
3. Any Dealer Member that fails to provide to the Corporation proof of successful completion of the Chief Compliance Officers Qualifying Examination within 10 days of the dates specified for successful completion in section 2 above, or such other dates as the Corporation may specify, shall be liable for and pay to the Corporation such fees as the [Board](#) may from time to time prescribe.

## 3. **Registered Representatives and Investment Representatives**

The proficiency requirements for a [Registered Representative](#) or [Investment Representative](#) under Rule 18.3 are:

- (a) (i) Successful completion of

- (A) The Canadian Securities Course prior to commencing the training programme described in subsection (C),
- (B) The Conduct and Practices Handbook Course, and
- (C) Either
  - 1. For a [Registered Representative](#) dealing with retail customers a 90-day training programme during which time he or she has been employed with a Dealer Member firm on a full-time basis, or
  - 2. For an [Investment Representative](#), a 30-day training programme during which time he or she has been employed with a Dealer Member firm on a full-time basis;

or

- (ii) Successful completion of the New Entrants Course, where the [person](#) was registered or licensed with a [recognized foreign self-regulatory organization](#) within three years prior to application with the Corporation;

and

- (b) For a [Registered Representative](#) dealing with retail customers other than a [Registered Representative](#) dealing in mutual funds only, successful completion of the Wealth Management Essentials course within 30 months after his or her approval as a [Registered Representative](#).

#### **4. Registered Representatives and Investment Representatives Dealing only in Mutual Funds**

The proficiency requirement for a [Registered Representative](#) or [Investment Representative](#) dealing only in mutual funds under Rule 18.7 is successful completion of:

- (a) The Canadian Securities Course;
- (b) The Canadian Investment Funds Course administered by IFIC,
- (c) The Investment Funds in Canada Course administered by CSI Global Education Inc. and previously The Institute of Canadian Bankers, or
- (d) The Principles of Mutual Funds Investment Course administered by CSI Global Education Inc. and previously The Institute of Canadian Bankers.

#### **5. Traders**

The proficiency requirement for a Trader under Rule 500.2 is:

- (a) for a Trader on the Toronto Stock Exchange or TSX Venture Exchange, the Trader Training Course, unless an exemption is granted by either exchange or its market regulation services provider.
- (b) for a Trader on the Bourse de Montreal, the proficiency requirements determined to be acceptable by Bourse de Montreal.

#### **6. Portfolio Management**

6.1 The proficiency requirements for a [Registered Representative](#) providing discretionary portfolio management for managed accounts that do not trade in futures contracts are:

- (a) Successful completion of

- (i) The Conduct and Practices Handbook Course, and
- (ii) either
  - A. The courses necessary to attain the Canadian Investment Manager Designation, or
  - B. The three levels of the Chartered Financial Analyst programme administered by the CFA Institute;

and

- (b) Experience
  - (i) Of at least three years as a [Registered Representative](#) or a research analyst for a Dealer Member,
  - (ii) Of at least two years ending not more than three years prior to the date of application as a registered advisor under Canadian securities legislation managing on a discretionary basis at least \$5,000,000 in aggregate assets; or
  - (iii) Of at least five years ending not more than three years prior to the date of application, managing a portfolio of \$5,000,000 or more, on a discretionary basis, while employed by a government-regulated institution.

6.2 The proficiency requirements for a [Registered Representative](#) exercising discretionary authority over managed accounts trading in futures contracts or futures contracts options are:

- (a) Successful completion of
  - (i) The Canadian Commodity Supervisors Exam, the Futures Licensing Course and the courses necessary to attain the Derivatives Market Specialist Designation; or
  - (ii) The Chartered Financial Analyst program administered by the CFA Institute; and
- (b) Experience ending no earlier than three years prior to the date of commencing to exercise discretionary authority over managed accounts of at least 5 years as an [Approved Person](#) actively engaged in advising on and trading in futures contracts or futures contracts options for customer accounts.

## 7. Commodity Futures Contracts and Options

7.1 The proficiency requirements for a [Registered Representative](#) or [Investment Representative](#) who deals with customers in futures contracts or futures contract options are successful completion of:

- (a) The Derivatives Fundamentals Course and the Futures Licensing Course, or
- (b) The Futures Licensing Course and the National Commodity Futures Examination administered by the Financial Industry Regulatory Authority.

## 8. Options

The proficiency requirement for a [Registered Representative](#) or [Investment Representative](#) who deals with customers in options is successful completion of:

- (a) The Derivatives Fundamentals Course and the Options Licensing Course, or

- (b) The Series 7 administered by the Financial Industry Regulatory Authority and the New Entrants Course.

**B. General Exemption**

1. The [applicable](#) District Council may, under Rule 20.24, exempt any person or class of persons from the proficiency requirements on such terms and conditions, if any, as the [applicable](#) District Council may see fit.
2. The [Board](#) may prescribe a fee to be paid for any exemption application under paragraph 1.

## **RULE 2900**

### **PROFICIENCY AND EDUCATION:**

#### **PART II – EXAMINATION REWRITE REQUIREMENTS AND COURSE AND EXAMINATION EXEMPTIONS**

##### **INTRODUCTION**

This Part II outlines the exemptions that exist from the Corporation's course and examination requirements for persons seeking to be approved in certain categories of registration. This Part II exempts applicants from the requirement to rewrite courses or examinations that they have successfully completed if they are re-entering the industry, re-registering in a category of registration or seeking initial registration within certain time periods. This Part II also provides exemptions to applicants from the requirements to initially write a course or examination if the applicant satisfies one of the specifically enumerated exemptions based on grandfathering provisions or the successful completion of other courses and examinations. In addition, this Part II sets out the basis upon which the [applicable](#) District Council may grant a discretionary exemption.

All courses and examinations, unless otherwise specified, are administered by CSI Global Education Inc.

##### **A. Requirement to Rewrite Courses and Examinations**

###### **1. Current and Former Approved Persons**

- (a) An applicant for approval who was previously approved in a category must complete a proficiency requirement if he or she has not been approved in the category to which the requirement applies within the three years prior to the date of application.
- (b) An Applicant or [Approved Person](#) who has previously conducted a particular type of business must complete a proficiency required to conduct the type of business if he or she has not conducted the type of business within the past three years.
- (c) Sections (a) and (b) do not apply to new or amended course requirements not required when the [Approved Person](#) or applicant for approval was initially approved or began to conduct the type of business, provided that the applicant was not under a requirement to complete the course or examination when the applicant's approval lapsed.

###### **2. Approval after Completion of Course**

Subject to Rule 2900 Part II A.3(a), an applicant for approval who has never been approved or conducted a type of business must rewrite a required examination or course if it was completed more than two years before the date of application.

###### **3. The Canadian Securities Course**

- (a) An applicant for approval who has not previously been approved in a category or conducted a type of business requiring the Canadian Securities Course who would otherwise be required to rewrite the course is exempt if the applicant has:
  - (i) within two years prior to the date of application, successfully completed any one of the Professional Financial Planning Course, Wealth Management Techniques Course, Wealth Management Essentials Course, Investment Management Techniques Course, Portfolio Management Techniques Course, or the three levels of the Chartered Financial Analyst programme administered by the CFA Institute, or;

- (ii) within three years prior to the date of application completed the New Entrants Course or the Canadian Securities Course
- (b) An applicant for approval in a category or to conduct business requiring the Canadian Securities Course who was approved in a category or conducted a type of business requiring the course and who would otherwise be required to rewrite the course is exempt if the applicant has within three years prior to the date of application successfully completed any one of the Professional Financial Planning Course, Wealth Management Techniques Course, Wealth Management Essentials Course, Investment Management Techniques Course, Portfolio Management Techniques Course, or the three levels of the Chartered Financial Analyst programme administered by the CFA Institute.

#### **4. The Chief Financial Officers Qualifying Examination**

An applicant who would otherwise be required to rewrite the Chief Financial Officers Qualifying Examination is exempt if the applicant has, since completing the Chief Financial Officers Qualifying Examination, been working closely with and providing assistance to a Chief Financial Officer.

#### **5. The Derivatives Fundamentals Course**

- (a) An applicant for approval or an [Approved Person](#) who will be dealing with customers in futures contracts or futures contracts options and who would otherwise be required to rewrite the Derivatives Fundamentals Course is exempt if the applicant or [Approved Person](#) has within the past two years completed the Futures Licensing Course or the Canadian Commodity Supervisors Examination.
- (b) An applicant for approval or an [Approved Person](#) who will be dealing with customers in options and who would otherwise be required to rewrite the Derivatives Fundamentals Course is exempt if the applicant or [Approved Person](#) has within the past two years completed the Options Licensing Course.

#### **6. The Futures Licensing Course**

An applicant for approval or an [Approved Person](#) who will be dealing with customers in futures contracts or futures contracts options and who would otherwise be required to rewrite the Futures Licensing Course is exempt if the applicant or [Approved Person](#) has within the past two years completed the Canadian Commodity Supervisors Examination.

#### **7. The Wealth Management Essentials course**

An applicant who would otherwise be required to rewrite the Wealth Management Essentials Course is exempt if the applicant is currently seeking approval within two years of successfully completing the Investment Management Techniques Course, Portfolio Management Techniques Course, 3 levels of the Certified Financial Analyst programme administered by the CFA Institute, Professional Financial Planning Course, or the Wealth Management Techniques Course.

#### **8. 30-Day Training Program**

An applicant is exempt from re-doing the 30-day training program required under Rule 2900 Part I 3(a)(i)(C)2 if, within three years prior to application, the applicant was approved for trading for Retail Customers in securities with a Dealer Member or by a recognized foreign

regulatory authority or [self regulatory organization](#) or a Canadian securities regulatory authority.

**9. 90-Day Training Program**

An applicant is exempt from re-doing the 90-day training program required under Rule 2900 Part I 3(a)(i)(C)1 if, within three years prior to application, the applicant was approved for trading and advising Retail Customers in securities with a Dealer Member or by a recognized foreign regulatory authority or [self regulatory organization](#) or a Canadian securities regulatory authority.

**B. Exemptions from Writing**

**1. Current and Former Approved Persons**

- (a) An [Approved Person](#) is exempt from completing a new or amended proficiency requirement not in place at the time he or she was approved in a category unless the rule setting the requirement specifically provides otherwise.
- (b) An applicant for approval who was an [Approved Person](#) is exempt from completing a new or amended proficiency requirement not in place at the time of the applicant's previous approval in the same category for three years after the applicant's previous approval lapsed unless the rule setting the requirement specifically provides otherwise.

**2. The Canadian Securities Course**

An applicant is exempt from writing the Canadian Securities Course if the applicant has previously been registered or licensed with a recognized foreign regulatory authority or [self-regulatory organization](#) and has successfully completed the New Entrants Course within two years of the application.

**3. The Derivatives Fundamentals Course**

An applicant is exempt from writing the Derivatives Fundamentals Course if the applicant is seeking approval within two years of successfully completing the Options Course Licensing Course, the Options Supervisors Course, the Futures Licensing Course, or the Canadian Commodity Supervisors Examination.

**4. The Wealth Management Essentials Course**

An applicant is exempt from writing the Wealth Management Essentials Course if the applicant

- (a) (i) has successfully completed the Investment Management Techniques Course or the Professional Financial Planning Course prior to July 4, 2008, having been enrolled prior to July 4, 2006 and
- (ii) is seeking approval within two years of successfully completing the Wealth Management Techniques Course or the Portfolio Management Techniques Course; or
- (b) Is seeking re-approval within three years of successfully completing the Wealth Management Techniques Course or the Portfolio Management Techniques Course.

**5. 90-Day Training Program**

An applicant is exempt from completing the 90-day training program if, within three years prior to application, the applicant was approved or registered with a Dealer Member, [securities dealer](#) or [investment](#) dealer; or by a recognized foreign regulatory authority or [self-regulatory organization](#); or as an [investment](#) advisor by a Canadian securities regulatory authority in a capacity permitting trading and advising in securities to Retail Customers.

**6. 30-Day Training Program**

An applicant is exempt from completing the 30-day training program if, within three years prior to application, the applicant was registered with a Dealer Member, [securities dealer](#) or [investment](#) dealer; or by a recognized foreign regulatory authority or [self-regulatory organization](#); or as an [investment](#) advisor by a Canadian securities regulatory authority in a capacity permitting trading in securities to [Retail Customers](#).

**C. Discretionary Exemptions**

- (a) The [applicable](#) District Council may, under Rule 20.24, grant an exemption from the requirement to rewrite or write any required course or examination, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption, if the applicant demonstrates adequate experience and/or successful completion of industry courses or examinations that the [applicable](#) District Council, in its opinion, determines is an acceptable alternative to the required proficiency.
- (b) The [Board](#) may prescribe a fee to be paid for any exemption application under this Rule 2900 Part II.

## **RULE 2900**

### **PROFICIENCY AND EDUCATION:**

#### **PART III – THE CONTINUING EDUCATION PROGRAM**

##### **INTRODUCTION**

This Part III establishes a Continuing Education Program (the Program) for [Participants](#) for the duration of their career in the securities industry. The Program operates on three-year cycles, the first commencing in January 1, 2000. The start-to-end date of each cycle is the same for all [participants](#).

##### **A. DEFINITIONS**

For the purposes of this Part III,

“**Course**” – means a single integrated course, or a series of pertinent courses, seminars, presentations or programs that in total meet the minimum time and content requirements of the course guidelines which form part of this Rule 2900, Part III.

“**Participants**” – means certain “Approved Persons” employed by Dealer Members of the Investment Industry Regulatory Organization of Canada (the Corporation), and approved by the Corporation in the registration categories listed in Schedule 1 of this Rule 2900, Part III (Schedule 1).

##### **B. PARTICIPATION IN THE PROGRAM**

Unless exempted under Rule 2900, Part III, [Participants](#) must complete continuing education courses based on their categories of approval, as specified in Schedule 1.

In general, individuals who are registered to do retail business and give advice must complete a 12-hour Compliance [course](#) and a 30-hour Professional Development [course](#) during each three-year cycle. Those who are not registered to do retail business (who deal with institutions only) and those not registered to give advice (such as Investment Representatives) must complete a 12-hour compliance [course](#) only, each cycle.

##### **C. EXEMPTION FROM THE WHOLE OR PART OF THE PROGRAM**

1. Partners, Directors and Officers approved in non-trading and non-supervisory categories of registration are exempt from the Program.
2. [Participants](#) approved as Registered Representatives and Supervisors, who have been continuously approved in a trading capacity for more than 10 years as of January 1, 2000 by a recognized [Self Regulatory Organization](#) (the Corporation, Toronto Stock Exchange, Montreal Exchange, Alberta Stock Exchange or Vancouver Stock Exchange), are exempt from the requirement to complete a professional development [course](#). However, such persons shall complete a compliance [course](#) in each cycle throughout their career.

##### **D. ENTRY OF RECENTLY APPROVED PERSONS**

Recently Approved Persons shall not participate in the Program during the first three years of registration but shall do so, depending on the year of registration, as follows:

1. If the three years since registration ends in year one of a cycle, then the [Approved Person](#) becomes a participant in that cycle.

2. If the three years since registration ends in year two or three of a cycle, then the [Approved Person](#) becomes a participant in next three-year cycle of the Program.
3. For greater clarification, refer to the Chart below.

**An [Approved Person](#) first approved in the year:**

**Starts CE in this Cycle**

<b>1997</b>	Cycle 1: 1/Jan/2000 to 31/Dec/2002
<b>1998</b>	Cycle 2: 1/Jan/2003 to 31/Dec/2005
<b>1999</b>	Cycle 2: 1/Jan/2003 to 31/Dec/2005
<b>2000</b>	Cycle 2: 1/Jan/2003 to 31/Dec/2005
<b>2001</b>	Cycle 3: 1/Jan/2006 to 31/Dec/2008
<b>2002</b>	Cycle 3: 1/Jan/2006 to 31/Dec/2008
<b>2003</b>	Cycle 3: 1/Jan/2006 to 31/Dec/2008
<b>2004</b>	Cycle 4: 1/Jan/2009 to 31/Dec/2011
<b>2005</b>	Cycle 4: 1/Jan/2009 to 31/Dec/2011
<b>2006</b>	Cycle 4: 1/Jan/2009 to 31/Dec/2011
<b>2007</b>	Cycle 5: 1/Jan/2012 to 31/Dec/2014
<b>2008</b>	Cycle 5: 1/Jan/2012 to 31/Dec/2014
<b>2009</b>	Cycle 5: 1/Jan/2012 to 31/Dec/2014
<b>2010</b>	Cycle 6: 1/Jan/2015 to 31/Dec/2017
<b>2011</b>	Cycle 6: 1/Jan/2015 to 31/Dec/2017
<b>2012</b>	Cycle 6: 1/Jan/2015 to 31/Dec/2017

#### **E. RE-ENTRY OF APPROVED PERSONS**

1. Individuals who were registered more than three years ago and who are returning to the industry will be required to complete their CE requirements in the cycle in which they return.
2. Individuals who are required to re-write the Canadian Securities Course (CSC) and Conduct & Practices Handbook (CPH) in order to re-qualify for registration, may apply these two courses towards the CE requirements for the cycle in which they were re-written. In this circumstance, the CSC can not be carried forward to fulfill the Professional Development requirement in the following cycle.
3. Individuals who have previously been exempted from the Professional Development requirement under Rule 2900, Part III, C.2, who become re-registered after a gap of more than three years, will no longer qualify for the exemption from the Professional Development requirement. These individuals will be required to complete the CE requirement as per their registration category. An exception will be made for individuals who were previously exempted from the Professional Development requirement, who voluntarily participate in the Corporation's CE program during the gap in registration. These individuals will not be required to re-write the CSC and CPH, and will maintain the exemption from the Professional Development requirement when they become re-registered.

## **F. CHANGE IN CATEGORIES WITHIN A CYCLE**

1. Any change, in year one of a cycle, from a registration category that requires a compliance [course](#) only, to a category requiring both a compliance [course](#) and a professional development course, will require completion of the courses for the new category. If the change occurs in year two or three of the cycle, the requirements are those of the previous category. The requirements for the new position will commence in the next cycle.
2. For changes from a category that requires both a compliance [course](#) and a professional development [course](#) to a category requiring a compliance [course](#) only, the requirements are those of the participant's registration category at the end of the cycle.
3. For changes from a Non-Trading officer category to a Supervisory category that requires a compliance [course](#) only, the requirements are the compliance [course](#) as per the new category. If the change occurs in year two or three of the cycle, the requirements are those of the previous category. The requirements for the new position will commence in the next cycle.
4. Any change back to a category requiring both a compliance [course](#) and a professional development [course](#) made after the change as described in subsection 1 will immediately return the participant to the requirement for completion of both the compliance and the professional development [course](#). Should such a change occur too close to the end of the cycle to permit completion of the professional development [course](#), the Dealer Member firm may apply for a hardship extension, pursuant to Section N.
5. An application for a change of category as described in subsection 3 in the first year of the cycle, following a change as described in subsection 2, must be accompanied by an explanation from the Dealer Member sufficient to satisfy the Corporation that the category changes are not in an effort to avoid completion of the Program's requirements.

## **G. VOLUNTARY PARTICIPATION IN THE PROGRAM**

1. Persons who terminate their approval after January 1, 1997, may maintain their standing in the Program on a voluntary basis by completing select courses recognized by the Corporation as meeting the requirements of the Program. The voluntary participation courses must comply with the guidelines that form part of this policy.
2. Persons maintaining voluntary standing in the Program as described in subsection 1 are exempt from the examination rewrite requirements outlined in Rule 2900, Part II – Course and Examination Exemptions for the Canadian Securities Course (CSC) and the Conduct and Practices Handbook Exam (CPH). The CSC and/or CPH must have been successfully passed within the three years prior to the start of either:
  - (a) the current cycle, or
  - (b) the earliest cycle in which the [individual](#) began continuous participation in the Program.
3. Graduates of the CSC and the CPH who have not been approved in any capacity, may join the Program on a voluntary basis by taking courses recognized by the Corporation as meeting the requirements for the Program. The CSC and/or CPH must have been successfully passed within the three years prior to the start of either:
  - (a) the current cycle, or
  - (b) the earliest cycle in which the [individual](#) began continuous participation in the Program.

4. Persons joining the Program as described in subsection 3 are exempt from the examination rewrite requirements outlined in Rule 2900, Part II – Course and Examination Exemptions.
5. Voluntary [participants](#) must complete a professional development [course](#) and a compliance [course](#) in each cycle to maintain voluntary participation standing and qualify for the exemptions in subsections 2 and 4. Both a Compliance [course](#) and Professional Development [course](#) must be completed irrespective of which position the [individual](#) intends to apply for.
6. The exemptions in subsections 2 and 4 are valid until the end of the first year of the next cycle. As a result, Voluntary participation in CE will keep the CSC and CPH valid until the end of the first year of the next cycle.
7. Both the Compliance and the Professional Development courses used for Voluntary Participation must be completed within the cycle to which they are applied and cannot be carried forward from a previous cycle.
8. Individuals may still be responsible for obtaining exemptions and paying any associated fee required by securities legislation for their province or territory.

#### **H. RECORD KEEPING REQUIREMENTS**

1. Evidence of Completion may be in the form of a certificate issued by the provider, attendance sheet or bulk notice of completion
2. CE credits earned through courses or seminars at a Participant's previous firm in the current cycle, that have not been reported to the Corporation, may still be considered valid for the Participant by the Participant's current member firm, at the member firm's discretion. The current member firm may accept a statement of verification issued by a former member firm.
3. Dealer Member firms must retain CE certification records and [course](#) materials until the end of the cycle following the cycle to which the records relate

#### **I. REPORTING REQUIREMENTS**

1. Dealer Members must update the Corporation in the manner prescribed by the Corporation within ten days after the end of the month in which the Dealer Member becomes aware of the names of its [Participants](#) that have satisfied all CE [course](#) requirements for the completed Cycle.
2. No later than 10 business days following the end of a Cycle, a member must identify via the manner prescribed by the Corporation, those individuals who have not completed the Compliance [course](#) and who have been placed under supervision as per the penalties delineated in Section M.

#### **J. THE COMPLIANCE COURSE**

1. The 12-hour compliance [course](#) is a mandatory component of the Program for all [participants](#). [Participants](#) may choose a compliance [course](#) from an external [course](#) provider or a suitable training Program offered by their sponsoring Dealer Member.
2. Dealer Members may have an external [course](#) provider develop and deliver the compliance [course](#) or may develop and deliver their own internal course.
3. Courses may be accredited for Corporation CE credits through the Corporation's official accreditation process.
4. The use of a compliance [course](#) developed by a Dealer Member is subject to the following requirements:

- (a) The [course](#) developed must comply with the guidelines that form part of this policy.
- (b) [Participants](#) completing a [course](#) offered by a Dealer Member shall have the Dealer Member sign off on their successful completion of that course. The Dealer Member shall determine its own method of evaluating [Participants](#)' knowledge and understanding of the courses completed.

#### **K. PROFESSIONAL DEVELOPMENT COURSE**

1. [Participants](#) may choose a 30-hour Professional Development course from an external [course](#) provider or a suitable training Program offered by their sponsoring Dealer Member.
2. The [course](#) chosen by a Participant, whether from an external provider or one offered by the Dealer Member, must be approved by the Dealer Member's training supervisor or other responsible person as being relevant to that Participant's role in the [investment](#) industry.
3. Courses may be accredited for Corporation CE credits through the Corporation's official accreditation process.
4. Professional development courses developed and offered by the Dealer Member or an external [course](#) provider are subject to the following requirements:
  - (a) The courses must comply with the guidelines that form part of this policy.
  - (b) [Participants](#) completing courses offered by their sponsoring Dealer Member shall have the Dealer Member sign off on their successful completion of that course. The Dealer Member shall determine its own method of evaluating [Participants](#)' knowledge and understanding of the courses completed.

#### **L. CARRY-FORWARD PROVISIONS**

1. No carry forwards are permitted for the compliance [course](#) requirement.
2. A maximum of one approved [course](#) completed prior to the start of the current cycle that satisfies the minimum 30-hour requirement may be carried forward into the next cycle as a professional development credit. Starting with courses taken in Cycle 2, a [course](#) of less than 30 hours may not be carried forward into the next cycle.
3. Where a recently [Approved Person](#) completes a [course](#) that qualifies for the professional development requirement during that [Approved Person](#)'s first three years of registration, that [course](#) can be carried forward to apply to that [Approved Person](#)'s first cycle.
4. The Professional Financial Planning Course (PFPC), Investment Management Techniques Course (IMT) or Wealth Management Essentials Course (WME) may not be carried forward pursuant to subsection 2 if it was used as to satisfy the requirement of Rule 2900, Part 1, A, section 3(c).
5. A Multi-level program completed over a period of more than one year, such as a university degree program or the Chartered Financial Analyst (CFA) program, may satisfy the professional development [course](#) requirement for more than one cycle provided each program level meets the guidelines. A level can be carried forward to satisfy the requirement of the next cycle only.

#### **M. PENALTIES**

The following penalties shall be imposed for the failure of a Participant to complete the [course](#) requirements within a three-year cycle:

1. At the beginning of year one of the next three-year cycle, a monthly fee in the amount of \$500 shall be imposed against the Participant's sponsoring Dealer Member for a maximum of six months, or until the Participant completes the courses required, whichever occurs first.
2. If, at the end of the six-month period referred to in subsection 1, the Participant fails to complete the Program requirements, then the Participant's approval will be suspended automatically until such time as the participant successfully completes the [course](#) requirements.
3. If, at the end of the three-year cycle, the Participant fails to complete the compliance portion of the program, then a mandatory condition of close supervision, with reports to be retained at the Dealer Member firm, will be imposed on the Participant's registration until such time as [course](#) is successfully completed.
4. Any late completion fees paid in error will be refunded provided that the refund is claimed within 120 days of the first day of the month for which the fee was paid.

**N. HARDSHIP EXTENSION FROM COMPLETION OF COURSE REQUIREMENTS IN A THREE-YEAR CYCLE**

1. A Participant may be granted a hardship extension from the requirement to complete the [course](#) requirements within a three-year cycle due to, but not limited to, an illness if
  - (a) A partner, [Director](#) or [Officer](#) of the participant's sponsoring Dealer Member
    - (i) approves the delay of completion of the [course](#) requirements;
    - (ii) advises the Corporation of the reasons for the delay and
    - (iii) agrees to a new date for the completion of the [course](#) requirement; and,
  - (b) The [applicable](#) District Council, or its designate, in its discretion determines that the delay is warranted.
2. Despite subsection 1, the granting of such an extension does not permit the Participant to delay the commencement of the next three-year cycle.
3. In the case of an indefinite leave of absence, a Participant unable to complete their requirements for more than one cycle may receive an exemption from the Program provided that
  - (a) A partner, [Director](#) or [Officer](#) of the participant's sponsoring Dealer Member
    - (i) approves the exemption, and
    - (ii) outlines, in a letter delivered to the Corporation, the reasons for the exemption and specifying the leave is for an indefinite period; and
  - (b) The [applicable](#) District Council or its designate, in its discretion, determines that the exemption is warranted.
  - (c) Upon return to the industry and before engaging in any activity requiring registration
    - (i) after an absence of less than three years, the Participant's CE requirements will be determined by the [applicable](#) District Council
    - (ii) after an absence of more than three years, the Participant shall successfully complete the required proficiency courses as outlined in Rule 2900, Part I.

## GUIDELINES FOR THE CONTINUING EDUCATION PROGRAM

### INTRODUCTION

This part of Rule 2900, Part III sets guidelines for continuing acceptable education [course](#) content, length and rigour which each Dealer Member must comply with if practicable. The guidelines also recommend a process to aid firms in identifying appropriate suppliers and courses.

Dealer Members are not authorized to determine courses eligible for Voluntary Participation, as set out in Part G of this Rule.

The parameters and guidelines should be considered in the context of what is appropriate to the [individual](#), his or her position and responsibilities, and the needs of the firm. This can best be accomplished by each firm allocating responsibility to a single [person](#) for defining training needs and appropriate programs to address them. Depending on the firm, some responsibility for approval of an [individual](#) program may be delegated to the appropriate supervisor.

As part of the audit process, the Corporation will review a firm's continuing education program to ensure that it is properly documented and satisfies the guidelines.

### THE COMPLIANCE COURSE

#### A. BASIC PRINCIPLES

1. The Rule requires that certain Approved Persons successfully complete the compliance [course](#) within each three-year CE cycle. To determine which Approved Persons are required to take the course, please refer to the Rule itself.
2. A Dealer Member can choose to develop and deliver a compliance course, which reflects its own assessment of its current needs and priorities, or it may purchase a compliance [course](#) from an external provider. Alternatively, Dealer Members may offer a combination of both.
3. Compliance courses completed by branch managers, sales managers and others in a supervisory position should reflect their additional responsibilities.
4. The Dealer Member must maintain a record of successful completion of the compliance course.
5. As part of the audit process, the Corporation will review Dealer Member-developed compliance courses to ensure they satisfy the Guidelines.
6. If the compliance [course](#) program includes an examination, this examination must be successfully completed in order for the [course](#) to be applied towards the [individual](#)'s Compliance requirement.
7. Seminars that support other courses, or preparatory courses that support a [course](#) or examination, do not qualify separately for CE credit. The [course](#) or examination they support must be successfully completed in order to complete the CE requirement and the support or preparatory [course](#) hours may then be included in determining the duration of the total course. The CE credits for the preparatory [course](#) must be counted towards the same requirement (Compliance or Professional Development) as the applicable [course](#) and must be counted in the same CE Cycle.
8. A Participant who sits on a committee or council of the Corporation, or who teaches a financial [course](#) may receive CE credits provided the member firm determines that the issues dealt with are relevant. The member firm may determine the amount of time [applicable](#) towards CE Compliance credits.

9. Foreign courses that have a compliance portion can satisfy up to 1/3 (4 hours) of the Corporation's CE Compliance requirement for a cycle. The remaining 2/3 (8 hours) must be satisfied through Canadian compliance courses.
10. The Compliance requirement for Voluntary Participation is restricted to selected courses. For further information, see Voluntary Participation Courses in this guideline.

## **B. DELIVERY GUIDELINES**

1. The [course](#) or courses used to fulfill the compliance requirement must be a minimum of 12 hours in total duration.
2. The Guidelines have been developed to offer some flexibility to Dealer Members and their Approved Persons. The manner in which the topics are reviewed is left to the Dealer Member's discretion, provided the minimum 12-hour requirement for every three-year cycle is satisfied.
3. The Dealer Member may choose to deliver the compliance [course](#) in a number of ways. The following are examples of possible modes of delivery, but is not exhaustive:
  - (a) A Dealer Member may hold an 8-hour in-house compliance seminar, with 4 hours of preparatory reading and study. In the first part of the seminar, topic areas 1 - 4, below, could be reviewed. Then the information imparted could be used in the discussion of case studies during the remainder of the seminar, or
  - (b) A Dealer Member could offer the compliance [course](#) over the three years, by requiring their Approved Persons to participate in a minimum 4-hour seminar every year. However, the seminar must still cover at least one of the 4 topic areas set out below and must do so in sufficient depth.
4. It is up to the Dealer Member to determine what constitutes successful completion of the [course](#) by its Approved Persons. For example, a Dealer Member may:
  - (a) require its Approved Persons to write and pass a firm-developed and delivered exam,
  - (b) require its Approved Persons to write and pass an external [course](#) provider developed and delivered exam, or
  - (c) require a certificate of attendance and participation at a seminar.

The preceding list of examples is not exhaustive.

## **C. COURSE CONTENT**

1. The [course](#) content must fall within at least one of the following 4 major topic areas:
  - (a) Review of critical regulations and application
  - (b) Regulatory changes
  - (c) Rules relating to new products, if offered by the firm
  - (d) Ethics
2. Some examples of relevant issues for the 4 topic areas are provided below. Examples are given for both institutional and retail registrants. Certain of the examples will change over time to reflect emerging issues in the industry
  - (a) How the Securities Administrators and Self Regulatory Organizations Regulate Securities Industry Participants
  - (b) Regulatory Developments that Affect Firm Management

- (c) Disclosure of Information to Clients
  - (d) Registration and Continuing Education
  - (e) Operations and Firm Capital
  - (f) Sales and Trading Conduct – General
  - (g) Sales and Trading – Institutional Markets
  - (h) Current Developments in Bond Market Regulation
  - (i) Suitability and New Products
  - (j) Corporate Finance – New Rules
  - (k) Corporate Finance – Proposed New Rules
  - (l) Ethical issues and Case Studies
  - (m) Anti-money laundering laws and regulations and their implementations at the Dealer Member.
  - (n) Privacy
  - (o) Screening for Suitable Clients
3. The importance of certain topics may vary by Dealer Member, depending on the Dealer Member's business and the [participants'](#) [individual](#) responsibilities.
  4. Compliance courses may also be selected from courses accredited through the Corporation's official accreditation Program.

## **THE PROFESSIONAL DEVELOPMENT COURSE**

### **A. BASIC PRINCIPLES**

1. In general, the courses should be relevant to the securities industry and financial advisors, management-oriented, or designed to improve client service.
2. The subject matter of an [individual's](#) [course](#) or courses should reasonably reflect that [person's](#) skill requirements or be based on the firm's products and market strategies.
3. The program undertaken should reflect the industry's commitment to high quality client service, advice, and professionalism.
4. The subject matter should be educational and non-promotional in nature. For example, the following would not qualify: corporate events held exclusively to introduce or promote new product or service offerings, networking events, or motivational speakers.
5. Subject matter relating to issuer-specific/branded product qualifies if presented in the context of a larger education [course](#) or presentation. The general education portion of a [course](#) relating to a product category may be granted full credit for the number of hours it takes and the issuer-specific portion should be credited half credit.
6. The program's provider should be professional, having defined the program's learning outcomes in advance, and be able to certify a student's successful completion. Alternatively, the firm may certify a student's successful completion, and assume responsibility for this function.
7. If the [course](#) program includes an examination, this examination must be successfully completed in order for the [course](#) to be applied towards the [individual's](#) Professional Development requirement.

8. Seminars that support other courses, or preparatory courses that support a [course](#) or examination, do not qualify separately for CE credit. The [course](#) or examination they support must be successfully completed in order to complete the CE requirement and the support or preparatory [course](#) hours may then be included in determining the duration of the total course. The CE credits for the preparatory [course](#) must be counted towards the same requirement (Compliance or Professional Development) as the applicable [course](#) and must be counted in the same CE Cycle.
9. An [individual](#) who teaches a relevant [course](#) may receive CE credits provided the member firm determines that the issues dealt with are relevant to Professional Development. The member firm may determine the amount of time applicable towards CE Professional Development credits.
10. Foreign courses can be used to satisfy the entire Professional Development requirement provided the [course](#) relates to the business the participant is engaged in.
11. The Professional Development requirement for Voluntary Participation is restricted to selected courses. For further information, see Voluntary Participation Courses in this guideline.

## **B. DELIVERY GUIDELINES**

1. The course, or combination of courses, used to fulfill the Professional Development [course](#) must be at least 30 hours.
2. The Guidelines have been developed to offer some flexibility to Dealer Members and their Approved Persons. The manner in which the topics are reviewed is left to the Dealer Member's discretion, provided the minimum 30-hour requirement for every three-year cycle is satisfied.
3. The determination of delivery should consider both the most appropriate learning tools and the need to ensure that requirements have been met. In different situations, any of the following may prove to be appropriate
  - (a) Self-study materials which may contain an evaluation
  - (b) Material delivered electronically through computer-based technology
  - (c) Seminars and discussions delivered through internal or external providers
4. Material should, where possible, use cases and other application-based learning to develop problem-solving and decision-making skills. Training strategies should focus on product knowledge, regulatory knowledge, business development skills, managerial skills and client communication skills.
5. In some firms, programs have been developed beyond the basic licensing requirements for [investment](#) advisors, branch managers, and others. These courses are designed to develop additional skills particular to the position. This type of [course](#) would generally meet the criteria for the continuing education program. However, these courses must be of a non-promotional nature, i.e. there must be no specific product incentives attached.

## **C. COURSE CONTENT**

1. Generally, the courses ought to examine product groups, services and [investment](#) and financial strategies that the [individual](#) may offer to clients or managerial skill for individuals. More specifically, the courses and materials should deal with the following areas:
  - (a) Product category features which should be fully communicated to a client in recommending a product

- (b) Approaches to valuation of a product category and the product's applicable risk factors
  - (c) Strategies for investing in a product category including the particular client objectives in which it would provide the most suitable results
  - (d) The suitability of the use of leverage for a particular product category and [investment](#) strategy
  - (e) The features and [applicable](#) cost of a service which the firm offers
  - (f) The regulatory, tax and other features of a product or service which might affect its suitability
  - (g) Methods of evaluating competing products, services and [investment](#) strategies
  - (h) The suitability of a product category, service or strategy for clients with different financial, risk and knowledge profiles
  - (i) Managerial skills which would assist managers in meeting strategic and operational objectives
  - (j) Communication skills which would result in improved client service and determinations of client service
  - (k) Practice management skills which would provide tools to assist firm personnel in improving client service
  - (l) Technology used to enhance client service and the provision of advice.
  - (m) Screening for Suitable Clients – the quantitative and the qualitative
2. The following are some examples of external courses that would likely fit the criteria outlined in the framework for an [individual](#)'s [course](#) of study:
- (a) Additional licensing courses offered by the CSI Global Education Inc. such as derivatives courses may be used to satisfy the requirement; however, the Professional Financial Planning Course, Investment Management Techniques Course or Wealth Management Essentials course may be used only if it has not been used to satisfy the requirement of Rule 2900, Part I, Section A.3(c).
  - (b) Courses accredited through the Corporation's official accreditation Program.
  - (c) Relevant courses offered or endorsed by professional associations that have licensing and continuing education programs such as, CIMA, CFP, CFA, IQPF, CLU, insurance licensing and CSI designations
  - (d) Relevant courses delivered through established post secondary institutions.

#### **D. SUGGESTED PROCESS TO ESTABLISH TRAINING SOLUTIONS FOR MEETING CONTINUOUS EDUCATION REQUIREMENTS**

1. Identify Training Needs
  - (a) Identify knowledge and skills, which would impact positively on the firm and individuals.
  - (b) Identify the learning objectives expected from the program or course.
2. Identify the evaluation method(s) to be used.
3. Determine how successful completion is to be ascertained.

4. Identify the delivery mechanism
  - (a) Determine whether external or internal delivery is most appropriate approach.
  - (b) Determine external suppliers or internal experts who are professional and capable of providing delivery of material.
  - (c) Identify programs / courses that would deliver the skills and knowledge which would meet the firm and individual needs.
5. Cross-check outcomes desired against outcomes promised.

#### **VOLUNTARY PARTICIPATION COURSE REQUIREMENTS**

1. Courses used for Voluntary Participation are restricted to those identified by the Corporation.
2. Courses that qualify for Voluntary Participation have the following characteristics:
  - (a) They build upon or refresh the course materials of the CSC and CPH
  - (b) Each course used must be a minimum of 12 hours if Compliance-Related and a minimum of 30 hours if related to Professional Development
  - (c) They must include a learning evaluation process such as an exam or case study
  - (d) The course provider must provide proof of successful completion

## SCHEDULE 1

### CONTINUING EDUCATION/APPROVAL CATEGORY CHART

<b>Approval Category</b>	<b>Customer Type</b>	<b>Compliance course requirement</b>	<b>Professional development requirement</b>
<a href="#">Registered Representative</a>	Retail	Yes	Yes
<a href="#">Registered Representative</a>	Institutional	Yes	No
<a href="#">Investment Representative</a>	Institutional or Retail	Yes	No
Trader	Not Applicable	Yes	No
<a href="#">Supervisor</a> of RRs dealing with retail customers	Retail	Yes	Yes
Supervisors supervising IRs only	Retail	Yes	No
Supervisors supervising options trading only	Institutional or Retail	Yes	No
Supervisors supervising futures contract and futures contract options only	Institutional or Retail	Yes	No
Ultimate Designated Person	Not Applicable	Yes	No
Chief Compliance Officer	Not Applicable	Yes	No